



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

## **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FIRST QUARTER AND THREE MONTHS PERIOD ENDED 31 MARCH 2026**

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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.

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*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.*

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Condensed Interim Financial Statement of Profit and Loss and Other Comprehensive Income for First Quarter and Three Months Ended 31 March 2026

	Note	Group 3 months ended		Change % +/(-)
		31.03.2026 (Unaudited) S\$	31.03.2025 (Unaudited) S\$	
Revenue	4	95,320	44,508	N.M.
Cost of sales		(33,097)	(21,070)	57.1%
<b>Gross profit</b>		<b>62,223</b>	<b>23,438</b>	N.M.
Other income	7	4,738	1,662	N.M.
Selling and distribution expenses		(26,510)	–	N.M.
Other operating expenses		–	(72,765)	N.M.
General and administrative expenses		(762,068)	(529,852)	43.8%
<b>Loss from operations</b>		<b>(721,617)</b>	<b>(577,517)</b>	25.0%
Finance costs	8	(168,678)	(152,281)	10.8%
<b>Loss before tax</b>	6	<b>(890,295)</b>	<b>(729,798)</b>	22.0%
Share of loss from equity-accounted investee, net of tax	11	(55,000)	–	N.M.
Tax expense		–	–	–
<b>Loss for the period</b>		<b>(945,295)</b>	<b>(729,798)</b>	29.5%
<b>Net (loss)/profit attributable to:</b>				
Owners of the Company		(945,866)	(721,881)	31.0%
Non-controlling interests		571	(7,917)	N.M.
<b>Loss for the period</b>		<b>(945,295)</b>	<b>(729,798)</b>	29.5%
<b>Loss per share:</b>		<b>S\$ cents</b>	<b>S\$ cents</b>	
Basic and diluted loss per share		(0.22)	(0.17)	

N.M. denotes Not Meaningful



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Condensed Interim Financial Statement of Profit and Loss and Other Comprehensive Income for First Quarter and Three Months Ended 31 March 2026 (cont'd)

Note	Group 3 months ended		Change % + / (-)
	31.03.2026 (Unaudited) S\$	31.03.2025 (Unaudited) S\$	
<b>Loss for the period</b>	<b>(945,295)</b>	<b>(729,798)</b>	29.5%
<b>Other comprehensive income/(loss), after tax:</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences relating to foreign operations	19,298	41,809	(53.8%)
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences relating to foreign operations	(3,823)	14,415	N.M.
<b>Other comprehensive income for the period (nil tax)</b>	<b>15,475</b>	<b>56,224</b>	(72.5%)
<b>Total comprehensive loss for the period</b>	<b>(929,820)</b>	<b>(673,574)</b>	38.0%
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(926,568)	(680,072)	36.2%
Non-controlling interests	(3,252)	6,498	N.M.
<b>Total comprehensive loss for the period</b>	<b>(929,820)</b>	<b>(673,574)</b>	38.0%

N.M. denotes Not Meaningful



Condensed Interim Statement of Financial Position

	Note	Group		Company	
		31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	347,235	393,287	69,623	87,316
Intangible assets	13	8,391	9,371	–	–
Investment in subsidiaries	9	–	–	690,000	690,000
Investment in associate	10	–	–	–	–
Investment in joint venture	11	–	–	–	–
<b>Total non-current assets</b>		<b>355,626</b>	<b>402,658</b>	<b>759,623</b>	<b>777,316</b>
<b>Current assets</b>					
Inventories		277,543	265,403	–	–
Trade receivables	14	55,778	15,971	–	–
Other receivables	14	558,818	321,529	425,277	186,427
Contract assets		6,590	6,598	–	–
Cash and bank balances		924,875	724,701	774,359	380,323
<b>Total current assets</b>		<b>1,823,604</b>	<b>1,334,202</b>	<b>1,199,636</b>	<b>566,750</b>
<b>Total Assets</b>		<b>2,179,230</b>	<b>1,736,860</b>	<b>1,959,259</b>	<b>1,344,066</b>
<b>EQUITY</b>					
<b>Capital and reserves</b>					
Share capital	16	58,948,250	58,948,250	58,948,250	58,948,250
Foreign currency translation reserves		344,574	325,276	–	–
Accumulated losses		(69,638,076)	(68,692,210)	(69,232,634)	(68,506,585)
<b>Equity attributable to owners of the Company</b>		<b>(10,345,252)</b>	<b>(9,418,684)</b>	<b>(10,284,384)</b>	<b>(9,558,335)</b>
Non-controlling interests		(929,501)	(926,249)	–	–
<b>Total equity</b>		<b>(11,274,753)</b>	<b>(10,344,933)</b>	<b>(10,284,384)</b>	<b>(9,558,335)</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	15	10,325,106	–	10,325,106	–
Other payables		9,394	9,405	–	–
Lease liabilities		287,509	242,774	–	9,635
<b>Total non-current liabilities</b>		<b>10,622,009</b>	<b>252,179</b>	<b>10,325,106</b>	<b>9,635</b>
<b>Current liabilities</b>					
Borrowings	15	600,000	9,662,945	600,000	9,662,945
Lease liabilities		67,065	155,835	66,302	74,936
Trade payables		42,531	63,820	–	–
Other payables		1,960,672	1,847,658	1,252,235	1,154,885
Contract liabilities		161,706	99,356	–	–
<b>Total current liabilities</b>		<b>2,831,974</b>	<b>11,829,614</b>	<b>1,918,537</b>	<b>10,892,766</b>
<b>Net current liabilities</b>		<b>(1,008,370)</b>	<b>(10,495,412)</b>	<b>(718,901)</b>	<b>(10,326,016)</b>
<b>Total liabilities</b>		<b>13,453,983</b>	<b>12,081,793</b>	<b>12,243,643</b>	<b>10,902,401</b>
<b>Total Liabilities and Equity</b>		<b>2,179,230</b>	<b>1,736,860</b>	<b>1,959,259</b>	<b>1,344,066</b>



Condensed Interim Statement of Changes in Equity

Group	<u>Attributable to equity holders of the Company</u>			Attributable to equity holders of the Company S\$	Non-controlling interests S\$	Total equity S\$
	Share capital S\$	Foreign currency translation reserves S\$	Accumulated losses S\$			
<b>At 01.01.2026 (Audited)</b>	58,948,250	325,276	(68,692,210)	(9,418,684)	(926,249)	(10,344,933)
<b>(Loss)/profit for the period</b>	–	–	(945,866)	(945,866)	571	(945,295)
<b>Other comprehensive income/(loss)</b>						
Foreign currency translation differences relating to foreign operations	–	19,298	–	19,298	(3,823)	15,475
<b>Total comprehensive income/(loss) for the period</b>	<b>–</b>	<b>19,298</b>	<b>(945,866)</b>	<b>(926,568)</b>	<b>(3,252)</b>	<b>(929,820)</b>
<b>At 31.03.2026 (Unaudited)</b>	<b>58,948,250</b>	<b>344,574</b>	<b>(69,638,076)</b>	<b>(10,345,252)</b>	<b>(929,501)</b>	<b>(11,274,753)</b>
<b>At 01.01.2025 (Audited)</b>	58,948,250	116,096	(65,499,663)	(6,435,317)	(998,324)	(7,433,641)
<b>(Loss)/profit for the year</b>	–	–	(3,192,547)	(3,192,547)	15,596	(3,176,951)
<b>Other comprehensive income</b>						
Foreign currency translation differences relating to foreign operations	–	209,180	–	209,180	56,479	265,659
<b>Total comprehensive income/(loss) for the year</b>	<b>–</b>	<b>209,180</b>	<b>(3,192,547)</b>	<b>(2,983,367)</b>	<b>72,075</b>	<b>(2,911,292)</b>
<b>At 31.12.2025 (Audited)</b>	<b>58,948,250</b>	<b>325,276</b>	<b>(68,692,210)</b>	<b>(9,418,684)</b>	<b>(926,249)</b>	<b>(10,344,933)</b>



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

<b>Company</b>	<b>Share capital S\$</b>	<b>Accumulated losses S\$</b>	<b>Total equity S\$</b>
<b>At 01.01.2026 (Audited)</b>	58,948,250	(68,506,585)	(9,558,335)
Loss and total comprehensive loss for the period	–	(726,049)	(726,049)
<b>At 31.03.2026 (Unaudited)</b>	<b>58,948,250</b>	<b>(69,232,634)</b>	<b>(10,284,384)</b>
<b>At 01.01.2025 (Audited)</b>	58,948,250	(66,189,301)	(7,241,051)
Loss and total comprehensive loss for the year	–	(2,317,284)	(2,317,284)
<b>At 31.12.2025 (Audited)</b>	<b>58,948,250</b>	<b>(68,506,585)</b>	<b>(9,558,335)</b>



Condensed Interim Consolidated Statement of Cash Flow

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	(Unaudited)	(Unaudited)
	<b>S\$</b>	<b>S\$</b>
<b>Cash flows from operating activities</b>		
Loss for the period	(945,295)	(729,798)
Adjustments for:		
Amortisation of intangible assets	957	–
Depreciation of property, plant and equipment	45,991	26,820
Interest expense	163,710	151,705
Unrealised foreign exchange differences, net	4,159	72,224
<b>Operating cash flows before working capital changes</b>	<b>(730,478)</b>	<b>(479,049)</b>
<b>Changes in working capital:</b>		
- Inventories	(11,132)	(5,638)
- Trade and other receivables	(274,909)	(53,109)
- Trade and other payables	95,862	26,107
- Contract liabilities	61,737	27,896
<b>Cash used in from operations</b>	<b>(858,920)</b>	<b>(483,793)</b>
Income tax paid	–	–
<b>Net cash used in operating activities</b>	<b>(858,920)</b>	<b>(483,793)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(1,551)	(2,767)
Principal payment of lease liabilities	(29,928)	(28,853)
Proceeds from borrowings from third parties	1,100,000	–
<b>Net cash generated from/(used in) financing activities</b>	<b>1,068,521</b>	<b>(31,620)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>209,601</b>	<b>(515,413)</b>
Cash and cash equivalents at beginning of the financial period	724,701	725,607
Effects of foreign exchange rate changes on cash and cash equivalents	(9,427)	(16,637)
<b>Cash and cash equivalents at end of the financial period</b>	<b>924,875</b>	<b>193,557</b>



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## 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 first quarter and three months period ended 31 March 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 three-month financial period ended 31 March 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 first quarter and three months ended 31 March (“**1Q**”) 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 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 consolidated financial statements for the first quarter and three months period ended 31 March 2026.

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.

These 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.



## Notes to the Condensed Interim Financial Statements

### 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.

#### Impairment of property, plant and equipment

As at 31 March 2026, the Group's and the Company's property, plant and equipment amounted to S\$347,235 and S\$69,623 (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 31 March 2026, there was no assessment done for impairment of property, plant and equipment.



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

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

### Valuation of inventories

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 31 March 2026 and 31 December 2025.

### Impairment of trade receivables and contract assets

As at 31 March 2026, the Group's trade receivables and contract assets amounted to S\$55,778 and S\$6,590, respectively (FY2025: 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 31 March 2026, there was no assessment done for expected credit losses.

### Impairment of other receivables

As at 31 March 2026, the Group's and the Company's other receivables amounted to S\$558,818 and S\$425,277 (FY2025 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 31 March 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 31 March 2026, there was no assessment done for expected credit losses.



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

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

### 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.

## **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 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	
	1Q2026 S\$	1Q2025 S\$	1Q2026 S\$	1Q2025 S\$	1Q2026 S\$	1Q2025 S\$	1Q2026 S\$	1Q2025 S\$
Reportable segment revenue	89,516	44,508	5,804	–	–	–	95,320	44,508
Reportable segment profits/(losses)	1,904	(153,145)	(169,827)	–	(722,372)	(576,653)	(890,295)	(729,798)
Reportable segment assets	398,475	393,660	546,411	–	1,234,344	433,365	2,179,230	827,025
Reportable segment liabilities	530,817	1,041,005	733,162	–	12,190,005	7,893,235	13,453,984	8,934,240
Capital expenditure*	–	(76,052)	–	–	–	–	–	(76,052)
Depreciation of property, plant and equipment	(8,580)	(9,834)	(19,718)	–	(17,693)	(16,986)	(45,991)	(26,820)

\* 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	
	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$
<b>Financial assets</b>				
Trade and other receivables*	507,597	204,789	396,527	148,033
Cash and cash equivalents	924,875	724,701	774,359	380,323
	<u>1,432,472</u>	<u>929,490</u>	<u>1,170,886</u>	<u>528,356</u>
<b>Financial liabilities</b>				
Trade and other payables	2,012,597	1,920,883	1,252,235	1,154,885
Lease liabilities	354,574	398,609	66,302	84,571
Borrowings	10,925,106	9,662,945	10,925,106	9,662,945
	<u>13,292,277</u>	<u>11,982,437</u>	<u>12,243,643</u>	<u>10,902,401</u>

\* Excludes prepayments

**6. Loss before tax**

Loss before tax has been arrived at after charging:

	Group	
	1Q2026 (Unaudited) S\$	1Q2025 (Unaudited) S\$
Cost of inventories recognized as an expense included in cost of sales	33,097	21,070
Depreciation of property, plant and equipment	45,991	26,820
Directors' fees	62,500	62,500
Legal and professional fees	210,598	21,156
Net loss on foreign exchange differences	4,159	72,224
Rental expense on operating lease	13,755	6,089
Salaries and related costs	289,498	275,102
	<u>639,598</u>	<u>655,851</u>

**7. Other income**

	Group	
	1Q2026 (Unaudited) S\$	1Q2025 (Unaudited) S\$
Others including foreign exchange gain	4,738	1,662
	<u>4,738</u>	<u>1,662</u>



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

**8. Finance costs**

	Group	
	1Q2026 (Unaudited) S\$	1Q2025 (Unaudited) S\$
Interest expense on borrowings	162,159	148,938
Interest expense on lease liabilities	1,551	2,767
	163,710	151,705
Bank charges	4,968	576
	<b>168,678</b>	<b>152,281</b>

**9. Investment in subsidiaries**

	Company	
	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$
<b>Equity investment at cost</b>		
At beginning of financial year	790,000	100,000
Additions <sup>(1)</sup>	–	690,000
At end of financial year	790,000	790,000
<b>Accumulated impairment loss</b>		
At beginning and end of financial year	100,000	100,000
<b>Net carrying amount</b>	<b>690,000</b>	<b>690,000</b>

**Note:**

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

The Group has the following subsidiaries as at 31 March 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		Proportion of equity interests held by non-controlling		Principal activities
		Group		interests		
		131 March 2026	31 Decembre 2025	31 March 2026	31 December 2025	
		%	%	%	%	
<b>Held by the Company</b>						
KHL (Hong Kong) Limited (“KHL”) <sup>(i)</sup>	Hong Kong	100	100	-	-	Investment holding
SDAI Healthcare Pte. Ltd. <sup>(ii)</sup>	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
		31 March 2026	31 December 2025	31 March 2026	31 December 2025	
		%	%	%	%	
Hainan Blue Code Biotechnology Co. Ltd. ("HBCB") <sup>(iii)</sup>	China	100	100	-	-	Technical consulting and development services, information consulting services, natural science research and development, general sales and retail; and e-commerce
<b>Held by KHL</b>						
Kitchen Culture (Hong Kong) Limited <sup>(i)</sup>	Hong Kong	70	70	30	30	Sales and distribution of kitchen system, kitchen appliances, wardrobe system, household furniture and appliances
Kitchen Culture (China) Limited <sup>(i)</sup>	Hong Kong	100	100	-	-	Dormant
<b>Held by HBCB</b>						
Blue Code Medical Health (Hainan) Co. Ltd. <sup>(ii)(iv)</sup>	China	100	-	-	-	Dormant

- (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 8 October 2024
- (iv) Incorporation of wholly-owned subsidiary on 2 September 2025



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

**10. Investment in associate**

	Group		Company	
	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$
<b>Equity investment at cost:</b>				
At beginning and end of financial period/year	-	-	-	-

Set out below is the associate of the Group:

Name	Principal activities	Country of business/ incorporation	% of ownership interest	
			31 March 2026	31 December 2025
<b><u>Held by SDAI Limited</u></b>				
OOWAY Technology Pte. Ltd.	Holding company and provision of management consultancy services	Republic of Singapore	27.65	27.65

No investment in associated companies recorded as at 31 March 2026 and 31 December 2025.

**11. Investment in joint venture**

The Group has an interest in a joint venture (“JV”), 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 financial period, 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 31 March 2026, no carrying amount of the investment in the joint venture.



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\$
<b>Cost</b>					
<b>At 1 January 2025</b>	312,729	126,864	6,599	46,178	492,370
Addition	406,444	–	–	–	406,444
Exchange differences	(570)	–	(149)	(121)	(840)
<b>At 31 December 2025/31 March 2026</b>	<b>718,603</b>	<b>126,864</b>	<b>6,450</b>	<b>46,057</b>	<b>897,974</b>
<b>Accumulated depreciation and impairment loss</b>					
<b>At 1 January 2025</b>	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)
<b>At 31 December 2025</b>	<b>325,316</b>	<b>126,864</b>	<b>6,450</b>	<b>46,057</b>	<b>504,687</b>
Depreciation for the period	45,991	–	–	–	45,991
Exchange differences	61	–	–	–	61
<b>At 31 March 2026</b>	<b>376,368</b>	<b>126,864</b>	<b>6,450</b>	<b>46,057</b>	<b>550,739</b>
<b>Net book value</b>					
<b>At 31 March 2026</b>	<b>347,235</b>	–	–	–	<b>347,235</b>
<b>At 31 December 2025/ 31 March 2026</b>	<b>393,287</b>	–	–	–	<b>393,287</b>
<b>The Company</b>					
<b>Cost</b>					
<b>At 1 January 2025</b>	212,327	126,864	40,866	380,057	
Addition	21,586	–	–	21,586	
<b>At 31 December 2025/ 31 March 2026</b>	<b>233,913</b>	<b>126,864</b>	<b>40,866</b>	<b>401,643</b>	
<b>Accumulated depreciation and impairment loss</b>					
<b>At 1 January 2025</b>	62,030	126,864	40,866	229,760	
Depreciation for the year	84,567	–	–	84,567	
<b>At 31 December 2025</b>	<b>146,597</b>	<b>126,864</b>	<b>40,866</b>	<b>314,327</b>	
Depreciation for the period	17,693	–	–	17,693	
<b>At 31 March 2026</b>	<b>164,290</b>	<b>126,864</b>	<b>40,866</b>	<b>332,020</b>	
<b>Net book value</b>					
<b>At 31 March 2026</b>	<b>69,623</b>	–	–	<b>69,623</b>	
<b>At 31 December 2025</b>	<b>87,316</b>	–	–	<b>87,316</b>	

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 the previous reporting period, 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 31 March 2026, the carrying amount of the intangible assets of the Company amounted to S\$8,391 (FY2025: S\$9,371), after recognising an amortisation of S\$957 (FY2025: S\$2,296), partially offset by exchange rate differences of approximately S\$163 (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**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2026</b>	<b>31.12.2025</b>	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Trade receivables	215,560	175,947	–	–
Impairment losses	(159,782)	(159,976)	–	–
Net trade receivables	<u>55,778</u>	<u>15,971</u>	<u>–</u>	<u>–</u>
Amount due from joint venture	231,437	–	231,437	–
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	–	–	4,323,382	4,306,325
	19,083,139	18,851,702	23,405,902	23,157,408
Impairment losses	(18,851,702)	(18,851,702)	(23,137,670)	(23,137,670)
	<u>231,437</u>	<u>–</u>	<u>268,232</u>	<u>19,738</u>
Other receivables	49,160	30,328	5,939	5,939
Deposits	176,222	163,490	127,356	127,356
	225,382	193,818	133,295	133,295
Impairment losses	(5,000)	(5,000)	(5,000)	(5,000)
	<u>220,382</u>	<u>188,818</u>	<u>128,295</u>	<u>128,295</u>
At amortised cost (net)	451,819	188,818	396,527	148,033
Prepayments	106,999	132,711	28,750	38,394
Total other receivables	<u>558,818</u>	<u>321,529</u>	<u>425,277</u>	<u>186,427</u>

The average credit period for 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	
	1Q2026 (Unaudited) S\$	FY2025 (Audited) S\$	1Q2026 (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	<b>18,856,702</b>	<b>18,856,702</b>	<b>23,142,670</b>	<b>23,142,670</b>

**15. Borrowings**

	Group		Company	
	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$	31.03.2026 (Unaudited) S\$	31.12.2025 (Audited) S\$
<b>Amount repayable within one year or less</b>				
<i>Unsecured loan (Current)</i>				
Loan 1	–	3,820,933	–	3,820,933
Loan 2	–	3,849,592	–	3,849,592
Redeemable Loans 1	600,000	960,201	600,000	960,201
Redeemable Loans 2	–	1,032,219	–	1,032,219
	<b>600,000</b>	<b>9,662,945</b>	<b>600,000</b>	<b>9,662,945</b>
<b>Amount repayable after one year</b>				
<i>Unsecured loan (Non-Current)</i>				
Loan 1	3,903,591	–	3,903,591	–
Loan 2	3,909,441	–	3,909,441	–
Redeemable Loans 1	979,854	–	979,854	–
Redeemable Loans 2	432,220	–	432,220	–
Redeemable Loans 3	1,100,000	–	1,100,000	–
Total borrowings	<b>10,325,106</b>	<b>9,662,945</b>	<b>10,325,106</b>	<b>9,662,945</b>

Loan 1

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 on 26 September 2025. As at 31 December 2023 and 31 December 2024, the Company has drawdown 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.



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

**15. Borrowings**

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 drawdown 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 drawdown 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.

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 31 March 2026, the Company has fully drawdown 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 31 March 2026, the Company has drawdown 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)**

Equity conversion option

The above 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. 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 31 March 2026 and 31 December 2025.

**16. Share capital**

	<b>The Group and the Company</b>			
	<b>31.03.2026</b>		<b>31.12.2025</b>	
	<b>No. of shares</b>	<b>S\$</b>	<b>No. of shares</b>	<b>S\$</b>
<b>Issued and paid-up</b>				
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.

Save for the Loan 1, Loan 2, Redeemable Loans 1, Redeemable Loans 2 and Redeemable Loans 3, the Company did not have any treasury shares, subsidiary holdings or other convertibles as at the end of the current financial period reported on and corresponding period of the immediately preceding financial year.

The Company did not hold any treasury shares and the Company’s subsidiaries did not hold any shares in the Company as at 31 March 2026 and 31 December 2025.

**17. Significant related party transactions**

There were no material related party transactions during 1Q2026 and 1Q2025.

**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.



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

**18. Significant events (cont'd)**

- (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.

- (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, on 14 January 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.

The Company had also, on 14 January 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. In addition, the Company is currently assessing further actions in relation to the matters identified including, *inter alia*, possible referrals to the relevant officers of the Commercial Affairs Department and the Corrupt Practices Investigation Bureau through formal correspondence, where appropriate.

As at the date of this announcement, the outcome of the above matters remains uncertain and the financial impact, if any, cannot be reasonably determined.

- (d) On 8 May 2026, the Group 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.



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

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 31 March 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 first quarter and three months period ended 31 March 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:**

	<b>3 months ended</b>	
	<b>31.03.2026</b>	<b>31.03.2025</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period attributable to equity holders of the Company</b>	(945,866)	(721,881)
<b>Weighted average number of ordinary shares in use</b>	424,665,283	424,665,283
<b>Loss per share</b>	<b>S\$ cents</b>	<b>S\$ cents</b>
Basic and diluted	(0.22)	(0.17)

There were no dilutive potential ordinary shares for 1Q2026 and 1Q2025. 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:**

	<b>Group</b>		<b>Company</b>	
	<b>31.03.2026</b>	<b>31.12.2025</b>	<b>31.03.2026</b>	<b>31.12.2025</b>
	<b>(Unaudited)</b>	<b>(Audited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
Net asset value per ordinary share (S\$ cents)	(2.44)	(2.22)	(2.42)	(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 period/year.



## 8. A review of the performance of the group

### Review of Consolidated Statement of Profit and Loss

#### **Revenue**

The Group recorded revenue of S\$0.10 million for the 3 months ended 1Q2026, representing an increase of S\$0.05 million in the corresponding period in 1Q2025. The increase was mainly attributable to improved sales performance from the Group's distribution and retail segment.

#### **Cost of sales**

Cost of sales increased by 57.1% to S\$0.03 million in 1Q2026 from S\$0.02 million in 1Q2025, consistent with the increase in revenue.

#### **Gross profit**

Gross profit increased significantly to S\$0.06 million in 1Q2026 from S\$0.02 million in 1Q2025, mainly due to a higher proportion of refrigerator sales with better gross profit margins during the current financial period.

#### **Selling and distribution expenses**

Selling and distribution increased by S\$26,510, S\$Nil in 1Q2025 to S\$26,510 in 1Q2026 mainly comprised on the marketing fees and product design fees incurred in relation to the launch of new products by HBCB in 1Q2026. No such expenses were incurred in the corresponding financial period as the Group's retail segment did not require significant marketing-related activities.

#### **Other operating expenses**

Other operating expenses decreased by S\$72,765, from S\$72,765 in 1Q2025 to S\$Nil in 1Q2026, mainly due to the absence of foreign exchange losses of S\$72,224 in 1Q2026.

#### **General and administrative expenses**

General and administrative expenses increased by 43.8% to S\$0.76 million in 1Q2026 from S\$0.53 million in 1Q2025. The increase was mainly due to higher legal and professional fees of S\$0.19 million relating to the special audit and legal advisory for new business initiatives, higher depreciation of S\$0.02 million arising from right-of-use assets of the HBCB and increase in salaries and related costs as the Group is expanding its business.

#### **Finance costs**

Finance costs increased by 10.8% to S\$0.17 million in 1Q2026 from S\$0.15 million in 1Q2025, mainly due to the additional interest expenses on borrowings from Redeemable Loan 2.

#### **Loss before tax**

Due to the above, the Group recorded a loss before tax of S\$0.95 million in 1Q2026, which was 31.0% or S\$0.22 million, higher than the loss before tax of S\$0.73 million in 1Q2025.

#### **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.

### Review of Statements of Financial Position

#### **Non-current assets**

The Group's non-current assets decreased by S\$0.05 million, from \$0.40 million as at 31 December 2025 to S\$0.35 million as at 31 March 2026, primarily attributable to the depreciation charges of S\$0.05 million.

#### **Current assets**

The Group recorded current assets of S\$1.82 million as at 31 March 2026, an increase of S\$0.49 million, compared to S\$1.33 million as at 31 December 2025. The increase is mainly due to higher other receivable of S\$0.24 million due to amount owing from QCMH, a newly incorporated joint venture established during the current financial year and higher cash balance of S\$0.2 million.



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

### Review of Statements of Financial Position (cont'd)

#### **Non-current liabilities**

The Group recorded non-current liabilities of S\$10.62 million as 31 March 2026, an increase of S\$10.36 million from S\$0.26 million as at 31 December 2025. The increase was mainly due to the reclassification of borrowings from current liabilities as the maturity date of the loans has been extended more than 12 months from the reporting date.

#### **Current liabilities**

The Group recorded current liabilities of S\$2.83 million as at 31 March 2026, an increase of S\$9.00 million, from S\$11.83 million as at 31 December 2025. The increase was mainly due to the reclassification of borrowings to non-current liabilities as the maturity date of the loans falls 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\$11.27 million as at 31 March 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\$0.93 million for 1Q2026.

#### **Working capital position**

The Group reported a negative working capital position of approximately S\$0.41 million as at 31 March 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 31 March 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 the healthcare segment; and
- (c) obtain sufficient new loan financing; and/or
- (d) repay all the existing loans from lenders via debt conversion.

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 investor, 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; and
- (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.



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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 1Q2026, before adjustments for changes in working capital, were S\$0.73 million. The net cash used in operating activities was S\$0.86 million after taking into account the net changes to working capital, including a decrease in trade and other receivables of S\$0.27 million and inventories by S\$0.01 million, partially offset by the increase in trade and other payables of S\$0.10 million and contract liabilities of S\$0.06 million.

The net cash generated from financing activities was S\$1.07 million in 1Q2026, mainly consisting of the drawdown of loans from Shareholders and Investors amounting to S\$1.1 million and is offset by the principal payment of lease liabilities of S\$0.03 million and interest paid of S\$1,551.

As a result of the above and after effects of foreign exchange rate changes on cash and cash equivalents amounting to S\$9,427, the Group recorded cash and cash equivalents of S\$0.92 million as at 31 March 2026, representing an increase of S\$0.2 million from S\$0.72 million as at 31 December 2025.

**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, the Group 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.

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



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**11. Dividend**

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

No dividend has been declared or recommended for FY2025.

**(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 1Q2026 as the Group incurred a loss for 1Q2026 and continues to report accumulated losses as at 31 March 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 first quarter and three months period ended 31 March 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Hao Dongting  
Executive Chairperson

Lam Kwong Fai  
Lead Independent Director



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**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.**

As announced by the Company on 12 January 2026, the Company had entered into a joint venture shareholders' agreement on the same day with Hubei Qiai, QCM Holdings Pte. Ltd. and QCM International Pte. Ltd. (the "JVSHA") and subsequently incorporated QCM Holdings Pte. Ltd. ("JVCo") on 15 January 2026.

The principal activities of the JVCo are to create an international operations platform for the distribution, marketing and sale of moxibustion and related wellness products, with the objective of expanding the moxibustion products market within the ASEAN region. The JVSHA also sets out, *inter alia*, the framework governing the operations of the joint venture and the respective shareholdings of the joint venture parties in the JVCo.

The issued and paid-up share capital of the JVCo is S\$100,000 comprising 100,000 ordinary shares. The Company holds 55% of the issued share capital of the JVCo through its wholly-owned subsidiary, QCM International Pte. Ltd.. The incorporation and capital contribution shall be funded by the parties in proportion to their respective shareholdings, and the Company contributed it through internal resources.

The incorporation of the JVCo is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the financial year ending 31 December 2026.

Save for the above, the Group has not made any other acquisitions (including incorporations) or realisations of shares in subsidiaries and/or associated companies since the end of FY2025, up to 1Q2026.

**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.



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- 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  
15 May 2026