SDAI LIMITED
(Company Registration No. 201107179D)
(Incorporated in the Republic of Singapore)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED 30 JUNE 2026

Pursuant to Rule 705(2C) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the SGX-ST requires SDAI Limited (the "**Company**", and together with its subsidiaries, the "**Group**") to announce its quarterly financial statements, in view of the disclaimer of opinion on the audited consolidated financial statements of the Group for the financial year ended 30 June 2021 ("**FY2021**"), dated 3 March 2022; (ii) the audited consolidated financial statements of the Group for the 18 months financial period ended 31 December 2022 ("**FP2022**"), dated 25 April 2024; (iii) the audited consolidated financial statements of the Group for the financial year ended 31 December 2023 ("**FY2023**"), dated 23 October 2024; (iv) the audited consolidated financial statements of the Group for the financial year ended 31 December 2024 ("**FY2024**"), dated 7 April 2025; and (v) the audited consolidated financial statements of the Group for the financial year ended 31 December 2025 ("**FY2025**"), dated 15 April 2026.

*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 contact person for the Sponsor is Ms Yang Zhenni, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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Condensed Interim Financial Statement of Profit and Loss and Other Comprehensive Income for Second Quarter and Six Months Period ended 30 June 2026

		Group					
		3 months ended			6 months ended		
		30.06.2026	30.06.2025	Change	30.06.2026	30.06.2025	Change
		(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%
	Note	S$	S$	+/(-)	S$	S$	+/(-)
Revenue	4	158,875	139,800	13.6%	254,195	184,308	37.9%
Cost of sales		(67,955)	(39,636)	71.4%.	(101,052)	(60,706)	66.5%
Gross profit		**90,920**	**100,164**	(9.2%)	**153,143**	**123,602**	23.9%
Other income	7	5,834	1,799	N.M.	10,572	3,461	N.M.
Selling and distribution expenses		(29,375)	–	N.M.	(55,885)	–	N.M.
Other operating expenses		–	(256,099)	N.M.	–	(328,864)	N.M.
General and administrative expenses		(676,104)	(491,381)	37.6%	(1,438,172)	(1,021,233)	40.8%
Loss from operations		**(608,725)**	**(645,517)**	(5.7%)	**(1,330,342)**	**(1,223,034)**	8.8%
Finance costs	8	(171,574)	(154,866)	10.8%	(340,252)	(307,147)	10.8%
Loss before tax	6	**(780,299)**	**(800,383)**	(2.5%)	**(1,670,594)**	**(1,530,181)**	9.2%
Share of loss from equity-accounted investee, net of tax	11	–	–	–	(55,000)	–	N.M.
Tax expense		–	–	–	–	–	–
Loss for the period		**(780,299)**	**(800,383)**	(2.5%)	**(1,725,594)**	**(1,530,181)**	12.8%
Net (loss)/profit attributable to:							
Owners of the Company		(786,189)	(813,744)	(3.4%)	(1,732,055)	(1,535,625)	12.8%
Non-controlling interests		5,890	13,361	(55.9%)	6,461	5,444	18.7%
		(780,299)	**(800,383)**	(2.5%)	**(1,725,594)**	**(1,530,181)**	12.8%
Loss per share:		**S$ cents**	**S$ cents**		**S$ cents**	**S$ cents**	
Basic and diluted loss per share		(0.19)	(0.19)		(0.41)	(0.36)	

N.M. denotes Not Meaningful

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Condensed Interim Financial Statement of Profit and Loss and Other Comprehensive Income for Second Quarter and Six Months Period ended 30 June 2026 (cont'd)

		Group					
		3 months ended			6 months ended		
		30.06.2026	30.06.2025	Change	30.06.2026	30.06.2025	Change
		(Unaudited)	(Unaudited)	%	(Unaudited)	(Unaudited)	%
	Note	**S$**	**S$**	**+/(-)**	**S$**	**S$**	**+/(-)**
Loss for the period		**(780,299)**	**(800,383)**	(2.5%)	**(1,725,594)**	**(1,530,181)**	12.8%
Other comprehensive (loss)/income, after tax:							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences relating to foreign operations		(37,368)	212,739	N.M.	(18,070)	254,548	N.M.
Items that will not be reclassified subsequently to profit or loss							
Foreign currency translation differences relating to foreign operations		(1,066)	50,559	N.M.	(4,889)	64,974	N.M.
Other comprehensive (loss)/profit for the period (nil tax)		**(38,434)**	**263,298**	N.M.	**(22,959)**	**319,522**	N.M.
Total comprehensive loss for the period		**(818,733)**	**(537,085)**	52.4%	**(1,748,553)**	**(1,210,659)**	44.4%
Total comprehensive loss attributable to:							
Owner of the Company		(823,557)	(601,005)	37.0%	(1,750,125)	(1,281,077)	36.6%
Non-controlling interests		4,824	63,920	(92.5%)	1,572	70,418	(97.8%)
Total comprehensive loss for the period		**(818,733)**	**(537,085)**	52.4%	**(1,748,553)**	**(1,210,659)**	44.4%

N.M. denotes Not Meaningful

Condensed Interim Statement of Financial Position

	Note	Group 30.06.2026 (Unaudited) S$	Group 31.12.2025 (Audited) S$	Company 30.06.2026 (Unaudited) S$	Company 31.12.2025 (Audited) S$
ASSETS					
Non-current assets					
Property, plant and equipment	12	301,252	393,287	51,929	87,316
Intangible assets	13	7,432	9,371	–	–
Investment in subsidiaries	9	–	–	1,065,000	690,000
Investment in associate	10	–	–	–	–
Investment in joint venture	11	–	–	55,000	–
Total non-current assets		**308,684**	**402,658**	**1,171,929**	**777,316**
Current assets					
Inventories		273,485	265,403	–	–
Trade receivables	14	85,166	15,971	–	–
Other receivables	14	884,355	321,529	641,260	186,427
Contract assets		6,598	6,598	–	–
Cash and bank balances		388,135	724,701	177,300	380,323
Total current assets		**1,637,739**	**1,334,202**	**818,560**	**566,750**
Total Assets		**1,946,423**	**1,736,860**	**1,990,489**	**1,344,066**
EQUITY					
Capital and reserves					
Share capital	16	58,948,250	58,948,250	58,948,250	58,948,250
Foreign currency translation reserves		307,206	325,276	–	–
Accumulated losses		(70,424,265)	(68,692,210)	(69,784,445)	(68,506,585)
Equity attributable to owners of the Company		**(11,168,809)**	**(9,418,684)**	**(10,836,195)**	**(9,558,335)**
Non-controlling interests		(924,677)	(926,249)	–	–
Total equity		**(12,093,486)**	**(10,344,933)**	**(10,836,195)**	**(9,558,335)**
LIABILITIES					
Non-current liabilities					
Borrowings	15	10,689,303	–	10,689,303	–
Other payables		9,405	9,405	–	–
Lease liabilities		273,905	242,774	–	9,635
Total non-current liabilities		**10,972,613**	**252,179**	**10,689,303**	**9,635**
Current liabilities					
Borrowings	15	800,000	9,662,945	800,000	9,662,945
Lease liabilities		33,657	155,835	45,477	74,936
Trade payables		63,402	63,820	–	–
Other payables		1,916,964	1,847,658	1,291,904	1,154,885
Contract liabilities		253,273	99,356	–	–
Total current liabilities		**3,067,296**	**11,829,614**	**2,187,381**	**10,892,766**
Net current liabilities		**(1,429,557)**	**(10,495,412)**	**(1,368,821)**	**(10,326,016)**
Total liabilities		**14,039,909**	**12,081,793**	**12,826,684**	**10,902,401**
Total Liabilities and Equity		**1,946,423**	**1,736,860**	**1,990,489**	**1,344,066**

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Condensed Interim Statement of Changes in Equity

Group	Share capital S$	Foreign currency translation reserves S$	Accumulated losses S$	Attributable to equity holders of the Company S$	Non-controlling interests S$	Total equity S$
	Attributable to equity holders of the Company					
At 01.01.2026 (Audited)	58,948,250	325,276	(68,692,210)	(9,418,684)	(926,249)	(10,344,933)
(Loss)/profit for the period	–	–	(1,732,055)	(1,732,055)	6,461	(1,725,594)
Other comprehensive loss						
Foreign currency translation differences relating to foreign operations	–	(18,070)	–	(18,070)	(4,889)	(22,959)
Total comprehensive income/(loss) for the period	**–**	**(18,070)**	**(1,732,055)**	**(1,750,125)**	**1,572**	**(1,748,553)**
At 30.06.2026 (Unaudited)	**58,948,250**	**307,206**	**(70,424,265)**	**(11,168,809)**	**(924,677)**	**(12,093,486)**
At 01.01.2025 (Audited)	58,948,250	116,096	(65,499,663)	(6,435,317)	(998,324)	(7,433,641)
(Loss)/profit for the period	–	–	(3,192,547)	(3,192,547)	15,596	(3,176,951)
Other comprehensive income						
Foreign currency translation differences relating to foreign operations	–	209,180	–	209,180	56,479	265,659
Total comprehensive income/(loss) for the year	**–**	**209,180**	**(3,192,547)**	**(2,983,367)**	**72,075**	**(2,911,292)**
At 31.12.2025 (Audited)	**58,948,250**	**325,276**	**(68,692,210)**	**(9,418,684)**	**(926,249)**	**(10,344,933)**

Condensed Interim Statement of Changes in Equity (cont'd)

Company	**Share capital S$**	**Accumulated losses S$**	**Total equity S$**
At 01.01.2026 (Audited)	**58,948,250**	**(68,506,585)**	**(9,558,335)**
Loss and total comprehensive loss for the period	–	(1,277,860)	(1,277,860)
At 30.06.2026 (Unaudited)	**58,948,250**	**(69,784,445)**	**(10,836,195)**
At 01.01.2025 (Audited)	**58,948,250**	**(66,189,301)**	**(7,241,051)**
Loss and total comprehensive loss for the period	–	(2,317,284)	(2,317,284)
At 31.12.2025 (Audited)	**58,948,250**	**(68,506,585)**	**(9,558,335)**

Condensed Interim Consolidated Statement of Cash Flow

	Group			
	3 months ended		6 months ended	
	30.06.2026 (Unaudited) S$	**30.06.2025 (Unaudited) S$**	**30.06.2026 (Unaudited) S$**	**30.06.2025 (Unaudited) S$**
Cash flows from operating activities				
Loss for the period	**(780,299)**	**(800,383)**	**(1,725,594)**	**(1,530,181)**
Adjustments for:				
Amortization of intangible assets	962	331	1,919	331
Depreciation of property, plant and equipment	44,615	26,394	90,606	53,214
Interest expense	173,519	154,529	337,229	306,234
Share of loss of equity-accounted investees, net of tax	–	–	55,000	–
Unrealised foreign exchange differences, net	(3,983)	255,735	176	327,959
Operating cash flows before working capital changes	**(565,186)**	**(363,394)**	**(1,240,664)**	**(842,443)**
Changes in working capital:				
- Inventories	6,679	(16,511)	(4,453)	(22,149)
- Trade and other receivables	(316,603)	(2,319)	(360,075)	(55,428)
- Trade and other payables	(54,396)	415,011	41,466	441,118
- Contract liabilities	90,640	(8,715)	152,377	19,181
Cash (used in)/generated from operations	**(838,866)**	**24,072**	**(1,411,349)**	**(459,721)**
Income tax paid	–	–	–	–
Net cash (used in)/generated from operating activities	**(838,866)**	**24,072**	**(1,411,349)**	**(459,721)**
Cash flows from investing activities				
Investment in joint venture	–	–	(55,000)	–
Advances to joint venture	(34,740)	–	(266,177)	–
Acquisition of intangible assets	–	(11,456)	–	(11,456)
Net cash used in investing activities	**(34,740)**	**(11,456)**	**(321,177)**	**(11,456)**

Condensed Interim Consolidated Statement of Cash Flow (cont'd)

	Group			
	3 months ended		6 months ended	
	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$
Cash flows from financing activities				
Advances from a director	36,740	–	36,740	–
Interest paid	(9,323)	(2,382)	(10,874)	(5,149)
Proceeds from borrowings from third parties	400,000	–	1,500,000	–
Principal payment of lease liabilities	(24,443)	(25,759)	(54,371)	(54,612)
Net cash generated from/(used in) financing activities	**402,974**	**(28,141)**	**1,471,495**	**(59,761)**
Net decrease in cash and cash equivalents	**(470,632)**	**(15,525)**	**(261,031)**	**(530,938)**
Cash and cash equivalents at beginning of the financial period	924,875	193,557	724,701	725,607
Effects of foreign exchange rate changes on cash and cash equivalents	(66,108)	(10,253)	(75,535)	(26,890)
Cash and cash equivalents at end of the financial period	**388,135**	**167,779**	**388,135**	**167,779**

Notes to the Condensed Interim Financial Statements

1. Corporate information

SDAI Limited (the "**Company**") is a limited liability company, incorporated and domiciled in Singapore, and listed on the Catalist board of the SGX-ST. The address of its registered office is Level 39 Marina Bay Financial Centre, Tower 2, 10 Marina Boulevard, Singapore 018983.

These condensed interim consolidated financial statements for the second quarter and six months period ended 30 June 2026 comprise the Company and its subsidiaries (collectively, the "**Group**").

The principal activity of the Company is investment holding. The principal activities of the Group comprise the distribution and sale of kitchen appliances, biotechnology and wellness-related products and services, including skincare and moxibustion-related businesses. During the six-month financial period ended 30 June 2026, the Group also expanded into moxibustion-related operations through a joint venture arrangement in Singapore.

2. Basis of preparation

The condensed interim financial statements for the second quarter ("**2Q**") and six months period ended 30 June ("**1H**") 2026 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 Interim Financial Reporting issued by the Accounting Standards Council of 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 audited consolidated financial statements for the financial year ended 31 December 2025.

Save as disclosed in Note 2.1 below, the Group has applied the same accounting policies and methods of computation as in the Group's latest audited consolidated financial statements for the financial year ended 31 December 2025, which were announced on 15 April 2026.

The condensed interim financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

2.1 New and amended standards adopted by the Group

A number of amendments to SFRS(I) 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 SFRS(I). The adoption of the new and revised SFRS(I) and interpretation of SFRS(I) has no material impact on the financial performance or position of the Group and the Company reported for the current or prior reporting periods.

2.2 Critical judgements and key sources of estimate uncertainty

In the application of the Group's accounting policies and assessment of going concern, the management of the Company ("**Management**") is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies

There are no critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial period, are discussed below.

<u>Impairment of property, plant and equipment</u>

As at 30 June 2026, the Group's and the Company's property, plant and equipment amounted to S$301,252 and S$51,929 (31 December 2025: S$393,287 and S$87,316), respectively, as disclosed in Note 12.

The Group and the Company undertake an annual review of the carrying amount of the property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount (i.e., the higher of the fair value less costs of disposal and value in use) of the property, plant and equipment is estimated to determine the impairment loss or write-back of impairment.

As at 30 June 2026, there was no assessment done for impairment of property, plant and equipment.

<u>Valuation of inventories</u>

A review is made periodically on the inventory to identify obsolete and/or excess inventory and declines in net realisable value below cost. A corresponding write-off or write-down is recorded against the carrying amount of the inventory balance for any such obsolescence, excess and declines. The realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting date and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of write-off or write-down include Management's expectations for future sales and inventory management, which may materially affect the carrying amounts of inventories at the reporting date. Possible changes in these estimates could result in revisions to the stated value of the inventories, but these changes would not arise from the assumptions or other sources of estimation uncertainty at the reporting date. There were no inventories written down or written off by the Group as at 30 June 2026 and 31 December 2025.

2.2 Critical judgements and key sources of estimate uncertainty (cont'd)

Impairment of trade receivables and contract assets

As at 30 June 2026, the Group's trade receivables and contract assets amounted to S$85,166 and S$6,598, respectively (31 December 2025: S$15,971 for trade receivables and S$6,598 for contract assets).

Based on the Group's experience on historical credit loss, trade receivables exhibited significantly different loss patterns for each revenue segment. Within each revenue segment, the Group has common customers across different geographical regions and applies credit evaluations by customer. Accordingly, Management has determined the expected loss rates by grouping the receivables in each revenue segment across geographical regions.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There were no customers in financial difficulties during the financial period under review. As at 30 June 2026, there was no assessment done for expected credit losses.

Impairment of other receivables

As at 30 June 2026, the Group's and the Company's other receivables amounted to S$884,355 and S$641,260 (31 December 2025: S$321,529 and S$186,427), respectively, as disclosed in Note 14.

The Group and the Company use an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement).

The Group and the Company assessed the credit exposure of these receivables for the 3-month financial period ended 30 June 2026 and measured the impairment losses based on 12-month expected credit loss basis, except for amounts due from former subsidiaries, former associates, subsidiaries and other receivables, which are measured at the amounts equal to lifetime expected credit loss. As at 30 June 2026, there was no assessment done for expected credit losses.

Fair value measurement of derivative financial instrument

The Group's and the Company's loans contained an equity conversion option, which enables the Company to convert the loans to ordinary shares of the Company upon resumption of trading of the shares of the Company. The equity conversion option meets the definition of a derivative financial instrument, which requires fair value measurement at each reporting period.

The key assumptions used in determining the fair value of derivative financial instrument is disclosed in Note 15.

Notes to the Condensed Interim Financial Statements (cont'd)

3. Seasonal operations

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

4. Segment information

The Group is organised into business units based on its products and services for management purposes. The reportable segments are distribution and retail, healthcare and others.

The distribution and retail segment is involved in the selling and distribution of products through a network of authorised dealers and retailers.

Healthcare segment is involved in launching skincare products, such as facial serum, facial mist and facial mask.

Others are the investment holding active and inactive companies.

Management monitors the operating results of its reportable segments separately for making decisions about the allocation of resources and the assessment of the performance of each segment.

Notes to the Condensed Interim Financial Statements (cont'd)

4. Segment information (cont'd)

	Distribution and retail		Healthcare		Others		Total	
	1H2026 S$	1H2025 S$	1H2026 S$	1H2025 S$	1H2026 S$	1H2025 S$	1H2026 S$	1H2025 S$
Reportable segment revenue	227,454	184,308	26,741	–	–	–	254,195	184,308
Reportable segment profits/(losses)	21,536	(268,429)	(364,661)	–	(1,382,469)	(1,261,752)	(1,725,594)	(1,530,181)
Reportable segment assets	511,679	463,704	791,130	–	643,614	328,935	1,946,423	792,639
Reportable segment liabilities	624,720	1,373,910	635,646	–	12,779,543	8,063,029	14,039,909	9,436,939
Capital expenditure*	–	(76,052)	–	–	–	–	–	(76,052)
Depreciation of property, plant and equipment	(17,211)	(35,388)	(38,008)	–	(35,387)	(17,826)	(90,606)	(53,214)

	Distribution and retail		Healthcare		Others		Total	
	2Q2026 S$	2Q2025 S$	2Q2026 S$	2Q2025 S$	2Q2026 S$	2Q2025 S$	2Q2026 S$	2Q2025 S$
Reportable segment revenue	137,937	139,800	20,938	–	–	–	158,875	139,800
Reportable segment profits/(losses)	19,632	(115,284)	(194,834)	–	(605,097)	(685,099)	(780,299)	(800,383)
Reportable segment assets	511,679	463,704	791,130	–	643,614	328,935	1,946,423	792,639
Reportable segment liabilities	624,720	1,373,910	635,646	–	12,779,543	8,063,029	14,039,909	9,436,939
Capital expenditure*	–	–	–	–	–	–	–	–
Depreciation of property, plant and equipment	(8,631)	(25,554)	(18,290)	–	(17,694)	(840)	(44,615)	(26,394)

* Included in the capital expenditure is the addition of right-of-use assets.

Notes to the Condensed Interim Financial Statements (cont'd)

5. Financial assets and liabilities

	Group		Company	
	30.06.2026 (Unaudited) S$	31.12.2025 (Audited) S$	30.06.2026 (Unaudited) S$	31.12.2025 (Audited) S$
Financial assets				
Trade and other receivables*	591,112	204,789	625,394	148,033
Cash and cash equivalents	388,135	724,701	177,300	380,323
	979,247	929,490	802,694	528,356
Financial liabilities				
Trade and other payables	1,989,771	1,920,883	1,291,904	1,154,885
Lease liabilities	307,562	398,609	45,477	84,571
Borrowings	11,489,303	9,662,945	11,489,303	9,662,945
	13,786,636	11,982,437	12,826,684	10,902,401

* Excludes prepayments

6. Loss before tax

Loss before tax has been arrived at after charging:

	Group			
	3 months ended		6 months ended	
	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$
Cost of inventories recognized as an expense included in cost of sales	67,955	39,636	101,052	60,706
Depreciation of property, plant and equipment	44,615	26,394	90,606	53,214
Directors' fee	59,758	62,500	122,258	125,000
Legal and professional fees	59,134	9,145	269,732	30,301
Net (gain)/loss on foreign exchange differences	(3,983)	255,735	176	327,959
Rental expense on operating lease	10,347	7,086	24,102	13,175
Salaries and related costs	291,731	271,137	581,229	546,239

7. Other income

	Group			
	3 months ended		6 months ended	
	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$
Net gain on foreign exchange differences	1,716	–	6,454	–
Others	4,118	1,799	4,118	3,461
	5,834	**1,799**	**10,572**	**3,461**

Notes to the Condensed Interim Financial Statements (cont'd)

8. Finance costs

	Group			
	3 months ended		6 months ended	
	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$	30.06.2026 (Unaudited) S$	30.06.2025 (Unaudited) S$
Interest expense on borrowings	164,196	152,147	326,355	301,085
Interest expense on lease liabilities	9,323	2,382	10,874	5,149
Total interest expense	173,519	154,529	337,229	306,234
(Reversal) of/Bank charges	(1,945)	337	3,023	913
	171,574	**154,866**	**340,252**	**307,147**

9. Investment in subsidiaries

	Company	
	30.06.2026 (Unaudited) S$	31.12.2025 (Audited) S$
Equity investment at cost		
At beginning of financial year	790,000	100,000
Additions [(1)]	375,000	690,000
At end of financial year	1,165,000	790,000
Accumulated impairment loss		
At beginning and end of financial year	100,000	100,000
Net carrying amount	**1,065,000**	**690,000**

Note:
(1) Paid-up capital for Hainan Blue Code Biotechnology Co., Ltd

The Group has the following subsidiaries as at 30 June 2026 and 31 December 2025 with details as follows:

Name of subsidiaries	Country of incorporation/ place of business	Proportion of equity interests held by the Group		Proportion of equity interests held by non-controlling interests		Principal activities
		30 June 2026 %	31 December 2025 %	30 June 2026 %	31 December 2025 %	
Held by the Company						
KHL (Hong Kong) Limited ("**KHL**") [(i)]	Hong Kong	100	100	-	-	Investment holding
SDAI Healthcare Pte. Ltd. ("SDH") [(ii)]	Singapore	100	100	-	-	Trading in specialist medical equipment and related supplies

Notes to the Condensed Interim Financial Statements (cont'd)

9. Investments in subsidiaries (cont'd)

Name of subsidiaries	Country of incorporation/ place of business	Proportion of equity interests held by the Group		Proportion of equity interests held by non-controlling interests		Principal activities
		30 June 2026 %	31 December 2025 %	30 June 2026 %	31 December 2025 %	
Hainan Blue Code Biotechnology Co., Ltd. ("**HBCB**")	China	100	100	-	-	Technical consulting and development services, information consulting services, natural science research and development, general sales and retail; and e-commerce
Held by KHL						
Kitchen Culture (Hong Kong) Limited [(i)]	Hong Kong	70	70	30	30	Sales and distribution of kitchen system, kitchen appliances, wardrobe system, household furniture and appliances
Kitchen Culture (China) Limited [(i)]	Hong Kong	100	100	-	-	Dormant
Held by HBCB						
Blue Code Medical Health (Hainan) Co. Ltd. [(iii)]	China	100	100	-	-	General sales and retail; and e-commerce

(i) Audited by Fan, Chan & Co, Hong Kong, a member firm of "Nexia International" network
(ii) Not required to be audited
(iii) Incorporation of wholly-owned subsidiary on 2 September 2025

Notes to the Condensed Interim Financial Statements (cont'd)

10. Investment in associate

Set out below is the associate of the Group:

Name	Principal activities	Country of business/ incorporation	% of ownership interest	
			30.06.2026	31.12.2025
<u>**Held by SDAI Limited**</u>				
OOWAY Technology Pte. Ltd.	Holding company and provision of management consultancy services	Republic of Singapore	27.65	27.65

No investment in associate recorded as at 30 June 2026 and 31 December 2025.

11. Investment in joint venture

The Group has an interest in a joint venture ("**JV**"), QCM Holdings Pte. Ltd. ("**QCMH**"), in which it holds a 55% equity interest. The JV is principally engaged in creating an international operations platform focusing on global brand promotion, international channel development, pricing system design and sales conversion, with the aim to expand the moxibustion products market and is incorporated in Singapore.

The JV is accounted for using the equity method.

During the first quarter of 2026, the Group recognised a share of loss of S$55,000, which is presented under "Share of loss from equity-accounted investees" in the condensed interim financial statement of profit and loss and other comprehensive income for first quarter and three months ended 31 March 2026.

As at 30 June 2026, the carrying amount of the investment in the joint venture is S$Nil.

Notes to the Condensed Interim Financial Statements (cont'd)

12. Property, plant and equipment

The Group	Leasehold properties S$	Renovations S$	Furniture and fittings S$	Office Equipment S$	Total S$
Cost					
At 1 January 2025 (Audited)	312,729	126,864	6,599	46,178	492,370
Addition	406,444	–	–	–	406,444
Exchange differences	(570)	–	(149)	(121)	(840)
At 31 December 2025 (Audited)/30 June 2026 (Unaudited)	**718,603**	**126,864**	**6,450**	**46,057**	**897,974**
Accumulated depreciation and impairment loss					
At 1 January 2025 (Audited)	162,432	126,864	6,599	46,178	342,073
Depreciation for the year	165,261	–	–	–	165,261
Exchange differences	(2,377)	–	(149)	(121)	(2,647)
At 31 December 2025 (Audited)	**325,316**	**126,864**	**6,450**	**46,057**	**504,687**
Depreciation for the period	90,606	–	–	–	90,606
Exchange differences	1,429	–	–	–	1,429
At 30 June 2026 (Unaudited)	**417,351**	**126,864**	**6,450**	**46,057**	**596,722**
Net book value					
At 30 June 2026 (Unaudited)	**301,252**	–	–	–	**301,252**
At 31 December 2025 (Audited)	393,287	–	–	–	393,287

The Company	Leasehold properties S$	Renovations S$	Office Equipment S$	Total S$
Cost				
At 1 January 2025 (Audited)	212,327	126,864	40,866	380,057
Addition	21,586	–	–	21,586
At 31 December 2025 (Audited)/ 30 June 2026 (Unaudited)	**233,913**	**126,864**	**40,866**	**401,643**
Accumulated depreciation and impairment loss				
At 1 January 2025 (Audited)	62,030	126,864	40,866	229,760
Depreciation for the year	84,567	–	–	84,567
At 31 December 2025 (Audited)	**146,597**	**126,864**	**40,866**	**314,327**
Depreciation for the period	35,387	–	–	35,387
At 30 June 2026 (Unaudited)	**181,984**	**126,864**	**40,866**	**349,714**
Net book value				
At 30 June 2026 (Unaudited)	**51,929**	**–**	**–**	**51,929**
At 31 December 2025 (Audited)	87,316	–	–	87,316

During the financial period under review, no property, plant and equipment was acquired (FY2025: S$406,444).

Notes to the Condensed Interim Financial Statements (cont'd)

13. Intangible assets

In FY2025, the Group capitalised new intangible assets amounting to S$11,807, representing the capitalisation of testing fees paid to a Hong Kong government authority in relation to regulatory compliance testing for a specific refrigerator model sold by the Group's Hong Kong subsidiary.

As at 30 June 2026, the carrying amount of the intangible assets of the Company amounted to S$7,432 (31 December 2025: S$9,371), after recognising an amortisation of S$1,919 (FY2025: S$2,296), partially offset by exchange rate differences of approximately S$20 (FY2025: S$140).

The aforementioned costs were capitalised as intangible assets on the basis that they are directly attributable to bringing the product to market and are expected to generate future economic benefits through the continued sale of this refrigerator model.

Management is of the view that these capitalised amounts to meet the recognition criteria for intangible assets prescribed under SFRS(I) 1-38 – Intangible Assets, as the expenditures are identifiable, controlled by the Group and are expected to result in probable future economic inflows.

14. Trade and other receivables

	Group		**Company**	
	30.06.2026 (Unaudited) S$	**31.12.2025 (Audited) S$**	**30.06.2026 (Unaudited) S$**	**31.12.2025 (Audited) S$**
Trade receivables	245,142	175,947	–	–
Impairment losses	(159,976)	(159,976)	–	–
Net trade receivables	85,166	15,971	–	–
Amount due from joint venture	266,177	–	266,177	–
Amounts due from former subsidiaries	18,618,446	18,618,446	18,617,827	18,617,827
Amounts due from former associate	233,256	233,256	233,256	233,256
Amounts due from subsidiaries	–	–	4,517,511	4,306,325
	19,117,879	18,851,702	23,634,771	23,157,408
Impairment losses	(18,851,702)	(18,851,702)	(23,137,670)	(23,137,670)
	266,177	–	497,101	19,738
Other receivables	62,743	30,328	5,939	5,939
Deposits	182,026	163,490	127,354	127,356
	244,769	193,818	133,293	133,295
Impairment losses	(5,000)	(5,000)	(5,000)	(5,000)
	239,769	188,818	128,293	128,295
At amortised cost (net)	505,946	188,818	625,394	148,033
Prepayments	378,409	132,711	15,866	38,394
Total other receivables	884,355	321,529	641,260	186,427

The average credit period on the sale of goods is 60 days. No interest is charged on the trade receivables. Before accepting any new customer, the Group will assess the potential customer's credit quality and define credit limits by customer. Credit limits attributed to customers will be reviewed periodically.

Notes to the Condensed Interim Financial Statements (cont'd)

14. Trade and other receivables (cont'd)

Movement in the allowance for impairment in respect of other receivables during the period/year was as follows:

	Group		Company	
	2Q2026 (Unaudited) S$	FY2025 (Audited) S$	2Q2026 (Unaudited) S$	FY2025 (Audited) S$
At beginning of financial period/year	18,856,702	18,861,533	23,142,670	23,169,032
Impairment loss recognised	–	–	–	2,493
Reversal of impairment loss	–	(4,831)	–	(28,855)
At end of financial period/year	**18,856,702**	**18,856,702**	**23,142,670**	**23,142,670**

15. Borrowings

	Group 30.06.2026 (Unaudited) S$	Company 31.12.2025 (Audited) S$	Group 30.06.2026 (Unaudited) S$	Company 31.12.2025 (Audited) S$
Amount repayable within one year or less				
Unsecured loan (Current)				
Loan 1	–	3,820,933	–	3,820,933
Loan 2	–	3,849,592	–	3,849,592
Loan 3	200,000	–	200,000	–
Redeemable Loans 1	–	960,201	–	960,201
Redeemable Loans 2	600,000	1,032,219	600,000	1,032,219
	800,000	**9,662,945**	**800,000**	**9,662,945**
Amount repayable after one *year*				
Unsecured loan (Non-Current)				
Loan 1	3,958,637	–	3,958,637	–
Loan 2	3,998,628	–	3,998,628	–
Redeemable Loans 1	1,032,219	–	1,032,219	–
Redeemable Loans 2	399,819	–	399,819	–
Redeemable Loans 3	1,100,000	–	1,100,000	–
Redeemable Loan 4	200,000	–	200,000	–
Total borrowings	**10,689,303**	**–**	**10,689,303**	**–**

<u>Loan 1</u>

On 26 June 2023, the Company entered into a loan agreement with Asian Accounts Receivable Exchange Pte Ltd ("**Loan 1 Agreement**") for an interest-free loan of S$4,000,000 with full repayment 12 months from the date of the Loan Agreement ("**Loan 1**"). The salient terms of the Loan 1 Agreement can be found in the announcement made by the Company on 26 June 2023. On 27 March 2024, the Company renewed Loan 1 with a maturity date of 26 September 2025. As at 31 December 2023 and 31 December 2024, the Company has drawn down a total of S$4,000,000. On 11 November 2024, the Company further renewed Loan 1 with a new maturity date of 30 June 2026. On 13 March 2026, the Company further renewed Loan 1 with a new maturity date of 31 December 2027.

15. Borrowings (cont'd)

Loan 2

On 27 March 2024, the Company entered into a loan agreement with a director of the Company ("**Loan 2 Agreement**") for an interest-free loan of S$4,000,000 with full repayment 18 months from the date of the loan agreement ("**Loan 2**"). The salient terms of the loan agreement can be found in the announcement made by the Company on 27 March 2024. On 27 March 2024, the Company renewed the loan with a maturity date of 26 September 2025. As at 31 December 2024, the Company has drawn down a total of S$2.9 million. On 11 November 2024, the Company further renewed Loan 2 with a new maturity date of 30 June 2026. As at 24 September 2025, the Company has further drawn down the remainder S$1.1 million. On 13 March 2026, the Company further renewed Loan 2 with a new maturity date of 31 December 2027.

Loan 3

On 17 June 2026, the Company entered into a funding agreement ("**Loan 3 Agreement**") with a private investor for a loan facility ("**Loan 3**") of up to S$600,000. The loan facility bears interest at 15% per annum, with each drawdown repayable within six (6) calendar months from its respective disbursement date. The proceeds of the Loan 3 are to be used solely for the prepayment or payment for the purchase of AKG products. As at 30 June 2026, the Company had drawn down S$200,000 under the facility.

Redeemable Loans 1

On 11 November 2024, the Company entered into four (4) separate redeemable loan agreements (collectively, the "**Redeemable Loan Agreements**") with (a) Mr Chee Tuck Hong, (b) Ms Elizabeth Widjaja, (c) Mr Tan Kee Tuan and (d) Mr Chan Lung Tin for an interest-free loan of S$1,000,000 ("**Redeemable Loans 1**") with full repayment 19 months from the date of the Redeemable Loan Agreements. The salient terms of the Redeemable Loan Agreements can be found in the announcement made by the Company on 11 November 2024. As at 30 June 2026, the Company has fully drawn down Redeemable Loans 1. On 13 March 2026, the Company further renewed Redeemable Loans 1 with a new maturity date of 31 December 2027.

Redeemable Loans 2

On 6 August 2025, the Company entered into four (4) separate redeemable loan agreements (collectively, the "**Redeemable Loan Agreements 2**", and individually, a **"Redeemable Loan Facility**") with (a) Mr Tan Kooi Jin, (b) Mr Chiang Siew Kay, (c) Mr Pok Soy Yoong and (d) Mr Tan Wai Boon Tin for a loan of S$1,000,000 carrying an interest rate of 8% per annum on the principal amount ("**Redeemable Loans 2**") with full repayment on 30 June 2026. The salient terms of the Redeemable Loan Agreements 2 can be found in the announcement made by the Company on 6 August 2025 and the clarification announcement on 7 August 2025. As at 31 March 2026, the Company has drawn down an aggregate amount of S$1,000,000 from Redeemable Loans 2. On 13 March 2026, the Company further renewed three (3) Redeemable Loan Facilities with three (3) of the aforementioned investors by extending the maturity date to 31 December 2027 and separately renewed the Redeemable Loans 2 facility with Mr Tan Kooi Jin by extending the maturity date to 31 March 2027.

Redeemable Loans 3

On 13 March 2026, the Company entered into six (6) separate redeemable loan agreements (collectively, the "**Redeemable Loan Agreements 3**") with (a) Ms Zhang Lixin, (b) Mr Tan Yeng Chong, (c) Mr Siew Yew Khuen, (d) Mr Lim Chin Sheng, (e) Mr Lim Cheng Hock and (f) Mr Leow Eng Chong for a loan of S$1,100,000 carrying an interest rate of 8% per annum on the principal amount ("**Redeemable Loans 3**") with full repayment on 31 December 2027. The salient terms of the Redeemable Loan Agreements 3 can be found in the announcement made by the Company on 14 March 2026. As at 30 June 2026, the Company has drawn down an aggregate amount of S$1,100,000 from Redeemable Loans 3. On 13 March 2026, the Company further renewed Redeemable Loan 3 with a new maturity date of 31 December 2027.

Notes to the Condensed Interim Financial Statements (cont'd)

15. Borrowings (cont'd)

Redeemable Loan 4

On 10 June 2026, the Company entered into a redeemable loan agreement ("**Redeemable Loan 4**") with Beyoung Pte. Ltd. for a loan of S$200,000 carrying an interest rate of 8% per annum on the principal amount with full repayment on 31 December 2027. The salient term of the Redeemable Loan Agreement 4 can be found in the announcement made by the Company on 11 June 2026. As at 30 June 2026, the Company has drawn down S$200,000 from Redeemable Loan 4.

Equity conversion option

The above loans, with the exception of Loan 3, contained an equity conversion option, which enables the Company to convert the loans to ordinary shares of the Company upon resumption of trading of the shares of the Company. This equity conversion feature does not qualify as an equity instrument because the conversion term does not meet the "fixed-for-fixed" test, where the number of ordinary shares to be converted is not fixed and may vary with the changes in fair value of the ordinary shares of the Company.

The equity conversion option meets the definition of a derivative financial instrument. The Group and the Company assessed that the fair value of the derivative financial instrument is insignificant as at 30 June 2026 and 31 December 2025.

16. Share capital

	The Group and the Company			
	30 June 2026		31 December 2025	
	No. of shares	S$	No. of shares	S$
Issued and paid-up				
Beginning and end of financial period/year	424,665,283	58,948,250	424,665,283	58,948,250

All shares rank equally with regard to the Company's residual assets. All issued shares are fully paid, with no par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All rights attached to the Company's shares held by the Group are suspended until those shares are reissued.

There were no changes in the share capital of the Company since 31 December 2025.

As at 30 June 2025, the Company has entered into Loan 1, Loan 2 and Redeemable Loans 1. Save for these, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 30 June 2025.

Save for the Loan 1, Loan 2, Redeemable Loans 1, Redeemable Loans 2, Redeemable Loans 3 and Redeemable Loan 4, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at 30 June 2026.

The Company did not hold any treasury shares and the Company's subsidiaries did not hold any shares in the Company as at 30 June 2026 and 30 June 2025.

17. Significant related party transactions

There were no material related party transactions during 1H2026 and FY2025.

18. Significant events

Save as disclosed below, there are no known significant events which led to adjustments to this set of interim financial statements:

(a) On 12 July 2021, the Company voluntarily suspended trading of its shares on the SGX-ST as the board of directors of the Company (the "**Board**" or "**Directors**") at the time was unable to confirm that all relevant material information has been announced, pending, *inter alia*, the completion of the additional agreed-upon-procedures or a special audit then being considered by the Audit and Risk Committee. Please refer to the Company's announcement dated 12 July 2021 for further details.

(b) On 14 July 2021 and 19 August 2021, Singapore Exchange Regulation ("**SGX RegCo**") issued notices of compliance to the Company, which directed the commissioning of a special audit to investigate into concerns surrounding the Company's use of past fundraising proceeds, suspected payroll irregularities, purported unauthorised transactions and the associated potential internal control lapses ("**Special Audit**"). Deloitte & Touche Enterprise Risk Services Pte Ltd ("**Special Auditor**") was appointed as the special auditor to review the matters, and report directly to SGX RegCo and Company's sponsor.

Phase one of the findings of the Special Audit on the payroll matter and unauthorised transactions was announced by the Company on 21 July 2023. Phase two of the findings of the Special Audit which, among others, focused on the Company's use of past fund-raising proceeds, was announced by the Company on 29 August 2025 ("**Phase 2 Special Audit Report**").

On 29 August 2025, SGX RegCo issued a Regulatory Announcement ("**Regulatory Announcement**") which sets out, *inter alia*, specific directives for the Company and the Board to rectify the internal control weaknesses highlighted by the Special Auditor and obtain an independent assurance on the adequacy and effectiveness of its internal controls from Baker Tilly Consultancy (Singapore) Pte. Ltd. ("**Baker Tilly**"), its outsourced internal auditor. In addition, SGX RegCo requires the Company to disclose material findings and remedial measures recommended by Baker Tilly in its annual report for the financial year ended 31 December 2025 ("**Annual Report 2025**") and to provide the Board's and the Audit Committee's comments on the adequacy and effectiveness of its internal controls and risk management systems.

In the Annual Report 2025 issued by the Company on 15 April 2025, the Company and Baker Tilly had reported the aforementioned directed by SGX RegCo pursuant to the Regulatory Announcement. Accordingly, the Board considers the Special Audit and its related matters concluded as at the date of the Annual Report 2025.

18. Significant events (cont'd)

(c) On 23 January 2026, the Company announced that it had received formal legal advice from Covenant Chambers LLC in relation to the findings set out in the Phase 2 Special Audit Report ("**Legal Recommendations**") on 22 January 2026.

Pursuant to the Legal Recommendations, the Company had,

(i) on 14 May 2026, issued letters of demand to certain parties seeking, *inter alia*, full explanations and supporting documentation in relation to consultancy services purportedly rendered to the Company;
(ii) on 14 May 2026, made voluntary disclosures to the Ministry of Manpower of Singapore ("**MOM**") through MOM's online reporting portal in relation to the potential infringements of Employment Act of Singapore and submitted a report to SGX RegCo through its whistleblowing channel in relation to potential regulatory breaches and governance concerns identified; and
(iii) subsequent to the end of the reporting period, on 2 July 2026, lodged formal reports requesting investigations in relation to certain findings identified in the Phase 2 Special Audit Report with the Commercial Affairs Department and the Corrupt Practices Investigation Bureau ("**CPIB**"). The CPIB has subsequently informed that it has carefully assessed the information in the report and as it does not disclose a specific offence of corruption at present, it will be taking no further action.

(d) On 8 May 2026, SDH entered into a strategic cooperation agreement with LiveBeyond to explore collaboration opportunities in the areas of anti-ageing biotechnology, healthcare-related products and services, as well as research and development initiatives. The cooperation agreement supports the Group's expansion into the biotechnology and wellness industry.

(e) On 17 June 2026, SDH entered into a supplier agreement with a biotechnology company incorporated in the United States of America for the manufacture and supply of Calcium Alpha-Ketoglutarate ("**AKG**") supplements. The agreement has an initial term of three (3) years commencing from 17 June 2026 and will automatically renew for successive periods of two (2) years unless terminated or non-renewed in accordance with its terms. Pursuant to the agreement, the supplier will manufacture and supply AKG products to SDAI Healthcare Pte. Ltd. for sale and distribution in the People's Republic of China (including Hong Kong and Macau, excluding Taiwan), Singapore and such other territories as may be mutually agreed by the parties in writing from time to time. The agreement also resulted in the cooperation agreement announced on 8 May 2026 becoming effective. As at 30 June 2026, the Company had drawn down S$200,000 under the facility pursuant to Loan 3 Agreement, to make prepayment for the purchase of AKG products.

19. Subsequent events

On 16 July 2026, the Company entered into a redeemable loan agreement with a director of the Company ("**July 2026 Loan Agreement**") for an interest-free loan of S$200,000 ("**July 2026 Loan**") with a maturity date of 31 December 2027. The salient terms of the July 2026 Loan Agreement can be found in the announcement made by the Company on 16 July 2026. As at the date of this announcement, the Company has drawn down S$200,000 from the July 2026 Loan.

Other Information Required by Appendix 7C of the Catalist Rules

Part I Information Required for Quarterly (Q1, Q2 & Q3), Half-Year and Full Year Announcements

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

   The condensed interim consolidated statement of financial position of the Company and its subsidiaries as at 30 June 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity, and condensed consolidated statement of cash flows for the second quarter and six months period ended 30 June 2026, and the explanatory notes herein have not been audited or reviewed by the independent auditor of the Company (the "**Auditor**").

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

   Not applicable.

3. **Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

   (a) **Updates on the efforts taken to resolve each outstanding audit issue.**

   The Group's latest audited consolidated financial statements for FY2025 contained a Disclaimer of Opinion issued by the Auditor in relation to the use of the going concern assumption. Management is currently in the process of addressing and resolving the audit issue raised by the Auditor.

   (b) **Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

   The Directors confirm that the impact of all outstanding audit issues on the financial statements has been adequately disclosed.

4. **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

   Except for the adoption of the new and revised SFRS(I)s and amendments to SFRS(I), effective for the current financial period that are relevant to them, the Group has adopted the same accounting policies and methods of computation as stated in its latest audited consolidated financial statements for FY2025. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those SFRS(I). The adoption of the new and revised SFRS(I), and amendments to SFRS(I) has no material impact on the financial performance or position of the Group and the Company reported for the current or prior reporting periods.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

	3 months ended		6 months ended	
	31.06.2026 (Unaudited)	**30.06.2025 (Unaudited)**	**31.06.2026 (Unaudited)**	**30.06.2025 (Unaudited)**
Loss for the period attributable to equity holders of the Company (S$)	(786,189)	(813,744)	(1,732,055)	(1,535,625)
Weighted average number of ordinary shares in use	424,665,283	424,665,283	424,665,283	424,665,283
Basic and diluted loss per share Basic and diluted (S$ cents)	(0.19)	(0.19)	(0.41)	(0.36)

There were no dilutive potential ordinary shares for 2Q2026 and 2Q2025. The diluted loss per share was the same as the basis loss per share for the aforementioned financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares, excluding treasury shares of the issuer at the end of the:

	Group		Company	
	31.06.2026 (Unaudited)	**31.12.2025 (Audited)**	**31.06.2026 (Unaudited)**	**31.12.2025 (Audited)**
Net asset value per ordinary share (S$ cents)	(2.63)	(2.22)	(2.55)	(2.25)
Number of ordinary shares in issue as at period/year end	424,665,283	424,665,283	424,665,283	424,665,283

Net asset value per ordinary share is calculated by dividing the respective equity attributable to equity holders of the Company by the aggregate number of ordinary shares as at the end of the respective financial periods.

8. A review of the performance of the group

Review of Consolidated Statement of Profit and Loss

Revenue
The Group recorded an increase in revenue of 13.6% or S$0.02 million from S$0.14 million in 2Q2025 to S$0.16 million in 2Q2026. The increase was mainly driven by the contribution of S$0.02 million from the Group's new healthcare business, which commenced sales since December 2025.

Cost of sales
The Group's cost of sales increased by 71.4% or S$0.03 million, from S$0.04 million in 2Q2025 to S$0.07 million in 2Q2026. The increase was mainly attributable to the higher cost of sales recognised by the healthcare segment, following the commencement of its operations and the increase in sales activities in FY2026.

Gross profit
The Group's gross profit decreased by 9.2%, or S$9,244, which was mainly due to a lower profit margin contributed by retail and distribution segment in 2Q2026.

Other income
Other income increased by S$4,035 and remained immaterial at S$1,799 and S$5,834 in 2Q2025 and 2Q2026, respectively.

Selling and distribution expenses
The Group recorded selling and distribution expenses of S$0.03 million in 2Q2026, which mainly comprised of marketing fees and product design fees incurred in relation to the launch of new products by HBCB in 2Q2026. No such expenses were incurred in 2Q2025.

Other operating expenses
Other operating expenses of S$0.26 million in 2Q2025 mainly comprised of foreign exchange losses. No such expenses were incurred in 2Q2026.

General and administrative expenses
General and administrative expenses increased by 37.6% or S$0.19 million, from S$0.49 million in 2Q2025 to S$0.68 million in 2Q2026. The increase was mainly due to (i) higher legal and professional fees of S$0.06 million relating to (a) the special audit, and (b) legal advisory for new business initiatives; (ii) audit fees of S$0.08 million accrued for FY2026; and (iii) higher depreciation of S$0.04 million arising from right-of-use assets of HBCB.

Finance costs
Finance costs increased by 10.8% or S$0.02 million, from S$0.15 million in 2Q2025 to S$0.17 million in 2Q2026, mainly due to the additional interest expenses on borrowings from redeemable loans.

Loss before tax
As a result of the foregoing, the Group recorded a decrease of 2.5% or S$0.02 million in loss before tax, from S$0.80 million in 2Q2025 to S$0.78 million in 2Q2026.

Share of loss from equity-accounted investees, net of tax
The share of loss from equity-accounted investee recorded in the current financial period relates to the Group's newly established joint venture, which commenced operations during the current financial period. Accordingly, there was no corresponding comparative amount in the previous financial period. The loss incurred was mainly attributable to start-up and operational expenses incurred during the initial stage of business development prior to the commencement and scaling up of revenue-generating activities.

8. A review of the performance of the group (cont'd)

Review of Statements of Financial Position (cont'd)

Non-current assets
The Group's non-current assets decreased by S$0.09 million, from S$0.40 million as at 31 December 2025 to S$0.31 million as at 30 June 2026, primarily attributable to the depreciation charges of S$0.09 million.

Current assets
The Group's current assets increased by S$0.31 million, from S$1.33 million as at 31 December 2025 to S$1.64 million as at 30 June 2026. The increase was mainly attributable to (i) an increase in other receivables of S$0.56 million, mainly as a result of increase in receivables of S$0.27 million from QCMH, a joint venture incorporated during the financial year and an increase in prepayments of S$0.24 million, including S$0.19 million paid to suppliers for the production of new healthcare products and S$0.04 million paid to suppliers in Hong Kong for the retail and distribution business; (ii) an increase in trade receivables of S$0.07 million arising from higher retail and distribution sales by the Group's Hong Kong subsidiary; and (iii) an increase in inventories of S$0.01 million, following the commencement of the healthcare business by the Group's China subsidiary. These increases were partially offset by a decrease in cash and cash equivalents of S$0.34 million.

Non-current liabilities
The Group's non-current liabilities increased by S$10.72 million, from S$0.25 million as at 31 December 2025 to S$10.97 million as at 30 June 2026. The increase was mainly attributable to the reclassification of borrowings from current liabilities to non-current liabilities following the extension of the loan maturity dates to beyond 12 months from the reporting date, as well as the recognition of a new redeemable loan of S$200,000 during the period.

Current liabilities
The Group's current liabilities decreased by S$8.76 million, from S$11.83 million as at 31 December 2025 to S$3.07 million as at 30 June 2026. The decrease was mainly attributable to the reclassification of borrowings from current liabilities to non-current liabilities following the extension of the loan maturity dates to beyond 12 months from the reporting date.

Please refer to the section entitled "Review of Consolidated Statement of Cash Flows" below for information on the decrease in cash and cash equivalents.

Equity
The Group recorded negative total equity of S$12.09 million as at 30 June 2026, as compared to negative total equity of S$10.34 million as at 31 December 2025, mainly due to the recognition of losses of S$1.75 million for 2Q2026.

Working capital position
The Group reported a negative working capital position of approximately S$1.43 million as at 30 June 2026, as compared to a negative working capital of approximately S$10.50 million as at 31 December 2025.

The Group is in a negative working capital position as at 30 June 2026, which indicates that the Group may not be able to meet its short-term debt obligations when they become due. The Board acknowledges the uncertainties regarding the Group's ability to realise its assets and discharge its liabilities in the normal course of business. However, the Board remains confident that the Group will be able to meet its obligations as and when they fall due and that the preparation of these condensed interim consolidated financial statements on a going concern basis remains appropriate, taking into consideration that the Group's and the Company's ability to:-

(a) successfully complete the corporate turnaround plans and restructuring;

(b) generate sufficient sales revenue and operating cashflow from its businesses;

(c) obtain sufficient new loan financing; and/or

(d) repay all the existing redeemable loans from lenders via debt conversion.

8. A review of the performance of the group (cont'd)

Review of Statements of Financial Position (cont'd)

The Company entered into the following:

(a) the third side letter with Asian Accounts Receivable Exchange Pte. Ltd. ("**AREX**") to amend the expiry date of the S$4.0 million redeemable loan dated 26 June 2023 provided by AREX to the Company from 30 June 2026 to 31 December 2027;

(b) the second side letter agreement with Mdm Hao Dongting, a director of the Company, in relation to the S$4.0 million interest-free loan dated 27 March 2024 extended by Mdm Hao Dongting to the Company, to extend the expiry date to 31 December 2027;

(c) seven (7) side letter agreements to four (4) redeemable loan agreements dated 11 November 2024 and three (3) redeemable loan agreements dated 6 August 2025 entered into between the Company and various investors, in relation to redeemable loans of an aggregate principal sum of S$1.4 million, to extend the expiry dates to 31 December 2027;

(d) a side letter agreement to the redeemable loan agreement dated 6 August 2025 entered into between the Company and an investor in relation to the redeemable loan of the principal sum of S$600,000, to extend the expiry date to 31 March 2027;

(e) six (6) separate redeemable loan agreements with six (6) separate investors on 13 March 2026, for an aggregate principal amount of S$1.1 million, carrying an interest rate of 8 per cent per annum on the principal amount, with a maturity date of 31 December 2027;

(f) a redeemable loan agreement with an investor on 11 June 2026, for an aggregate principal amount of S$200,000, carrying an interest rate of 8 per cent per annum on the principal amount, with a maturity date of 31 December 2027.

(g) A funding agreement with a private investor for a loan facility of up to S$600,000. The loan facility bears interest at 15% per annum, with each drawdown repayable within six (6) months from its respective disbursement date on 17 June 2026. As at 30 June 2026, the Company had drawn down S$200,000 under the facility.

Subsequent to 2Q2026, the Company has entered into a redeemable loan agreement with a director of the Company on 16 July 2026, for an aggregate principal amount of S$200,000, interest-free, with a maturity date of 31 December 2027.

The Company is also actively pursuing new business opportunities to generate new revenue streams for the Group and enhance the Group's future prospects.

Review of Consolidated Statement of Cash Flows

The operating cash outflows of the Group in 2Q2026, before adjustments for changes in working capital, were S$0.57 million. The net cash used in operating activities was S$0.84 million after taking into account the net changes to working capital, including a decrease in trade and other receivables of S$0.32 million, partially offset by the increase in contract liabilities of S$0.09 million.

Net cash used in investing activities amounted to S$0.03 million in 2Q2026, mainly attributable to the advances to joint venture.

Net cash generated from financing activities amounted to S$0.40 million in 2Q2026, mainly attributable to the drawdown of loans from shareholders and investors of S$0.40 million and advances from a director of S$0.04 million. This was partially offset by the repayment of lease liabilities of S$0.02 million and interest payments of S$0.01 million.

As a result of the above and after adjusting for the effects of foreign exchange rate changes on cash and cash equivalents amounting to S$0.07 million, the Group recorded a decrease of S$0.47 million in cash and cash equivalents, from S$0.92 million as at 31 March 2026 to S$0.38 million as at 30 June 2026.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's kitchen business has been shifted to Hong Kong following the compulsory liquidation of its principal wholly-owned subsidiary, KHLM, on 5 April 2022. Management anticipates a slowdown in both the residential projects segment and the distribution and retail segment of the Group.

In the fourth quarter of 2025, the Group commenced operations in the biotechnology industry, producing and providing healthcare-related products and services.

On 21 December 2025, the Group officially launched its proprietary skincare line, Bluecode Biotech B-III skincare series (蓝码生物 B-III 系列). This launch marks a significant milestone in SDAI's transformation journey, as the Group expands into the high-growth anti-ageing and biotechnology sectors. More information about the product line is available on the Company's official website at https://b-iii.com.

On 12 January 2026, the Group entered into a shareholders' agreement with Hubei Qiai to incorporate a joint venture company in Singapore. This joint venture aims to develop an international platform to grow the moxibustion product market across the ASEAN region. On 15 January 2026, a joint venture company, QCM, was incorporated in Singapore. The Company owns a 55% stake in QCMH, while Hubei Qiai holds a 45% stake. In relation to the joint venture, the Group has set up a moxibustion experience centre at #01-04, 5 Jurong West Avenue 5 in Singapore to educate customers and allow them to experience the benefits of QCMH moxibustion products. For more information, please visit the Company website at https://www.sdai.com.sg.

On 8 May 2026, SDH entered into a cooperation agreement with LiveBeyond to explore collaboration opportunities in the areas of anti-ageing biotechnology, healthcare-related products and services, as well as research and development initiatives. The cooperation agreement supports the Group's expansion into the biotechnology and wellness industry.

On 17 June 2026, SDH entered into a three-year supplier agreement with a U.S. biotechnology company for the manufacture and supply of AKG supplements. The agreement enables the supply and distribution of AKG products in the People's Republic of China (including Hong Kong and Macau, excluding Taiwan), Singapore and other mutually agreed territories, and also resulted in the Cooperation Agreement announced on 8 May 2026 becoming effective. Further details are set out in the Company's announcement dated 17 June 2026 entitled "Update to Cooperation Agreement – Entry into Supplier Agreement".

The Group will make further announcements when there are material developments.

11. Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended for 2Q2026.

(b) (i) Amount per share

Not applicable.

(ii) Previous corresponding period

No interim dividend was declared or recommended in the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated)

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

(f) If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended by the Directors for 2Q2026 as the Group incurred a loss for 2Q2026 and continues to report accumulated losses as at 30 June 2026.

12. If the group has obtained a general mandate from shareholders for interested person transactions ("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 does not have a general mandate from its shareholders for IPTs.

13. Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

On behalf of the board of directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited condensed interim consolidated financial results for the Group for the second quarter and six months period ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Hao Dongting Executive Chairperson	Liu Ting Executive Director and CEO

14. 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).

The Company confirms that all the required undertakings in the format set out in Appendix 7H under the Rule 720(1) of the Catalist Rules have been obtained from its directors and executive officers.

15. Disclosure of acquisitions (including incorporations) and realisations of shares in subsidiaries and/or associated companies since the end of the previous reporting period pursuant to Rule 706A of the Catalist Rules.

The Group has not made any other acquisitions (including incorporations) or realisations of shares in subsidiaries and/or associated companies since the end of the first quarter of 2026, up to the conclusion of 2Q2026.

Part II Additional Information Required for Full Year Announcement

16. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable.

18. A breakdown of sales as follows:

Not applicable.

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:—

Not applicable.

20. 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.

Not applicable.

BY ORDER OF THE BOARD

Hao Dongting
Executive Chairperson
14 August 2026