NOEL GIFTS INTERNATIONAL LTD.
Company Registration No. 198303940Z
(Incorporated in Singapore)

RESPONSE TO QUESTIONS FROM SIAS

The Board of Directors of Noel Gifts International Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the questions received from the Securities Investors Association (Singapore) ("**SIAS**") in relation to the Company's annual report for the financial year ended 30 June 2026 ("**FY2026**") and wishes to provide its responses to the questions raised.

SIAS Question 1:

The Group successfully delivered the SG60 Baby Gift project during the financial year. Despite this, revenue declined by 1.2% to $17.39 million from $17.60 million in FY2025, while gross profit fell by 3.5%, or approximately $0.31 million, to $8.54 million.

Profit attributable to shareholders increased to $0.36 million, from $0.26 million in FY2025, driven primarily by a 12.6% reduction in administrative expenses, equivalent to approximately $0.93 million including lower staff costs (of $0.74 million), and a $0.26 million write-back of expected credit loss allowances.

(i) Given the decline in revenue and the reduction in headcount from 114 to 95 employees, what is the Group's target operating model for the Gifts segment? Can management quantify how much of the headcount reduction came from improved productivity, automation or removal of excess capacity, as opposed to lower business volumes? What specific growth initiatives does the Group have going forward?

(ii) How is the Group applying artificial intelligence across its business, beyond general exploration or experimentation? Which specific processes or customer-facing activities are being targeted, and what measurable benefits have been realised in areas such as labour productivity, operating costs, sales conversion or customer experience?

The Group is modernising its legacy enterprise resource planning (ERP) system to improve operational efficiency and financial governance. It also migrated its e-commerce platform to Shopify to enhance cybersecurity, streamline operations and improve the online shopping experience.

(iii) What is the expected completion date and total cost of the ERP modernisation? What annual cost savings are expected from the ERP modernisation and Shopify migration projects?

(iv) Following the migration to Shopify, what improvements have been observed in website conversion rates, online sales, fulfilment efficiency, cybersecurity and operating costs?

Company's response:

The Company is unable to disclose further details in response to Questions 1(i) to 1(iv) as the requested information is commercially sensitive and its disclosure could adversely affect the Group's competitive position.

SIAS Question 2:

The Group acquired a 3,301 sqm freehold land parcel at Jalan Jamal and Elite Park Avenue for $39.5 million on 18 March 2025. In its FY2025 annual report, management indicated that work would commence in 2026 to develop up to ten three-storey landed residential units.

In the FY2026 annual report, the development plans were revised to comprise six semidetached houses and three detached houses, each designed as a three-storey residence with an attic, private swimming pool and basement car park. The Group has appointed a main contractor and is preparing to launch the development in the first half of 2027, with construction targeted to commence in the fourth quarter of 2026.

(i) Given that the land was acquired in March 2025 and sales are expected to launch only in the first half of 2027, what are the main factors driving this two-year timeline? Has management encountered any unexpected delays, and if so, what additional holding costs and execution risks have arisen as a result?

(ii) How has management assessed demand and buyer affordability for this specific mix of semi-detached and detached homes, and how will it determine launch prices to optimise profitability without compromising sales velocity?

(iii) Was the main contractor appointed under a fixed-price contract? If not, how does management intend to manage construction cost inflation and protect the project's target margin?

Company's response:

The Company is unable to disclose further details in response to Questions 2(i) to 2(iii) as the requested information is commercially sensitive and its disclosure could adversely affect the Group's competitive position.

SIAS Question 3:

The attendance of directors at board and board committee meetings is shown on page 57 of the annual report and reproduced below.

Board and Committee Meetings held in the financial year ended 30 June 2026 ("FY2026")

Directors attend and actively participate in Board and Committee meetings. The number of Board Meetings held during FY2026 and the attendance record at those meetings were as follows:

Name	Board Meeting		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings		No. of meetings		No. of meetings		No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Wong Siu Hong Alfred	3	2	2	2[1]	1	1[1]	1	1[1]
Mdm Wong Phui Hong	3	2	2	2[1]	1	1[1]	1	1[1]
Mr Foo Der Rong	3	2	2	2	1	1	1	1
Mr Aric Loh Siang Khee[2]	1	1	1	1	1	1	1	1
Mr Chee Teck Kwong Patrick	3	2	2	2	1	1	1	1
Mr Foong Daw Ching[3]	2	1	1	1	–	–	–	–

Notes:
1. By invitation.
2. Mr Aric Loh Siang Khee retired as a Director with effect from 28 October 2025.
3. Mr Foong Daw Ching was appointed as a Director with effect from 27 November 2025.

(Source: company annual report)

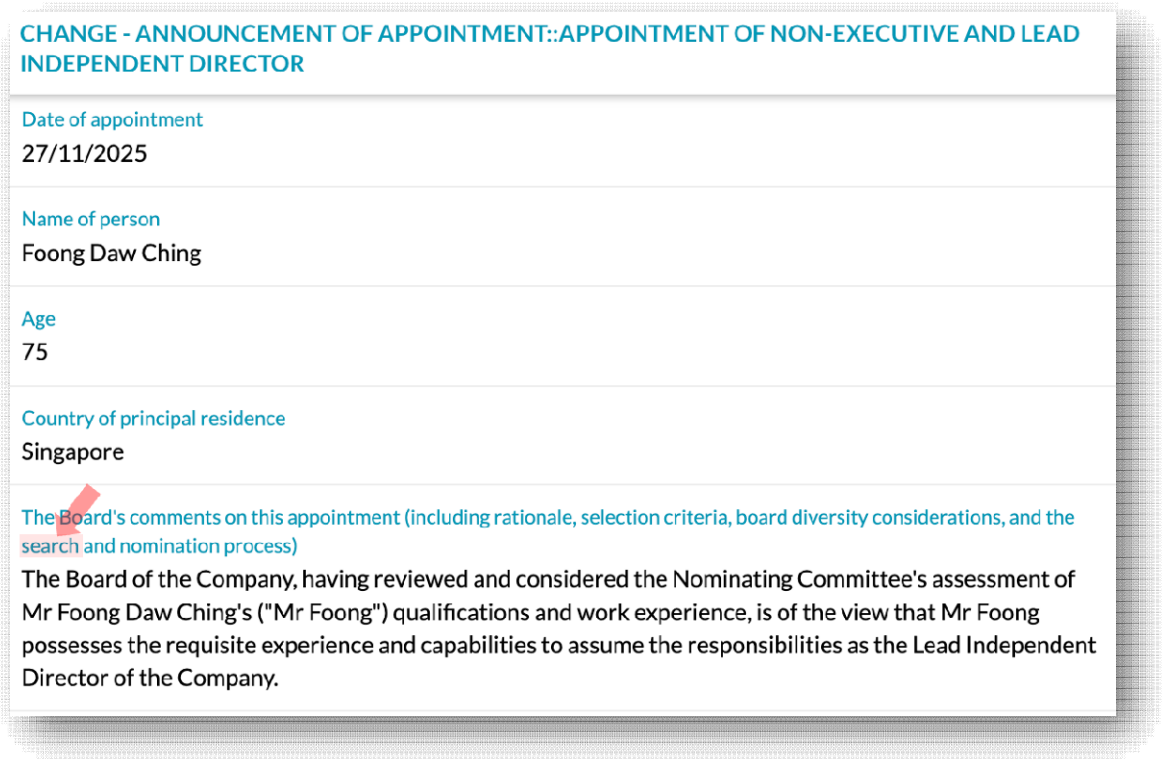
The number of board meetings declined from six in FY2024 to five in FY2025 and three in FY2026. Despite the lower number of meetings, each of the remaining directors missed one board meeting in FY2026.

(i) What extenuating circumstances, if any, could explain the fact that every director missed one board meeting in FY2026? Was there at least one meeting during the year at which all directors were present to facilitate a full and robust discussion of the matters before the board? If not, how did the board ensure that its deliberations and oversight were not compromised?

Company's response:

All Directors attended the Board meetings held during their respective tenures in FY2026. An administrative error was identified in the disclosure of Directors' attendance at Board meetings on page 57 of the Company's FY2026 Annual Report. The Company will issue a corrigendum via SGXNet to rectify the error.

Separately, the Company announced the appointment of Mr Foong Daw Ching with effect from 27 November 2025.



CHANGE - ANNOUNCEMENT OF APPOINTMENT::APPOINTMENT OF NON-EXECUTIVE AND LEAD INDEPENDENT DIRECTOR

Date of appointment
27/11/2025

Name of person
Foong Daw Ching

Age
75

Country of principal residence
Singapore

The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)
The Board of the Company, having reviewed and considered the Nominating Committee's assessment of Mr Foong Daw Ching's ("Mr Foong") qualifications and work experience, is of the view that Mr Foong possesses the requisite experience and capabilities to assume the responsibilities as the Lead Independent Director of the Company.

(Source: https://links.sgx.com/1.0.0/corporate-announcements/FNYK44ZAPQOWHNRS/3ff2b3f81db9b09da98472d085710022631b00f361ac5c78acc0442c4821a039)

Mr Foong Daw Ching also sits on other listed boards, namely Suntar Eco-City Limited and ABR Holdings Limited. Mr Foong Daw Ching resigned from Goodwill Entertainment Holding Limited "*to manage his personal affairs*" on 30 June 2026. He also holds other directorships such as in St Luke's Eldercare Ltd. and St. Luke s Hospital.

(ii) What was the formal search process that led the nominating committee to recommend Mr Foong Daw Ching for appointment to the board, as required by the SGX announcement template?

Company's response:

The Nominating Committee and the Board interviewed several candidates, including Mr Foong Daw Ching, and following the conduct of due diligence, were satisfied with his suitability for appointment as a Director of the Company.

BY ORDER OF THE BOARD

Ong Beng Hong and Lee Yuan
Joint Company Secretaries

27 October 2026