

TAKA JEWELLERY HOLDINGS LIMITED
(Company Registration No. 201526542C)
(Incorporated in the Republic of Singapore)

SUBSCRIPTION OF SHARES IN SURREY HILLS HOLDINGS (PRIVATE LIMITED)

1. INTRODUCTION

The board of directors (the “**Board**” or “**Directors**”) of Taka Jewellery Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Equity Fintech Pte. Ltd. (“**Equity Fintech**”) has, on 18 August 2022, entered into (i) a shareholders’ agreement and (ii) a share subscription agreement (collectively the “**Subscription Agreements**”) to subscribe for 1,320,000 new shares (“**Subscription Shares**”) in Surrey Hills Holdings (Private Limited) (“**Surrey Hills**”) for a cash consideration of S\$1,760,000 (“**Consideration**”) and had, on the same day, completed the Subscription Agreements.

Following the completion of the Subscription Agreements, the Surrey Hills has become an indirect subsidiary of the Company.

2. INFORMATION ON SURREY HILLS

Surrey Hills is a private company limited by shares which was incorporated in Singapore on 1 October 2021 under the Companies Act 1967 and prior to completion of the Subscription Agreements, had a paid-up capital of S\$600,000. Surrey Hills is engaged in the business of, amongst others, owning and operating a grocer and food & beverage outlet named Surrey Hills Grocer, located at 511 Upper Jurong Road.

Prior to completion of the Subscription Agreements, Surrey Hills has an issued and paid-up share capital of S\$600,000 comprising 600,000 ordinary shares in the proportion as set out below:

Existing Shareholder	Number of ordinary shares	% of Share Capital
Teh Hwee Kian	60,000	10.0%
Lau Kang Peng	480,000	80.0%
Ng You Hao	60,000	10.0%
Total	600,000	100.0%

Following the completion of the Subscription Agreements, together with subscription of new shares by individual investors Mr Chew Tiam Poh and Ms Saw Siew Ee in Surrey Hills, Surrey Hills has an issued and paid-up share capital of S\$3,000,000 comprising 2,400,000 ordinary shares in the proportion as set out below:

Shareholder	Number of ordinary shares	% of Share Capital
Teh Hwee Kian	60,000	2.5%
Lau Kang Peng	480,000	20.0%
Ng You Hao	60,000	2.5%
Equity Fintech	1,320,000	55.0%
Chew Tiam Poh	120,000	5.0%
Saw Siew Ee	360,000	15.0%
Total	2,400,000	100.0%

Saved as disclosed above, to the best knowledge of the Board, the existing shareholders of Surrey Hills, Mr Chew Tiam Poh and Ms Saw Siew Ee are independent of the Company, its directors, substantial shareholders, and their respective associates.

3. THE SUBSCRIPTION AGREEMENTS

3.1 Consideration

The Consideration was arrived at following arm's length negotiations, on a willing-seller, willing-buyer basis and after taking into account the business plans, prospects and financial performance of Surrey Hills and the net book value of the Subscription Shares referred to in paragraph 3.2 of this announcement , as well as that the Subscription Shares are shares of a private company.

The Consideration shall be wholly satisfied in cash from the Company's internal resources.

3.2 Value of Assets

Based on the latest available unaudited accounts of Surrey Hills for the financial period from 1 January 2022 to 30 June 2022, the net book value of the Subscription Shares is approximately S\$500,000. Based on the above-mentioned, no independent valuation of the Subscription Shares was carried out for the purposes of the Subscription Agreements.

4. RATIONALE FOR THE SUBSCRIPTION AGREEMENTS

Having identified the potential revenue stream provided by Surrey Hills' business concept in food and beverage, the Board is of the view that the Subscription Agreements will enable the Company to seek investment returns from this investment. The Board has considered the terms of the Subscription Agreements and the potential prospects of Surrey Hills and is of the view that the Subscription Agreements is in the best interests of the Company.

Should the entry into the business of Surrey Hill significantly change the risk profile of the Group in future following this Subscription Agreements, the Company will seek shareholders' approvals under the listing rules where applicable.

5. NON-DISCLOSEABLE TRANSACTION

Based on the latest announced financial statements of the Company for the half-year financial period ended 31 December 2021 (“HY2022”), the relative figures of the Subscription Agreements as computed on the applicable bases set out in Rule 1006 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalyst (the “Catalist Rules”) do not exceed 5%.

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value.	Not applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	1.4 ⁽¹⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	4.77 ⁽²⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.	Not applicable

Notes:

- (1) Net profits is defined to be profit or loss before income tax, non-controlling interests and extraordinary items. Based on the unaudited net profits of approximately S\$26,000 for the financial period from 1 January 2022 to 30 June 2022 of the assets to be acquired and the Group's HY2022 net profits of approximately S\$1,905,000.
- (2) Based on the Consideration of S\$1,760,000 and the market capitalisation of the Company of S\$36,920,796 (determined by multiplying 559,406,000 existing issued shares (excluding treasury shares) by \$0.066, being the weighted average price of the Company's shares transacted on 17 August 2022).

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Subscription Agreements, other than through their respective shareholding interests in the Company.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Subscription Agreements will be made available for inspection during normal business hours at the registered office of the Company at 3 Kaki Bukit Place Eunos Techpark Singapore 416181 for a period of three (3) months from the date of this announcement.

BY ORDER OF THE BOARD

TEO BOON LENG

Managing Director

18 August 2022

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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