AJJ Medtech

(Company Registration Number: 198403368H)

Condensed interim financial statements for
The second quarter ended 30 June 2026 ("**2Q2026**") and
Six months ended 30 June 2026 ("**1H2026**")

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

This announcement has been examined or approved 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.

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AJJ Medtech
(Company Registration Number: 198403368H)

A Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group					
	3 months ended 30/06/2026 S$'000 (Unaudited)	**3 months ended 30/06/2025 S$'000 (Unaudited)**	Increase / (Decrease) %	**6 months ended 30/06/2026 S$'000 (Unaudited)**	**6 months ended 30/06/2025 S$'000 (Unaudited)**	Increase / (Decrease) %
Continuing operations						
Revenue	**754**	823	(8.4)	**1,219**	1,768	(31.1)
Cost of sales	**(502)**	(615)	(18.4)	**(705)**	(945)	(25.4)
Gross profit/(loss)	**252**	208	21.2	**514**	823	(37.6)
Other operating income	**12**	18	(33.3)	**26**	49	(46.9)
Selling and distribution expenses	**(83)**	(139)	(40.3)	**(174)**	(285)	(39.0)
Administrative expenses	**(952)**	(749)	27.1	**(1,682)**	(1,468)	14.6
Other operating expenses	**-**	-	nm	**-**	-	nm
Finance costs	**(15)**	(15)	-	**(33)**	(31)	6.5
Loss before income tax	**(786)**	(677)	16.1	**(1,349)**	(912)	47.9
Income tax credit	**-**	-	nm	**(1)**	1	nm
Loss for the year presenting loss attributable to equity holders of the Company	**(786)**	(677)	16.1	**(1,350)**	(911)	48.2
Other comprehensive (loss)/income, net of tax:						
Item that may be reclassified subsequently to profit or loss, net of tax						
Exchange differences on translation of a foreign operation, net of tax			nm		1	nm
Total comprehensive loss, for the financial period	**(786)**	**(677)**	16.1	**(1,350)**	**(910)**	48.2
Total loss per share, for the period attributable to the owners of the company						
Basic (in cents)	(0.046)	(0.045)		(0.079)	(0.061)	
Diluted (in cents)	(0.046)	(0.045)		(0.079)	(0.061)	
Weighted average number of shares used in the computation of basic and diluted loss per share from continuing operations and discontinued operation ('000)	1,731,538	1,502,938		1,731,538	1,502,938	

A Condensed interim consolidated statement of profit or loss and other comprehensive income (Cont'd)

Loss before tax is determined after crediting/(charging) the following:

	Group		
	6 months ended 30/06/2026 S$'000 (Unaudited)	**6 months ended 30/06/2025 S$'000 (Unaudited)**	Increase / (Decrease) %
Government grants	17	21	(19)
Amortisation of intangible assets	(2)	(8)	75
Depreciation of plant and equipment	(53)	(49)	(8)
Depreciation of right-of-use assets	(157)	(140)	(12)

There are no material related party transactions apart from those disclosed in other information required by listing rule section.

B Condensed interim statements of financial position

	Group		Company	
	30/06/2026 S$'000 (Unaudited)	31/12/2025 S$'000 (Audited)	30/06/2026 S$'000 (Unaudited)	31/12/2025 S$'000 (Audited)
NON-CURRENT ASSETS				
Property, plant and equipment	**40**	89	**26**	28
Right-of-use assets	**898**	1,055	**44**	64
Investment in subsidiaries	**-**	-	**5,544**	4,044
Intangible assets	**88**	90	**-**	-
Other non-current asset	**10**	9	**-**	-
Other receivables	**56**	60	**-**	-
	1,092	1,303	**5,614**	4,136
CURRENT ASSETS				
Inventories	**686**	1,001	**24**	24
Trade and other receivables	**904**	827	**(446)**	849
Cash and bank balances	**76**	414	**-**	321
	1,666	2,242	**(422)**	1,194
Total assets	**2,758**	3,545	**5,192**	5,330
CURRENT LIABILITIES				
Lease liabilities	**159**	268	**37**	37
Trade and other payables	**2,313**	1,585	**2,007**	1,119
Loan and borrowings	**1,028**	1,324	**903**	999
Amounts due to key management personnel	**776**	767	**409**	362
Amounts due to directors	**1,638**	1,465	**1,623**	1,450
Income tax liabilities	**5**	5	**-**	-
	5,919	5,414	**4,979**	3,967
NON-CURRENT LIABILITIES				
Provision for reinstatement costs	**77**	77	**-**	-
Lease liabilities	**742**	763	**14**	35
Deferred tax liabilities	**4**	4	**-**	-
	823	844	**14**	35
Total liabilities	**6,742**	6,258	**4,993**	4,002
Net current liabilities	**(4,253)**	(3,172)	**(5,401)**	(2,773)
Net (liabilities)/assets	**(3,984)**	(2,713)	**199**	1,328
(CAPITAL DEFICIENCY)/EQUITY				
Share capital	**48,124**	48,044	**48,124**	48,044
Accumulated losses	**(52,225)**	(50,875)	**(47,924)**	(46,716)
Foreign currency translation reserve	**-**	1	**-**	-
Attributable to equity holders of the Company	**(4,101)**	(2,830)	**200**	1,328
Non-controlling interest	**117**	117	**-**	-
Total (capital deficiency)/equity	**(3,984)**	(2,713)	**200**	1,328

Aggregate amount of Group's borrowings and debt securities:

	Group		Company	
	30/06/2026 S$'000 (Unaudited)	**31/12/2025 S$'000 (Audited)**	**30/06/2026 S$'000 (Unaudited)**	**31/12/2025 S$'000 (Audited)**
Unsecured				
Factoring liabilities	3	233	-	-
Loan from key management personnel	530	500	500	500
Loans from directors	495	591	403	499
	1,028	1,324	903	999

Factoring liabilities

The Group has entered into a receivable factoring arrangement with a financial institution to finance certain trade receivables. Under the arrangement, the Group assigns eligible trade receivables to the financial institutions and receives advance of up to 80% of the assigned receivables.

The Group retains substantially all the risks and rewards of ownership of the receivables. Accordingly, the receivables are not derecognised and continue to be recognised as trade receivables in the statement of financial position. The proceeds received are recognised as factoring liabilities under loans and borrowings.

The factoring liabilities are secured by the assigned trade receivables and bear interest at 8.5% per annum and are repayable upon collection of the receivables from customers. The factoring liabilities are short-term in nature and bear interest at market rates.

Loan from key management personnel

The loan from key management personnel is unsecured, non-interest bearing and these balances are not expected to be repayable until April 2027.

Loan from directors

The loan from directors is unsecured, non-interest bearing and these balances are not expected to be repayable until April 2027.

C Condensed interim statements of changes in equity

The Group	Share Capital	Accumulated Losses	Foreign Currency translation reserve	Total	Non-controlling interest	Total equity
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
2026						
Balance at 1 January 2026	48,044	(50,875)	1	(2,830)	117	(2,713)
Issuance of share awards	80			80		80
Loss for the year	-	(1,350)	(1)	(1,350)	-	(1,350)
Other comprehensive loss for the financial period						
Total comprehensive loss for the financial period		(1,350)	(1)	(1,350)	-	(1,350)
Balance at 30 June 2026	48,124	(52,225)	-	(4,101)	117	(3,984)
2025						
Balance at 1 January 2025	46,364	(47,944)	-	(1,580)	117	(1,463)
Loss for the year	-	(911)	-	(911)	-	(911)
Other comprehensive loss for the financial period						
Foreign currency translation	-	-	1	1	-	1
Total comprehensive loss for the financial period	-	(911)	1	(910)	-	(910)
Balance at 30 June 2025	46,364	(48,855)	1	(2,490)	117	(2,373)

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C Condensed interim statements of changes in equity (Cont'd)

The Company	Share Capital capital	Accumulated Losses	Total equity
	S$'000	S$'000	S$'000
2026			
Balance at 1 January 2026	48,044	(46,716)	1,328
Issuance of share awards	80		80
Loss for the financial period		(1,208)	(1,208)
Total comprehensive loss for the financial period		(1,208)	(1,208)
Balance at 30 June 2026	48,124	(47,924)	200
2025			
Balance at 1 January 2025	46,364	(44,215)	2,149
Loss for the financial period	-	(186)	(186)
Total comprehensive loss for the financial period	-	(186)	(186)
Balance at 30 June 2025	46,364	(44,401)	1,963

D Condensed interim consolidated statement of cash flows

	Group	Group	Group	Group
	3 months ended 30/06/2026	3 months ended 30/06/2025	6 months ended 30/06/2026	6 months ended 30/06/2025
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	S$'000	S$'000	S$'000	S$'000
Cash flow from operating activities				
Loss before tax from continuing operations	(786)	(677)	(1,349)	(912)
				-
	(786)	(677)	(1,349)	(912)
Adjustments for:	-			
Depreciation of plant and equipment	27	26	53	49
Depreciation of right-of-use assets	77	84	157	140
Amortisation of intangible assets	-	3	2	8
Interest expense on lease liabilities	13	15	26	31
Interest expense on borrowing	2	-	2	-
Employee Share Awards	80	-	80	-
Operating loss before working capital changes	(587)	(549)	(1,029)	(684)
Changes in working capital:				
Inventories	292	84	315	139
Trade and other receivables	(294)	109	(266)	(313)
Trade and other payables	399	280	526	625
Net cash used in operations	(190)	(76)	(454)	(233)
Income tax paid	(1)	-	*(1)*	
Net cash used in operating activities	(191)	(76)	(455)	(233)
Cash flows from investing activities				
Purchase of property, plant and equipment	-	-	(4)	-
Net cash (used in)/generated from investing activities	-	-	(4)	-
Cash flows from financing activities				
Payment of principal portion of lease liabilities	(61)	(56)	(130)	(105)
Payment of interest portion of lease liabiltiies	(13)	-	(26)	(31)
Payment for interest expenses on borrowings	(2)	(464)	(7)	-
Amount due to directors	13	475	13	475
Repayment loan to director	(50)		(93)	-
Proceeds from loan and borrowings	35	-	128	-
Deposit	237	-	237	-
Payment for consideration		-	-	-
Net cash (used in)/generated from financing activities	159	(45)	122	339
	-			

Net decrease in cash and cash equivalents	(31)	(136)	(337)	106
Cash and cash equivalents at beginning of financial period	107	250	414	8
Effect of currency translation on cash and cash equivalents	-	-	(1)	-
Cash and cash equivalents at end of the financial period	76	114	76	114

1. Corporate information

AJJ Medtech Holdings Limited (the "**Company**") (Registration No. 198403368H) is incorporated and domiciled in Singapore as a limited liability company and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The registered office and principal place of business of the Company is located at 8 Commonwealth Lane, #02-04 Grande Building, Singapore 149555.

The condensed interim consolidated financial statements as at and for the six months period ended 30 June 2026 comprise the Company and its subsidiaries (collectively known as the "**Group**").

The principal activities of the Group are investment holding and the provision of integrated medtech solutions to healthcare facilities. The principal activities of the subsidiaries are:

(a) Investment holding of healthcare technologies and services;

(b) Provide supply chain solutions to public healthcare institutions, including advanced medical devices and equipment, advanced medical technology development including digital solutions, and technology development;

(c) Conduct research and development of medical technologies, manufacture and repair of irradiation and electromedical devices such as HIFU machines and other medical equipment;

(d) Development of and distribution of:

- (i) devices and equipment for use in the healthcare and medical industries that are primarily driven by, or enhanced or integrated with, digital tools, artificial intelligence (AI), and robotics and other medical technologies; and
- (ii) systems, solutions and applications (in software form or otherwise) that are based on or driven by digital tools, AI, robotics and other medical technologies that may be used in the healthcare and medical industries.

2. Basis of preparation

The condensed interim consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the six months ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Singapore Dollars (SGD or S$), which is the functional currency of the Company. All values are rounded to the nearest thousand (S$' 000), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Significant accounting judgements and estimates

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

2.3. Significant accounting judgements and estimates (Continued)

a) Judgements made in applying accounting policies

Significant judgement in recognition of franchise fee income
In applying the Group's accounting policy on sale of licence of childcare wellness educational materials, management applied judgement in determining the appropriate timing of recognition of franchise fee income arising from franchise agreements entered into during the financial year. In making this assessment, management considered the contractual terms of the franchise agreements and the nature of the rights granted, including the right to operate the franchise business in the relevant territory in accordance with the terms of the agreement. Based on this assessment, management concluded that the franchisee obtains the right to use the licence at the commencement date of the arrangement, and the related franchise fee income is therefore recognised at that point in time.

b) Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment to the carrying amounts of assets and liabilities within the next interim period are included below:

i) *Impairment on investment in subsidiaries*

The recoverable amount of the investment is reviewed at the end of each reporting period to determine whether there is any indication that the investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is determined on the basis of the net recoverable amount to determine the extent of the impairment loss.

ii) *Leases – estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in the lease, therefore it uses incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

iii) *Impairment assessment on non-financial assets*

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected.

iv) *Provision for Expected Credit Losses ("**ECLs**") of trade and other receivables*

The Group determines the expected credit loss for trade and other receivables based on assumptions about risk of default and expected credit loss rate. The Group adopts judgement in making these assumptions and selecting inputs for computing such impairment loss, broadly based on the available customer's historical data, like ageing analysis of the receivables, creditworthiness and the past collection history of each customer, existing market conditions and forward-looking estimates at end of each reporting date.

v) *Inventory valuation method*

The Group determines the inventory write-down value based on the current market conditions, historical experience and selling goods of a similar nature. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment information

(a) Products and services from which reportable segments derive their revenues

The Group operates in the following segments:
1. Corporate and investment holding;
2. Healthcare products and services; and
3. Healthcare digital products;

Segment revenue represents revenue generated from external customers. Segment results represent the profit/(loss) earned/(incurred) by each segment without allocation of interest income, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purpose of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible assets and financial assets attributable to each segment.

(b) Segment revenues and results

	6 months ended			
	30/06/2026		**30/06/2025**	
Group Segment revenues	**Revenue**		**Revenue**	
	S$'000	%	S$'000	%
Corporate and investment holding	120	9.8	314	17.8
Healthcare products and services	1,086	89.1	1,454	82.2
Healthcare digital products	13	1.1	-	-
	1,219	100.0	1,768	100.0
Timing of transfer of goods or services:				
At a point in time	1,219		1,768	

	6 months ended			
	30/06/2026		**30/06/2025**	
Group Segment results	**Results**		**Results**	
	S$'000	%	S$'000	%
Corporate and investment holding	(951)	70.4	(924)	101.4
Healthcare products and services	(401)	29.7	13	(1.4)
Healthcare digital products	2	(0.1)	-	-
	(1,350)	100.0	(911)	100.0

The Group's revenue for the six-months' period ended 30 June 2026 was derived from license income, sales of healthcare products and services, and sale of digital products, all of which operate in Singapore. License income is recognised within the Corporate and Investment holding segment. No material cost of sales directly attributable to this revenue stream. In addition, this segment includes expenses relating to the Company’s role as the listed holding entity, including administrative, governance and compliance-related cost. Accordingly, the segment results reflect the combined impact of licence income and corporate-level expenses at the holding company level.

4. Segment information (Cont'd)

(c) Segment assets and liabilities

As at 30 June 2026 and 31 December 2025, the allocation of the Group's total assets and liabilities to the reportable segments are as follows:

	Corporate and investment holding	Healthcare products and services	Healthcare digital products	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**
<u>Group</u>				
30 June 2026				
Assets				
Segment assets	208	2,550	#	2,758
Liabilities				
Segment liabilities	(4,624)	(2,118)	#	(6,742)
Other information				
Amortisation	-	(8)	-	(8)
Depreciation	(25)	(185)	-	(210)
Finance cost	-	-	-	-
			-	
<u>Group</u>				
31 December 2025				
Assets				
Segment assets	543	3,123	#	3,666
Liabilities				
Segment liabilities	(3,658)	(2,721)	#	(6,379)
Other information				
Amortisation	-	(17)	-	(17)
Depreciation	(70)	(375)	-	(445)
Finance cost	(4)	(83)	-	(87)

 # Amount less than S$1,000

5. Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	Group		Company	
	30/06/2026 S$'000	31/12/2025 S$'000	30/06/2026 S$'000	31/12/2025 S$'000
Financial assets				
At amortised cost				
Trade receivables	716	663	-	-
Other receivables (exclude prepayment and GST receivables)	247	234	(495)	826
Cash and bank balances	76	414	-	321
	1,039	1,311	(495)	1,147
Financial liabilities				
At amortised cost				
Lease liabilities	901	1,031	51	72
Trade payables	227	304	-	-
Other payables (exclude GST payables)	2,211	1,290	2,007	1,138
Loan and borrowings	-	343	-	-
Amount due to key management personnel	1,306	1,205	903	843
Amount due to directors	2,133	2,056	2,032	1,949
	6,778	6,229	4,993	4,002

6. Taxation

The Group calculates the period income tax credit/expense) using the tax rate that would be applicable to the expected total losses before tax. The major components of income tax credit/expense) in the financial statements for the financial period ended 30 June 2026 and 30 June 2025 are as follows:

	Group	
	6 months ended	
	30/06/2026 S$'000	30/6/2025 S$'000
Continuing operations		
Current income tax credit/ (expense)	(1)	1
Deferred tax credit relating to reversal of taxable temporary differences	-	-
Income tax credit/ (expense)	(1)	1

7. Dividends

No interim dividend for the period ended 30 June 2026 (30 June 2025: Nil) is recommended

8. Net Asset Value

	Group		Company	
	As at 30/06/2026	As at 31/12/2025	As at 30/06/2026	As at 31/12/2025
	Cents	Cents	Cents	Cents
Net asset value per ordinary share	(0.2301)	(0.1585)	0.0116	0.0776

The calculation of net asset value per ordinary share was based on 1,731,538,300 shares as at 30 June 2026 (31 December 2025: 1,711,538,300).

9. Share capital

	30/06/2026		31/12/2025	
	No. of shares	Amount S$'000	No. of shares	Amount S$'000
Beginning of the financial period/year	1,711,538,300	48,044	1,502,938,302	46,364
Issuance of new ordinary shares	-	-	127,500,000	918
Issuance of new ordinary shares pursuant to the vesting of the awards granted under the Plan	20,000,000	80	81,100,000	811
Share issue expenses	-	-	-	(49)
End of the financial period/year	1,731,538,300	48,124	1,711,538,300	48,044

10. Subsequent Event

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7.2

1. **Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

   These figures have not been audited or reviewed by the auditors.

2. **Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).**

   Not applicable.

3. **If the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, to include:**
   (a) Updates on the efforts taken to resolve each outstanding audit issue
   (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.
   This is not required for any audit issue that is a material uncertainty relating to going concern.

   Not applicable. The Group and the Company have received an unmodified audit opinion in the recent audited financial statements.

4. **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**
   (a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

   REVIEW OF TURNOVER, COSTS AND EARNINGS

   Revenue

   The Group recorded revenue of approximately S$1.219 million for 1H2026, a decrease of 31.1% from approximately S$1.768 million in the six-month period ended 30 June 2025 ("1H2025"). The decrease principally reflected the timing of procurement and deployment across certain institutional healthcare projects and lower contributions from selected legacy activities. The Group continued to invest selectively in the commercial and operating capabilities required for its healthcare technology platform, while maintaining focus on delivery, collections and liquidity.

   On a quarter-on-quarter basis, revenue increased by approximately 62.2% from S$0.465 million in the first quarter of 2026 to S$0.754 million in the second quarter of 2026. The improvement was supported by higher activity in the healthcare products and services operations and the execution of institutional sales. The increase should be viewed in the context of project timing and is not, by itself, indicative of the revenue level for subsequent periods.

   Gross profit

   Gross profit decreased by approximately S$0.309 million, or 37.6%, from S$0.823 million in 1H2025 to S$0.514 million in 1H2026, mainly due to the lower revenue and the sales mix during the financial period. The Group's gross profit margin decreased from approximately 46.6% in 1H2025 to approximately 42.2% in 1H2026. The second-quarter margin was affected by the sale of selected demonstration and legacy inventory at discounted prices as part of the transition to a refreshed product portfolio. The exercise supported inventory rationalisation and reduced warehouse holding requirements, but lowered the margin during the quarter.

   Selling and distribution expenses

   Selling and distribution expenses decreased by approximately S$0.111 million, or 39.0%, from S$0.285 million in 1H2025 to S$0.174 million in 1H2026. The decrease primarily reflected lower promoter-related expenses following the streamlining of manpower deployment and a more targeted approach to institutional business development and technology commercialisation.

Administrative expenses

Administrative expenses increased by approximately S$0.214 million, or 14.6%, from S$1.468 million in 1H2025 to S$1.682 million in 1H2026. The increase mainly reflected professional and consultancy fees, staff-related costs and corporate overheads incurred for listed-company governance, regulatory compliance, business operations and selected platform-development activities. Management continues to review expenditure against near-term commercial, regulatory and liquidity priorities.

Finance costs

Finance costs increased marginally from approximately S$0.031 million in 1H2025 to approximately S$0.033 million in 1H2026. These costs mainly related to interest expenses arising from lease liabilities and financing arrangements utilised to support the Group's working-capital requirements.

Loss for the financial period

The Group recorded a net loss of approximately S$1.350 million in 1H2026, compared with approximately S$0.911 million in 1H2025. The higher loss mainly reflected lower gross profit contribution arising from reduced revenue and margin compression, together with higher administrative expenses. This was partially mitigated by lower selling and distribution expenses and continued operating-cost discipline.

For the second quarter of 2026, the Group recorded revenue of approximately S$0.754 million and a net loss of approximately S$0.786 million. Although revenue improved significantly from the first quarter of 2026, the benefit was offset by lower gross margins arising mainly from the inventory transition and by the corporate, governance and administrative cost base required to support current operations and platform development.

Management's near-term priorities are to convert institutional opportunities into delivery and cash collection, restore margins following the inventory transition, build recurring and service-linked revenue, and maintain disciplined cost, liquidity and working-capital controls. Investment in technology programmes will be stage-gated against regulatory readiness, customer validation, commercial evidence and funding capacity.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

<u>*REVIEW OF WORKING CAPITAL, ASSETS AND LIABILITIES*</u>

Non-current assets

Non-current assets decreased by approximately S$0.211 million, from S$1.303 million as at 31 December 2025 to S$1.092 million as at 30 June 2026. The decrease was mainly attributable to depreciation of right-of-use assets and property, plant and equipment during the financial period.

Current assets

Current assets decreased by approximately S$0.576 million, from S$2.242 million as at 31 December 2025 to S$1.666 million as at 30 June 2026. The decrease mainly reflected reductions in cash and bank balances and inventories, together with movements in trade and other receivables during the financial period.

The reduction in inventories arose mainly from sales and utilisation during the financial period, including the clearance of selected demonstration and legacy inventory. The movement in trade and other receivables reflected the timing of sales, billing and collections around the reporting date.

Current liabilities

Current liabilities increased by approximately S$0.505 million, from S$5.414 million as at 31 December 2025 to S$5.919 million as at 30 June 2026. The increase mainly reflected higher trade and other payables and higher amounts due to directors and key management personnel, partially offset by lower aggregate loans and borrowings and lower current lease liabilities. The director- and key-management-related balances include financial and working-capital support provided to the Group, as further described below.

Non-current liabilities

Non-current liabilities remained relatively stable at approximately S$0.823 million as at 30 June 2026, compared with approximately S$0.844 million as at 31 December 2025. The decrease was mainly attributable to scheduled repayments of lease liabilities.

REVIEW OF CASH FLOW STATEMENT

Net cash used in operating activities

Net cash used in operating activities amounted to approximately S$0.455 million in 1H2026, mainly reflecting the operating loss for the period. This was partially offset by inventory reduction and working-capital management, including receivable collection and the timing of settlement of trade and other payables. Liquidity, collection and payment timing remain key management priorities.

Net cash generated from financing activities

Net cash generated from financing activities amounted to approximately S$0.122 million in 1H2026. The reported financing inflows included deposits received, partially offset by lease payments, loan repayments, financing costs and other financing obligations.

5. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

6. A commentary on the announcement date of the significant trends and competitive conditions of the Group's industry, as well as any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Healthcare demand continues to be shaped by ageing populations, rising chronic-care requirements, caregiver constraints, institutional productivity needs and the digitisation of clinical and care workflows. Consistent with the technology-led strategic direction emphasised by the Board, the Group intends to strengthen its established healthcare distribution and institutional-access capabilities while developing new growth engines across healthcare technology, intelligent eldercare and responsible artificial intelligence. These capabilities are intended to provide the commercial and governance foundation for a broader healthcare technology and medtech platform spanning regulated medical devices, renal care, digital health, AI-enabled intelligent-care infrastructure and enterprise AI applications.

A principal strategic initiative is the development and commercialisation of the HIT-1 Humanoid Eldercare Robot Governance Platform. HIT-1 is being developed not merely as a robotic device, but as a governed intelligent-care infrastructure designed to integrate human oversight, care-workflow digitisation, patient and user safety, data governance, cybersecurity, regulatory readiness and measurable operating outcomes. The Group intends to advance HIT-1 through a stage-gated pathway comprising regulatory readiness, institutional engagement, pilot and care-setting validation, operational deployment and disciplined commercialisation. This approach is intended to place evidence, governance and patient-centred responsibility alongside technological advancement.

The Group is also advancing a technical research and paper programme relating to continuous care, responsible robotics and AI-assisted healthcare, including the RR-Care™, RR-Gov™, RR-Ethics™ and RR-Value™ frameworks. These initiatives are intended to strengthen the evidence base, governance architecture, ethical safeguards and performance measurement supporting the responsible deployment of intelligent eldercare technology. Together with the Group's development of enterprise AI employee solutions for supply-chain management, finance, listed-company governance and healthcare operations, these programmes are intended to position AJJ at the forefront of the convergence of medtech, humanoid robotics, digital health and responsible enterprise AI, while preserving human oversight and professional accountability.

For the avoidance of doubt, these company-led research and framework initiatives should not be interpreted as independent peer-reviewed validation, regulatory or clinical approval, customer adoption or evidence of future revenue unless and until the relevant milestones are separately announced with supporting facts.

The Group's platform strategy follows a stage-gated and capital-disciplined model. Institutional access and product delivery establish customer relationships and operating credibility; selected healthcare technology and digital solutions are then advanced through regulatory readiness, pilot validation and deployment; and recurring service, consumable and data-enabled revenue opportunities are pursued where supported by customer adoption, measurable outcomes and sustainable unit economics. Innovation expenditure will be evaluated against evidence, governance requirements, commercial readiness and the Group's available financial resources.

Execution priorities for the next 12 months include delivering awarded projects and institutional opportunities, accelerating cash collection, rebuilding gross margins following the legacy-inventory transition, deepening recurring revenue, advancing the commercialisation pathway for HIT-1 and progressing selected AI and digital-health programmes through validation and deployment. The Group will apply product-quality, patient- and user-safety, data-protection, cybersecurity, regulatory-compliance and enterprise-risk controls appropriate to a listed healthcare technology company.

The Group is progressively embedding environmental, social and governance considerations into platform development and operating decisions. Priority areas include responsible product stewardship, sustainable medical consumables, patient and user safety, inclusive eldercare, workforce education and responsible-AI capability development, data governance, cybersecurity, human oversight of AI-enabled applications, ethical marketing, supply-chain resilience and transparent stakeholder communication. Technology investment will be assessed not only by its commercial potential, but also by its ability to create measurable healthcare, educational, operational and societal value through responsible and sustainable deployment.

Geopolitical, macroeconomic and supply-chain uncertainties may affect freight, energy and raw-material pricing, product availability, customer procurement cycles and funding conditions. The Group is monitoring these risks and will evaluate supplier diversification, alternative sourcing and logistics arrangements while preserving liquidity, operational flexibility and capital discipline. Material developments will be announced in accordance with the Catalist Rules.

Financial Support from Dr Zhang Jian and Other Related Parties

As disclosed in the Annual Report 2025, Dr Zhang Jian and a related party provided approximately S$2.3 million in aggregate financial support as at 31 December 2025 through interest-free loans and deferred remuneration. As at 30 June 2026, the aggregate person-based amount of financial support provided by Dr Zhang Jian and the related party had increased to approximately S$2.6 million. The financial support has contributed to the continuity of the Group's working capital and supported the execution of its longer-term healthcare technology strategy.

As at 30 June 2026, the interim financial statements present director-related loans and amounts due of approximately S$2.133 million and key-management-personnel-related loans and amounts due of approximately S$1.306 million, aggregating approximately S$3.439 million. These are role-based accounting categories rather than individual balances and are therefore not directly comparable on a like-for-like basis with the foregoing person-based financial support figures. Accordingly, this announcement does not attribute any part of the role-based balances to any related party or member of key management personnel individually.

The financial support has been an important source of working capital continuity while the Group advances its institutional healthcare and healthcare technology initiatives. The balances comprise loans and amounts due, rather than equity capital or an unconditional funding commitment, and should be considered together with the Group's liquidity position, applicable repayment terms and going-concern disclosures. Dr Zhang Jian has indicated his present intention to continue providing financial support to the Group, where necessary and subject to his financial capacity. Such indication of intention does not constitute an unconditional or legally binding funding commitment.

In parallel, the Company is actively pursuing potential share placements and other appropriate financing opportunities to strengthen its capital base and liquidity. Any such transaction will be subject to satisfactory due diligence, the execution of definitive documentation, compliance with applicable laws and the Catalist Rules, and the receipt of all requisite regulatory and corporate approvals, including shareholder approval where applicable. There is no certainty that any such financing opportunity will proceed or be completed.

Cautionary statement

This announcement contains forward-looking statements regarding the Group's strategy, plans, priorities and potential opportunities. Such statements are based on current expectations and assumptions and are subject to regulatory, commercial, funding, operational, market and other risks. They are not guarantees of future performance, and actual outcomes may differ materially. The Company undertakes no obligation to update these statements except as required by applicable law or the Catalist Rules.

7. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Whether the dividend is before tax, net of tax or tax-exempt?

Not applicable.

(d) Date payable

Not applicable.

(e) Books closure date

Not applicable.

8. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for the six month period ended 30 June 2026 in view that the Group is loss-making and focusing on expanding its business operations, in particular the Group's healthcare products and services segment.

9. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate for the IPTs from the shareholders.

10. Confirmation that the interim financial statements not false or misleading in any material aspect in pursuant to Rule 705(5) of the Listing Manual.

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the six-month period ended 30 June 2026 to be false or misleading in any material aspect.

11. Confirmation that the issuer has procured undertakings from all its Directors and executive officers (in the format set out in Appendix 7H under Rule 720(1) of the Listing Manual).

The Company hereby confirms that it has already procured undertakings from all its Directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

12. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, CEO or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Zhang Yulei	39	Ms. Zhang Yulei is the daughter of Dr. Zhang Jian, the Chairman and Executive Director of the Company. He is also a substantial shareholder of the Company.	Chief Strategy Officer of the Company	Ms. Zhang Yulei has been engaged as a consultant for the Company since 1st May 2023, and was appointed as Chief Strategy Officer on 28th August 2023.

BY ORDER OF THE BOARD

TAN WEI JIE
CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR
14 AUGUST 2026