



AJJ MEDTECH HOLDINGS LIMITED
(Company Registration No: 198403368H)
(Incorporated in the Republic of Singapore)

**MATERIAL UNCERTAINTY RELATED TO GOING CONCERN BY INDEPENDENT AUDITOR
ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025**

In compliance with Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), the Board of Directors (the “**Board**”) of AJJ Medtech Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s Independent Auditors, UHY Lee Seng & Co (the “**Auditors**”) has included a material uncertainty related to going concern in their report on the audited financial statements of the Group and Company (the “**Independent Auditors’ Report**”) for the financial year ended 31 December 2025 (“**FY2025**”) (the “**Audited Financial Statements**”). The opinion of the Auditors is not modified in respect of this matter.

The independent Auditors’ Report is annexed to this announcement for information purposes. The Independent Auditors’ Report and the Audited Financial Statements will form part of the Company’s Annual Report for FY2025 (the “**2025 Annual Report**”) which will be released to the shareholders of the Company (the “**Shareholders**”) in due course. Shareholders are advised to read the Independent Auditors’ Report and the 2024 Annual Report in their entirety.

Going Concern

The following is an extract of Note 2.1 to the Audited Financial Statements pertaining to the subject of this announcement.

Note 2.1:

The Group reported a loss after tax of S\$2,931,000 (2024: S\$3,865,000) and incurred net operating cash outflows of S\$1,143,000 (2024: S\$1,615,000) and, as at 31 December 2025, the Group has net liabilities of S\$2,713,000 (2024: S\$1,463,000). In addition, as at 31 December 2025, the Group and the Company have net current liabilities of S\$3,172,000 (2024: S\$2,021,000) and S\$2,773,000 (2024: S\$1,633,000) and cash and bank balances of S\$414,000 (2024: S\$8,000) and S\$321,000 (2024: below S\$1,000) respectively. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and the Company to continue as going concerns.

The ability of the Group and the Company to continue as going concerns are dependent on the ability of the Group and the Company to generate sufficient cash flows and have the necessary funds to meet the working capital requirements of the Group’s operations and to settle its liabilities as and when they fall due.

Board’s Comments

Barring any unforeseen circumstances, the directors are of the view that it is appropriate for the Audited Financial Statements of the Group and Company to be prepared and presented on a going concern basis, having regard to the following:

- i. The Company has any has received a written confirmation from Dr. Zhang Jian, the controlling shareholder, indicating his continued intention to support the working capital requirements of the Group and Company, as and when required.

- ii. The Company has received written confirmations from the executive directors that they do not intend to request immediate repayment of directors' fees and other balances owed to them at least for the period after 31 December 2025 until April 2027.
- iii. The Company has obtained written confirmations from key management personnel that they will not demand immediate repayment of all salaries and other balances outstanding as at 31 December 2025 until April 2027, and that salaries payable from 1 January 2026 until April 2027 will also be deferred until April 2027.
- iv. Subsequent to the financial year, the Group secured an institutional contract with an estimated total value of approximately S\$3 million over four years for the supply of biodegradable medical consumables to hospitals in Singapore. The expected cash inflows have been incorporated into the Group's cash flow projections.
- v. Management will continue to implement measures to enhance cash flow management, including cost optimisation, working capital management and operational efficiency initiatives.

After considering the above matters, the Board has concluded that the going concern basis of preparation remains appropriate and that the Group and the Company will be able to meet their obligations as and when they fall due for at least twelve months from the date the financial statements are authorised for issue.

Accordingly, the financial statements do not include adjustments relating to the recoverability and reclassification of recorded asset amounts or the amounts and reclassification of liabilities that might be necessary should the Group and the Company be unable to continue as going concerns. Should the going concern assumption be inappropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position, to provide for further liabilities that may arise, and to reclassify non-current assets and non-current liabilities as current. No such adjustments have been made in the financial statements.

Further, the Board is of the opinion that sufficient information has been disclosed for the trading of the Company's securities to continue in an orderly manner and the Board is not aware of any material information that requires disclosure but remains undisclosed as of the date of this announcement.

This announcement is to be read in conjunction with the attached Independent Auditors' Report and the Financial Statement.

Shareholders are advised to read the FY2025 Audited Financial Statements which will be released on SGXNET as part of the Company's Annual Report for FY2025.

By Order of the Board

Zhao Xin
Chief Executive Officer and Executive Director
15 April 2026

*This announcement has been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

This announcement has not been examined by the SGX-ST, and the SGX-ST 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 details of the contact person for the Sponsor are: -

*Name : Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited
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INDEPENDENT AUDITOR'S REPORT

To the members of AJJ Medtech Holdings Limited
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AJJ Medtech Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)s**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“**ACRA Code**”), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the consolidated financial statements, which indicates that for the financial year ended 31 December 2025, the Group reported a loss after tax of S\$2,931,000 and incurred net operating cash outflows of S\$1,143,000. As at 31 December 2025, the Group has net liabilities of S\$2,713,000 and both the Group and the Company have net current liabilities of S\$3,172,000 and S\$2,773,000 respectively.

As stated in Note 2.1, these conditions, along with other matters as set forth in Note 2.1, indicate that a material uncertainty exists that may cast significant doubt on the ability of the Group and the Company to continue as going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended 31 December 2024 were audited by another auditor, whose report dated 15 April 2025 expressed an unmodified opinion and included a *Material Uncertainty Related to Going Concern* section.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment Assessment of the Company's Investment in Subsidiaries
(Refer to Notes 2.15, 3.2(i) and 13 to the financial statements).

The Company's carrying amount of investment in subsidiaries amounted to S\$4,044,000 which accounted for 75.9% of the Company's total assets as at 31 December 2025.

Where there is an indication of impairment, management is required to assess the recoverable amount of its investment in subsidiaries which is the higher of the fair value less costs of disposal and its value in use of the subsidiaries assessed as a Cash-Generating Unit (“**CGU**”).

INDEPENDENT AUDITOR'S REPORT

To the members of AJJ Medtech Holdings Limited
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

As disclosed in Note 13 to the financial statements, management performed an impairment test on an investment in subsidiary for which indicators of impairment had been identified. Management estimated the recoverable amount of the investment in subsidiary by assessing the value in use. As the value in use exceeded the carrying amount, management concluded that no impairment was required and it was not necessary to estimate the fair value less costs of disposal.

We identified this as a key audit matter because the determination of the recoverable amount of the Company's investment in subsidiaries involved significant judgement and estimation. In performing the assessment, management made key assumptions relating to future market and economic conditions, including revenue growth rates, discount rate and terminal growth rate.

Our audit procedures included, among others:

- Evaluated the Company's process for identifying potential impairment indicators for investment in subsidiaries;
- Assessed the appropriateness of management's impairment methodology, including the determination of relevant cash-generating units;
- Evaluated the value-in-use model applied by management and reperforming the mathematical accuracy of the model;
- Assessed whether the projected cash flows used in the impairment assessment were based on, and broadly consistent with, budgets and forecasts approved by the Board of Directors;
- Assessed the reasonableness of key assumptions used by management, including revenue growth rates, discount rate and terminal growth rate, with reference to historical results, approved budgets and external market data, where relevant;
- Performed sensitivity analyses on the key assumptions to evaluate the impact of reasonably possible changes in those assumptions on the recoverable amounts; and
- Assessed the adequacy of the related disclosures in the financial statements.

Recoverability Assessment of the Company's Amount Due from Subsidiaries (Refer to Notes 2.17, 3.2(iv) and 15 to the financial statements)

The Company's gross amount due from subsidiaries totalled S\$1,286,000 which accounted for 24.1% of the Company's total assets as at 31 December 2025.

Management has performed an impairment review based on the expected credit loss ("ECL") model and determined that the ECL allowance on the amount due from subsidiaries was S\$507,000 as at 31 December 2025.

The determination of the loss allowance requires management to exercise significant judgement in evaluating the recoverability of the outstanding balances using historical and forward-looking information, including the subsidiaries' financial performance, financial position and the expected manner and timing of recovery of the outstanding balances.

We identified this as a key audit matter because significant judgement and estimation is required in assessing the recoverability of the amounts due from subsidiaries and the appropriateness of the ECL allowance as at 31 December 2025.

Our audit procedures included, among others:

- Reconciled the outstanding balances to the underlying accounting records and assessed the profile of the balances, including long-outstanding amounts;
- Evaluated the reasonableness of management's assumptions and judgements used in the determination of ECL allowance, including consideration of historical and forward-looking information relevant to the subsidiaries;

INDEPENDENT AUDITOR'S REPORT

To the members of AJJ Medtech Holdings Limited
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

- Assessed whether the audit evidence supported management's conclusion that the ECL allowance was appropriate as at the reporting date and whether any additional allowance was required on the balances outstanding at year end;
- Reviewed subsequent settlements and other post year-end evidence relevant to recoverability, where applicable; and
- Assessed the adequacy of the related disclosures in the financial statements.

Impairment Assessment of Property, Plant and Equipment, Including Right-of-Use Assets
(Refer to Notes 2.15, 3.2(iii), 11 and 12(a) to the financial statements)

The Group's and Company's total carrying amount of property, plant and equipment and right-of-use assets totalled S\$1,144,000 and S\$92,000 respectively which accounted for 32.3% and 1.7% of the Group's and Company's total assets respectively as at 31 December 2025.

An impairment review is performed when there are indications of impairment. Management had carried out impairment assessment to determine whether the recoverable amounts of the plant and equipment and right-of-use assets are less than their respective carrying amounts. The value in use calculations of the CGUs to which the property, plant and equipment and right-of-use assets are allocated require management to estimate the future expected cash flows that the Group and the Company expect to derive from the continuing use of the assets.

As disclosed in Note 11 and Note 12(a) to the financial statements, management has performed impairment test of property, plant and equipment and right-of-use assets with indication of impairment. Management estimated the recoverable amount of the property, plant and equipment and right-of-use assets by assessing the value in use. As the value in use exceeded the carrying amount, management concluded that no impairment was required and it was not necessary to estimate the fair value less costs of disposal.

We identified this as a key audit matter as the estimation of the recoverable amount involved significant judgement and estimation. Management made key assumptions in respect of future market and economic conditions such as revenue growth rates, discount rate and terminal growth rate when performing the assessment.

Our audit procedures included, among others:

- Evaluated the Group's process for identifying indicators of impairment of property, plant and equipment and right-of-use assets;
- Assessed appropriateness of management's impairment assessment methodology, including the determination of relevant CGUs;
- Evaluated the value in use model applied by management and reperforming the mathematical accuracy of the model;
- Assessed whether the projected cash flows used in the impairment assessment were based on, and broadly consistent with, budgets and forecasts approved by the Board of Directors;
- Assessed the reasonableness of key assumptions used by management, including revenue growth rates, discount rate and terminal growth rate, with reference to historical results, approved budgets and external market data, where relevant;
- Performed sensitivity analyses on the key assumptions used by management to evaluate the impact of reasonably possible changes in those assumptions on the recoverable amounts; and
- Assessed the adequacy of related disclosures in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of AJJ Medtech Holdings Limited
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements (Continued)

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

To the members of AJJ Medtech Holdings Limited
For the financial year ended 31 December 2025

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ms Xu Shuanghong.

UHY LEE SENG CHAN & CO

Public Accountants and
Chartered Accountants

Singapore