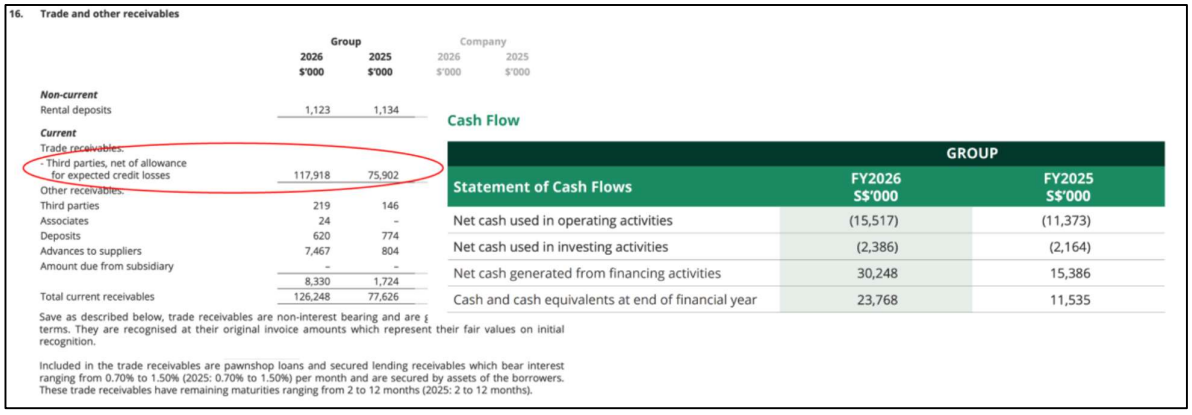
TAKA JEWELLERY HOLDINGS LIMITED
(Company Registration No.: 201526542C)
(Incorporated in the Republic of Singapore)

RESPONSE TO QUESTIONS RECEIVED FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (the "**Board**") of Taka Jewellery Holdings Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**") would like to provide its responses to the questions received from Securities Investors Association (Singapore) ("**SIAS**") prior to the Annual General Meeting which will be held on 30th October 2026 at 9.00 a.m. at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181.

1. The group reported an 81% increase in net profit to $22.7 million in FY2026, compared to $12.5 million in FY2025. However, net cash used in operating activities increased to $(15.52) million from $(11.37) million. Trade receivables also rose from $75.9 million to $117.9 million as at 30 June 2026, with the increase largely attributable to a $41.9 million rise in pawnshop loans.



16. Trade and other receivables

	Group 2026 $'000	Group 2025 $'000	Company 2026 $'000	Company 2025 $'000
Non-current				
Rental deposits	1,123	1,134		
Current				
Trade receivables:				
- Third parties, net of allowance for expected credit losses	117,918	75,902		
Other receivables:				
Third parties	219	146		
Associates	24	–		
Deposits	620	774		
Advances to suppliers	7,467	804		
Amount due from subsidiary	–	–		
	8,330	1,724		
Total current receivables	126,248	77,626		

Save as described below, trade receivables are non-interest bearing and are g terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in the trade receivables are pawnshop loans and secured lending receivables which bear interest ranging from 0.70% to 1.50% (2025: 0.70% to 1.50%) per month and are secured by assets of the borrowers. These trade receivables have remaining maturities ranging from 2 to 12 months (2025: 2 to 12 months).

Cash Flow

Statement of Cash Flows	GROUP FY2026 S$'000	GROUP FY2025 S$'000
Net cash used in operating activities	(15,517)	(11,373)
Net cash used in investing activities	(2,386)	(2,164)
Net cash generated from financing activities	30,248	15,386
Cash and cash equivalents at end of financial year	23,768	11,535

(Adapted from company annual report)

(i) What is the current outstanding balance of pawnshop loans, and how much further growth can the group accommodate within its existing capital and liquidity position? For the non-pawnbroking trade receivable balances, how has the ageing profile changed?

As disclosed in Note 28(a) to the audited financial statements, the outstanding balance of financial services receivables as at 30 June 2026 was $93.7 million. Financial services receivables consist substantially of pawnshop loans, while other secured lending is insignificant as at 30 June 2026.

The Group's existing banking facilities are sufficient to support its current business plans. Management will continue to assess funding capacity and liquidity before pursuing further growth.

The non-pawnbroking trade receivable balances relate primarily to that of the "wholesale and exhibitions jewellery business". The ageing profile of these trade receivable balances as at 30 June 2025 and 2026 has been summarised in the table in Question 2 below.

Net debt increased by $28.8 million to $94.9 million in FY2026, with net debt to equity rising from 46.8% to 58.4%.

	Group	
	2026 $'000	2025 $'000
Loans and borrowings (Note 18)	110,489	67,799
Bullion loans (Note 19)	2,809	4,775
Lease liabilities (Note 23)	9,867	8,565
Less: Cash and bank balances (Note 17)	(28,275)	(15,035)
Net debt	58.4% 94,890	46.8% 66,104
Equity attributable to the owners of the Company	162,344	141,173
Total capital	257,234	207,277
Gearing ratio	36.9%	31.9%

(Source: company annual report; additional calculation by SIAS)

(ii) What gearing or net debt limits has the board established? Has management stress-tested the group's ability to service its debt and meet working capital requirements under scenarios involving slower receivables collection, lower gold prices, weaker jewellery sales or a contraction in pawnbroking activity?

The Group monitors gearing using the measure disclosed in Note 30 to the audited financial statements, namely net debt as a proportion of total capital, where total capital refers to the sum of net debt and equity attributable to the owners of the Company. This ratio increased from 31.9% to 36.9% in FY2026. Using the net-debt-to-equity measure calculated by SIAS, the ratio increased from 46.8% to 58.4% over the same period. Both measures reflect the same $28.8 million increase in net debt, which was mainly used to fund the growth of the pawnbroking loan book.

Management closely monitors the Group's cash flow position and prepares regular cash flow forecasts and plans to assess funding and working capital requirements. These forecasts take into account the Group's foreseeable and probable scenarios. The Group will also continue to monitor its gearing, debt-servicing capacity and overall financial position as its borrowing requirements evolve.

2. The "allowance for impairment of trade receivables from the group's wholesale and exhibition jewellery business" is a key audit matter[1] (KAM) highlighted by the independent auditors in their report on the audit of the financial statements. As noted in the KAM, these trade receivables are significant to the group, representing 7% of total assets as at year end.

The credit risk exposure on the group's trade receivables from the group's jewellery business using provision matrix is shown below.

Summarised below is the information about the credit risk exposure on the Group's trade receivables from the Group's jewellery business using provision matrix.

Group	Less than 1 year $'000	1 to 3 years $'000	More than 3 years $'000	Total $'000
30.6.2026				
Gross carrying amount	25,450	2,340	5,861	33,651
Loss allowance	(1,215)	(1,697)	(5,404)	(8,316)
30.6.2025				
Gross carrying amount	18,071	1,530	5,692	25,293
Loss allowance	(231)	(657)	(5,666)	(6,554)

(Source: company annual report)

Note: [1] Key audit matters are those matters that, in the professional judgement of the Independent Auditor, were of most significance in the audit of the financial statements of the current period.

(i) What are the profiles of the customers with overdue trade receivable balances? What recovery actions has management taken? Has the board assessed whether customer credit assessment, credit limits, payment terms or ongoing monitoring could be strengthened?

The overdue trade receivables balances arose mainly from the Group's wholesale and exhibition jewellery business and included customers in Asia, West Asia and America. The older balances are substantially provided for as shown in the table above. Of the $5.9 million outstanding for more than three years, $5.4 million has been provided for impairment. Of the $2.3 million outstanding for one to three years, $1.7 million has been provided for impairment.

As disclosed in Note 28(a) to the audited financial statements, the Group applies the simplified approach and recognises a loss allowance based on lifetime expected credit losses (ECLs) at each reporting date. Trade receivables that are credit impaired are assessed for impairment by making debtor-specific assessment. The ECL model considers the Group's assessment of the collectability, analysis of historical analysis and credit losses, and aging analysis of trade receivables.

Notably, trade receivables from the wholesale and exhibition segment rose 27% while segment revenue rose 50%. This improvement reflects the Group's efforts to strengthen credit control.

Management continues to review the effectiveness of these controls and will implement enhancements where appropriate to strengthen collection efforts and mitigate credit risk.

Separately, the group also wrote off $1.07 million of inventory during FY2026.

(ii) What were the main reasons for the $1.07 million inventory write-offs in FY2026, and which product categories accounted for the largest amounts? What changes has management made to inventory purchasing, ageing reviews and stock controls to reduce the risk of further write-offs?

The $1.07 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.

The $1.07 million write-off was relatively small compared with the Group's total inventory balance of $138 million, representing approximately 0.8% as at 30 June 2026.

Management continues to monitor inventory condition, aging and movements through its existing inventory controls and review processes.

3. **On 2 October 2026, the company announced the appointment of Novus Corporate Finance Pte. Ltd. as its new continuing sponsor, replacing PrimePartners Corporate Finance Pte. Ltd., with effect from 4 October 2026. The company attributed the change to "commercial reasons".**

   (i) Could the independent directors explain the specific reasons for changing sponsors, beyond the stated "commercial reasons"? Did the board identify any new focus areas or new requirements that prompted the change, and what improvements does it expect from the new continuing sponsor?

   The previous continuing sponsor has served the Company for more than 10 years, since the Company's listing on Catalist. The Independent Directors note that the change in continuing sponsor followed the Board's periodic review of the Company's sponsorship arrangements as part of its ordinary governance processes. In considering the length of the previous continuing sponsor's tenure, the Company's business, scale, and strategic priorities, the Board concluded that the appointment of Novus Corporate Finance Pte. Ltd. ("**Novus**") was appropriate for the Company's current needs and next phase of development.

   The Board welcomes Novus as the Company's continuing sponsor and expects it to provide ongoing guidance on Catalist-rule compliance, corporate governance and disclosure obligations.

   (ii) What criteria did the board use to evaluate potential replacement sponsors, and what factors distinguished Novus from the alternatives considered?

   In evaluating eligible Catalist sponsors, the Board considered each firm's track record, its experience with issuers of comparable size and sector, the composition of the proposed engagement team, its capital markets capability and the fees proposed. Following consideration of the available options and assessment of eligible Catalist sponsors, the Board concluded that the appointment of Novus is in the best interests of the Company and its shareholders.

   (iii) Does the board intend to pursue a transfer from Catalist to the SGX Mainboard? If so, what are the principal eligibility requirements the company has yet to meet, and what milestones and timeframe has management established to achieve them?

   The Company will make the appropriate announcement in accordance with the Catalist Rules should it pursue a transfer from Catalist to the SGX Mainboard.

BY ORDER OF THE BOARD

Teo Boon Leng
Managing Director

29 October 2026

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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.