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

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**RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS SUBMITTED BY SHAREHOLDERS**

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1. The Board of Directors (the "**Board**") of Taka Jewellery Holdings Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**"), refers to:

   (a) the notice of annual general meeting ("**AGM**") dated 15 October 2026 informing Shareholders that the AGM of the Company will be held on Friday, 30 October 2026 at 9.00 a.m. at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181.

2. **Response to questions from Shareholders**. The Company would like to thank Shareholders for submitting substantial and relevant questions in advance of the AGM. The Company's responses are outlined in "**Annex A**" of this announcement.

**By Order of the Board**

Teo Boon Leng
Managing Director

26 October 2026

**ANNEX A**

1. **Growth. Revenue rose 59%, with retail helped by higher gold prices.**
    a. **Roughly how much of the growth came from higher volumes (existing stores, new outlets, online, wholesale), and how much from gold-linked prices?**
    b. **If gold stays near today's level, which of these drivers does management expect to keep growing in FY2027?**

    The Group's revenue growth in FY2026 was driven by growth across all three business segments and a wide range of products and services. Retail remained the Group's largest contributor, with revenue increasing by 65% to S$165.4 million. This growth was supported by active marketing initiatives, diverse design variation and expansion of the retail network. Both sales activity and movements in gold prices contributed to revenue growth in FY2026. However, the Group does not disclose a breakdown of revenue growth attributable to sales volume and pricing, as such information would reveal commercially sensitive pricing strategies in a competitive market.

    In FY2027, the Group will continue to focus on growth strategies for sales volume across all the segments.

2. **Gross margin. Gross margin was 26.8% (FY2025: 29.6%), and about 24.9% in the second half ("2H26").**
    a. **Is the second-half level closer to what management now plans around, or was it temporary?**
    b. **Which product or channel change would most help margins recover?**

    The gross margin in 2H26 was primarily affected by product sales mix and the growth in gold jewellery and related product sales. The gross margin recorded in 2H26 reflected the particular sales mix experienced during that period and should not necessarily be regarded as indicative of the Group's future gross margin.

    Gross margin should also be considered alongside the Group's overall profitability. Although gross margin declined by 2.8 percentage points, distribution costs as a proportion of revenue decreased by 3.1 percentage points, while administrative expenses as a proportion of revenue decreased by 0.7 percentage points. Consequently, net profit margin for FY2026 improved from 7.0% to 8.0%. Profit after tax increased by 81% in FY2026, compared with revenue growth of 59%.

    Management's priority is to maintain price competitiveness while exercising prudent procurement and inventory management, and to optimize product sales mix over time.

3. **Wholesale and exhibitions. Revenue grew 50% despite the postponed Middle East exhibitions.**
    a. **Was these mainly repeat buyers ordering more, or new buyers?**

b. **Have the postponed exhibitions been rescheduled within FY2027?**
c. **Is The Diamond Garden mainly bringing in new customers or replacing natural-diamond sales, and what is its main priority this year?**

The Group's customer base comprises both new and repeat buyers, and revenue growth over the years has been supported by both groups.

Some of the exhibitions postponed in FY2026 have been rescheduled.

The Diamond Garden complements the Group's natural diamond jewellery offerings and enables the Group to cater to a broader range of customer preferences. It serves a distinct customer base and market segment from traditional natural diamond jewellery. The priority for FY2027 is to expand market penetration through participation in international trade fairs. The Group will continue to assess market demand and customer response as the business develops.

4. **Pawnbroking. Pawnshop loans rose S$41.9 million, and the Letter to Shareholders says the Group will explore expanding its pawnbroking network selectively.**
   a. **Was the growth mainly more pledges, or larger loans as gold rose?**
   b. **Roughly how is the book split between pawn loans and other secured lending?**
   c. **What must a new outlet show before the Group commits, and does management expect to open any in FY2027?**

The increase in the pawnbroking loan book was attributable to both higher pledge volumes and higher average loan amounts.

In the Group's trade receivables by business segment, financial services receivables consist substantially of pawn loans, and other secured lending is insignificant to the total balance as at 30 June 2026.

The Group adopts a measured and selective approach to expanding its pawnbroking network, considering market demand, location, competition, operating costs, resource requirements and applicable regulatory requirements, as well as their strategic fit with the existing network. The Group does not have a firm timeline for further openings at this stage.

5. **Dividends and buy-backs (Resolutions 2 and 8). Thank you for doubling the dividend. The payout is about 13% of earnings (listed peers paid out about 25% to 35% for FY2025), and the shares trade near two-thirds of NAV.**
   a. **With no fixed dividend policy, what would need to be true, for example in loan growth or gearing, for the payout to move closer to peers?**
   b. **Does the Board intend to use the buy-back mandate while the shares trade below NAV, or is it a routine renewal?**

Currently, the Group does not have a fixed dividend policy. In determining dividend payments, the Board considers various factors, including earnings, financial position, cash flows, capital

requirements, prevailing business conditions and future development plans. Nonetheless, the Company notes that the SGX has introduced new listing rules requiring all issuers to maintain and disclose a dividend policy in their annual reports for financial years commencing on or after 1 January 2027, and the Company is in the process of preparing one.

Following the Group's sustained performance, the final dividend was increased from 0.179 Singapore cents per share in FY2024 to 0.268 Singapore cents per share for FY2025, and further to 0.536 Singapore cents per share for FY2026. Any future dividends (including the quantum thereof) will continue to be assessed considering the Group's financial position, working capital requirements, debt reduction, and investment opportunities.

The Board will consider all relevant factors before deciding whether to exercise the share buy-back mandate. The mandate will not be exercised if doing so would result in a material adverse effect on the Group's financial position and share trading liquidity.

6. **Funding. Operating cash flow was negative as pawn loans, receivables and inventory grew, and about 88% of borrowings fall due within a year.**
    a. **Is existing bank headroom enough for planned FY2027 growth, or would new facilities be needed?**
    b. **What gearing range does the Board plan around, and is it considering longer-dated funding?**

The Group's existing banking facilities are sufficient to support its current business plans. Management regularly reviews the Group's gearing and funding requirements through cash flow planning and will consider longer-dated funding to match its longer-term capital requirements as the business grows. The Group's gearing position is within the industry range compared with its peers.

The Group's short-term revolving loans are structured to match the short maturity profile of its pawnbroking lending book, with receivables generally having remaining maturities ranging from two to twelve months. This approach aligns short-term assets with short-term funding. As disclosed in Note 28 to the financial statements, the Group assesses its refinancing concentration risk as low and expects maturing facilities to be rolled over with existing lenders.

7. **A fall in gold prices. If gold fell by, say, 20%, where would the Group feel it first: inventory, margins or pawn collateral? What loan-to-value buffer and hedging protect the Group, and how have auction shortfalls trended?**

There is no direct or proportionate relationship between gold prices and the Group's jewellery margins, inventory values and pawn collateral coverage, as other factors such as sales mix, purchasing policy and inventory management, also determine the extent and timing of the impact. A 20% fall in gold prices would therefore not necessarily result in a corresponding impact.

Pawn loans are extended at a fraction of the assessed collateral value, providing a degree of protection against price fluctuations. The Group's bullion loans, which are linked to prevailing market bullion prices, provide a natural hedge against a portion of its gold inventory and pledge exposure. They are designated at fair value through profit or loss and pegged to market bullion prices.

Regarding the former concept of "auction shortfalls" arising from unredeemed pledges, Singapore's pawnbroking framework provides for the forfeiture of unredeemed pledges following the prescribed notice process, rather than compulsory public auction. Accordingly, the relevant financial consideration is the recoverable value of forfeited items relative to the associated lending exposure and costs. Given the low forfeiture rate of pledges and an adequate loan-to-value buffer, no adverse trend in expected credit losses was observed during the financial year.

8. **Audit difference (Resolutions 1 and 6). Could management briefly explain the Company-level difference between the unaudited and audited accounts announced on 7 October? What closing-process change will apply from FY2027?**

   As disclosed in the announcement dated 7 October 2026, the audit difference stems from the Company's inadvertent omission in recording, at the Company level, dividend income of S$2,000,000 declared by a wholly owned subsidiary in October 2025. This has been corrected in the Audited Financial Statements. There is no change or financial impact at the Group level, as this is an intra-group item that eliminates on consolidation.

   Management has strengthened the relevant controls to reduce the risk of similar omissions in future reporting periods.

9. **Loan covenants. For the covenants on its non-current bank loans (minimum tangible net worth, maximum net gearing and debt service cover), Note 18 says the Group has no indication that it will have difficulty complying. As borrowings grow with the loan book, is there still comfortable headroom, particularly on net gearing?**

   The Group regularly monitors compliance with its financial covenants. Based on the latest assessment, the Group does not anticipate difficulty in complying with the applicable covenant requirements.

   The Group will continue to monitor its gearing, debt-servicing capacity and overall financial position as its borrowing requirements evolve.

10. **Pawn book quality. As gold prices fluctuate, has the average loan-to-value at origination stayed broadly unchanged? Has the proportion of pledges not redeemed been stable compared with FY2025?**

The average loan-to-value ratio at origination has remained broadly unchanged despite fluctuations in gold prices. The proportion of unredeemed pledges has also remained broadly stable compared with FY2025.

**11. Inventory cost and gross profit. Finished goods are carried at cost on a specific-identification basis (Note 2.15).**

**a. Did selling stock made at lower gold prices add meaningfully to FY2026 gross profit, and would that effect fade if gold stays flat?**

**b. What did the S$1.1 million write-off of obsolete stock relate to?**

The Group's gross profit is affected by various factors, including gold prices, inventory costs and sales mix. Most finished goods are carried at cost on a specific-identification basis. Selling prices are generally determined by applying a mark-up to the cost of each item, rather than by direct reference to the prevailing gold price at the time of sale, although gold prices may be one of the factors Management considers in setting the mark-up. As a result, higher gold prices do not directly and proportionately translate into higher gross profit.

Additionally, as certain gold-related products with short trade cycles have a fast turnover rate, the gross margin on these products is relatively stable. Accordingly, if gold prices remain stable, the Group does not expect any significant change in gross margin from this factor, and future gross margins will continue to depend on factors such as procurement costs, selling prices and product mix.

The S$1.1 million write-off of obsolete stock arose from the Group's inventory review, which took into account the physical condition and commercial value of stock, prevailing market conditions, current and expected demand, and the costs of reworking the inventory.

**12. Globe Diamonds. How does the 50%-owned associate fit the Group's plans, given the S$0.7 million share of its loss and lower purchases from it in FY2026?**

Globe Diamonds is a 50%-owned associate engaged in the wholesale of diamonds. It provides the Group with access to diamond supplies on commercial terms, alongside the Group's other sourcing relationships. The Group is a customer of the associate and is not dependent on it for its diamond supplies.

Purchases from Globe Diamonds decreased from S$3.57 million in FY2025 to S$1.79 million in FY2026, reflecting the Group's sourcing decisions during the year rather than a change in the relationship.

The Group remains focused on optimising its business portfolio and allocating resources to areas with higher growth potential. The Company will make the necessary announcements should there be any material developments relating to the associate.

**13. Interest-rate sensitivity. Most borrowings are revolving loans (S$76.7 million of S$110.5 million) repayable within one to three months. Does the S$199,000 sensitivity to a 100-basis-point rate change include them?**

The interest-rate sensitivity disclosed in the audited financial statements takes into account all loans and borrowings.

**14. Sponsor and liquidity. What does the Board hope the new continuing sponsor, Novus, will bring? Has the Board considered steps to broaden the shareholder base or improve trading liquidity?**

The Board welcomes Novus as continuing sponsor and expects it to provide ongoing guidance on Catalist-rule compliance, corporate governance and disclosure obligations. The Board recognises the value of broadening the shareholder base and improving trading liquidity, and will continue to enhance investor communications and engagement.

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*This announcement has been reviewed by the Company's sponsor, Novus 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Lin Huiying, Head of Continuing Sponsorship, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.*