OCEAN SKY INTERNATIONAL LIMITED
AND ITS SUBSIDIARIES

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

Contents

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

The board of directors (the "Board" or "Directors") of Ocean Sky International Limited (the "Company") hereby announces the condensed interim consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 June 2026, together with the comparative figures for the six months ended 30 June 2025. The Group's interim results for the six months ended 30 June 2026 are unaudited.

	Note	6 Months Ended		
		30.6.2026	30.6.2025	+ / (-)
		$'000	$'000	%
Revenue	4	19,102	17,998	6.1
Cost of services		(16,480)	(14,976)	10.0
Gross profit		2,622	3,022	(13.2)
Other income		325	465	(30.1)
Administrative and other operating expenses		(2,132)	(2,285)	(6.7)
Finance costs	5	(335)	(412)	(18.7)
Share of results of joint ventures, net of tax		(54)	(10)	N.M.
Profit before income tax	5	426	780	(45.4)
Income tax (expense)/credit	6	(52)	18	N.M.
Profit for the financial period attributable to owners of the parent		374	798	(53.1)
Other comprehensive income:				
Item that may be reclassified subsequently to profit or loss:				
- Exchange differences on translating foreign operations		(322)	22	
Other comprehensive income for the financial period, net of tax		(322)	22	
Total comprehensive income for the financial period attributable to owners of the parent		52	820	
Earnings per share (cents)				
- Basic and diluted		0.09	0.19	

N.M.: Not meaningful

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2026

	Note	Group 30.6.2026 $'000	Group 31.12.2025 $'000	Company 30.6.2026 $'000	Company 31.12.2025 $'000
Non-current assets					
Property, plant and equipment	7	11,533	10,565	307	338
Investment property	8	15,524	14,830	-	-
Investments in subsidiaries		-	-	15,279	15,271
Investments in joint ventures		1,555	1,685	-	-
		28,612	27,080	15,586	15,609
Current assets					
Inventories		171	172	-	-
Trade and other receivables	9	14,846	15,601	16,908	15,827
Contract assets	10	11,765	10,041	-	-
Financial assets at fair value through profit or loss	11	1,707	-	1,707	-
Cash and cash equivalents		12,284	16,925	7,561	10,324
		40,773	42,739	26,176	26,151
Less:					
Current liabilities					
Trade and other payables	12	9,969	10,638	16,985	16,981
Contract liabilities	10	109	75	-	-
Provisions		122	123	-	-
Bank term loans	13	9,642	9,672	-	-
Lease liabilities	13	717	525	59	67
Current income tax payable		299	506	-	-
		20,858	21,539	17,044	17,048
Net current assets		19,915	21,200	9,132	9,103
Less:					
Non-current liabilities					
Bank term loans	13	3,763	3,936	-	-
Lease liabilities	13	2,404	2,019	116	143
Deferred tax liabilities		155	149	-	-
		6,322	6,104	116	143
Net assets		42,205	42,176	24,602	24,569
Equity					
Share capital	14	55,169	55,169	55,169	55,169
Treasury shares	15	(45)	(22)	(45)	(22)
Foreign currency translation reserve		(806)	(484)	-	-
Accumulated losses		(12,113)	(12,487)	(30,522)	(30,578)
Equity attributable to owners of the parent		42,205	42,176	24,602	24,569

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	Share capital	Treasury shares	Foreign currency translation reserve	Accumulated losses	Equity attributable to owners of the parent
	$'000	$'000	$'000	$'000	$'000
Group					
Balance at 1 January 2026	55,169	(22)	(484)	(12,487)	42,176
Profit for the financial period	-	-	-	374	374
Other comprehensive income for the financial year					
Exchange differences on translating foreign operations	-	-	(322)	-	(322)
Total other comprehensive income for the financial period	-	-	(322)	-	(322)
Total comprehensive income for the financial period	-	-	(322)	374	52
Transactions with owners, recognised directly in equity					
Purchase of treasury shares (Note 15)	-	(23)	-	-	(23)
Total transaction with owners, recognised directly in equity	-	(23)	-	-	(23)
Balance at 30 June 2026	55,169	(45)	(806)	(12,113)	42,205
Balance at 1 January 2025	55,169	-	(266)	(14,016)	40,887
Profit for the financial period	-	-	-	798	798
Other comprehensive income for the financial period					
Exchange differences on translating foreign operations	-	-	22	-	22
Total other comprehensive income for the financial period	-	-	22	-	22
Total comprehensive income for the financial period	-	-	22	798	820
Balance at 30 June 2025	55,169	-	(244)	(13,218)	41,707

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026 (CONTINUED)

	Share capital $'000	Treasury shares $'000	Accumulated losses $'000	Equity attributable to owners of the parent $'000
The Company				
Balance at 1 January 2026	55,169	(22)	(30,578)	24,569
Total comprehensive income for the financial period	-	-	56	56
Transactions with owners, recognised directly in equity				
Purchase of treasury shares (Note 15)	-	(23)	-	(23)
Total transaction with owners, recognised directly in equity	-	(23)	-	(23)
Balance at 30 June 2026	55,169	(45)	(30,522)	24,602
Balance at 1 January 2025	55,169	-	(28,983)	26,186
Total comprehensive income for the financial period	-	-	(424)	(424)
Balance at 30 June 2025	55,169	-	(29,407)	25,762

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	6 Months Ended	
	30.6.2026	**30.6.2025**
	$'000	**$'000**
Operating activities		
Profit before income tax	426	780
Adjustments for:		
Depreciation of property, plant and equipment	524	461
Gain on disposal of property, plant and equipment	(59)	(5)
Gain on disposal of financial assets at fair value through profit or loss	(161)	-
Fair value loss of financial assets at fair value through profit or loss	417	-
Interest expense	335	412
Interest income	(38)	(88)
Provision made for defects liability	-	5
Provision for penalty and interest written back	-	(279)
Property, plant and equipment written off	2	-
Share of results of joint ventures	54	10
Operating cash flows before working capital changes	1,500	1,296
Working capital changes:		
Inventories	1	66
Trade and other receivables	371	(3,723)
Contract assets and contract liabilities	(1,690)	1,378
Trade and other payables	(669)	288
Provisions	(1)	(2)
Net cash used in operations	(488)	(697)
Income taxes paid	(253)	(256)
Net cash used in operating activities	(741)	(953)
Investing activities		
Purchase of property, plant and equipment (Note 7)	(620)	(254)
Purchase of financial assets at fair value through profit or loss	(2,359)	-
Increase in investment property	(188)	(417)
Proceeds from disposals of property, plant and equipment	61	8
Proceeds from disposals of financial assets at fair value through profit or loss	415	-
Repayment of advances from joint ventures	384	3,955
Interest received	38	88
Net cash (used in)/generated from investing activities	(2,269)	3,380
Financing activities		
Interest paid	(335)	(412)
Repayment of bank borrowings	(376)	(897)
Repayment of lease liabilities	(298)	(189)
Purchase of treasury shares	(23)	-
Net cash used in financing activities	(1,032)	(1,498)

The accompanying notes form an integral part of these condensed interim financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026

	6 Months Ended	
	30.6.2026	**30.6.2025**
	$'000	**$'000**
Net change in cash and cash equivalents	(4,042)	929
Cash and cash equivalents at beginning of financial period	16,925	14,767
Effect of foreign exchange rate changes on cash and cash equivalents	(599)	206
Cash and cash equivalents at end of financial period	12,284	15,902

The accompanying notes form an integral part of these condensed interim financial statements.

These notes form an integral part of, and should be read in conjunction with, the financial statements.

1. General corporate information

Ocean Sky International Limited (the "Company") is a public limited company incorporated and domiciled in Singapore with its registered office and principal place of business at 29 Tuas South Street 1 Singapore 638036. The Company is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's registration number is 198803225E.

These condensed interim consolidated financial statements as at and for the six months financial period ended 30 June 2026 comprise the Company and its subsidiaries (the "Group"). The principal activity of the Company is that of an investment holding company.

The principal activities of the Group are:
(a) Civil engineering & infrastructure construction;
(b) Wholesales/leasing of construction-related machinery and materials;
(c) Property developments; and
(d) Investment holding.

2. Basis of preparation

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

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

The condensed interim financial statements are expressed in Singapore dollar, which is the functional currency of the Company and the presentation currency for the condensed interim financial statements and rounded to the nearest thousand ("$'000"), unless otherwise stated.

2.1 New and amended standards adopted by the Group

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

2. Basis of preparation (Continued)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 31 December 2025.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of opinion that there is no significant judgement and estimation made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next interim period, except for the fair value of investment property as disclosed in Note 8 to the condensed interim financial statements.

3. Seasonal operations

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

4. Segment reporting

The Group is organised into the following main business segments:

- Civil engineering and infrastructure construction segment - the business of civil engineering & infrastructure construction; and

- Property segment - the business of leasing of properties and development of properties.

These operating segments are reported in a manner consistent with internal reporting provided to Chief Executive Officer who is responsible for allocating resources and assessing performance of the operating segments.

	Civil engineering and infrastructure construction	Property	Unallocated	Consolidated
	$'000	$'000	$'000	$'000
HYE2026				
Revenue				
Revenue from external customers	18,400	702	-	19,102
Total revenue	18,400	702	-	19,102
Results				
Segment results	1,476	110	(285)	1,301
Interest income	8	21	9	38
Interest expense	(82)	(248)	(5)	(335)
Depreciation of property, plant and equipment	(493)	-	(31)	(524)
Share of results of joint ventures	-	(54)	-	(54)
Profit/(Loss) before income tax	909	(171)	(312)	426
Income tax expense				(52)
Profit for the financial period				374
Capital expenditure				
Additions to non-current assets	1,495	188	-	1,683
Assets and liabilities				
Segment assets	39,505	20,221	9,659	69,385
Segment liabilities	16,879	9,723	423	27,025
Deferred tax liabilities				155
Total liabilities				27,180

4. Segment reporting (Continued)

	Civil engineering and infrastructure construction $'000	Property $'000	Unallocated $'000	Consolidated $'000
HYE2025				
Revenue				
Revenue from external customers	17,431	567	-	17,998
Total revenue	17,431	567	-	17,998
Results				
Segment results	2,062	37	(524)	1,575
Interest income	36	19	33	88
Interest expense	(121)	(290)	(1)	(412)
Depreciation of property, plant and equipment	(461)	-	-	(461)
Share of results of joint ventures	-	(10)	-	(10)
Profit/(Loss) before income tax	1,516	(244)	(492)	780
Income tax credit				18
Profit for the financial period				798
Capital expenditure				
Additions to non-current assets	694	417	-	1,111
Assets and liabilities				
Segment assets	37,146	20,156	9,946	67,248
Segment liabilities	15,141	9,935	206	25,282
Deferred tax liabilities				259
Total liabilities				25,541

Geographic information

Revenue by geographical market

	Singapore $'000	Australia $'000	Consolidated $'000
HYE2026			
Construction and engineering	18,400	-	18,400
Property	-	702	702
HYE2025			
Construction and engineering	17,431	-	17,431
Property	-	567	567

4. Segment reporting (Continued)

Disaggregation of revenue

	Group 6 Months Ended					
Segment	**Civil engineering and infrastructure construction**		**Property**		**Total**	
	30.6.2026	**30.6.2025**	**30.6.2026**	**30.6.2025**	**30.6.2026**	**30.6.2025**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Type of good or service						
Over time						
- Contract revenue	18,273	17,356	-	-	18,273	17,356
Point in time						
- Sales of construction materials	1	2	-	-	1	2
Lease income	126	73	702	567	828	640
	18,400	17,431	702	567	19,102	17,998

5. Profit before income tax

Profit before income tax for the financial period is arrived after charging/(crediting) the following:

5.1 Significant items

	Group 6 Months Ended	
	30.6.2026	**30.6.2025**
	$'000	**$'000**
Other income		
Interest income	(38)	(88)
Government grants	(18)	(12)
Gain on disposal of financial assets at fair value through profit or loss	(161)	-
Cost of services		
Depreciation of property, plant and equipment	319	284
Provision made for defects liability	-	5
Material costs	2,864	3,116
Short-term leases	472	380
Administrative and other operating expenses		
Depreciation of property, plant and equipment	205	177
Foreign exchange (gain)/loss, net	(600)	215
Gain on disposal of property, plant and equipment	(59)	(5)
Fair value loss of financial assets at fair value through profit or loss	417	-

5. Profit before income tax (Continued)

5.1 Significant items (Continued)

	Group	
	6 Months Ended	
	30.6.2026	30.6.2025
	$'000	$'000
Finance costs		
Interest expense		
- Bank term loans	287	377
- Lease liabilities	48	35

6. Income tax (expense)/credit

The Group calculates the period income tax using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax in the condensed interim consolidated statement of comprehensive income are:

	Group	
	6 Months Ended	
	30.6.2026	30.6.2025
	$'000	$'000
Current tax:		
- current period	(124)	(260)
- over provision in prior years	76	309
	(48)	49
Deferred tax:		
- current period	(4)	(31)
Total income tax (expense)/credit	(52)	18

7. Property, plant and equipment

During the six months financial period ended 30 June 2026, the Group acquired assets amounted to $1,495,000 (30.6.2025: $694,000) and disposed of assets amounted to $2,000 (30.6.2025: $3,000).

Consolidated statement of cash flows

During the six months financial period ended 30 June 2026, the Group's additions to property, plant and equipment were financed as follows:

	Group	
	6 Months Ended	
	30.6.2026	30.6.2025
	$'000	$'000
Additions to property, plant and equipment	1,495	694
Acquired under lease agreements	(875)	(440)
Cash payments to acquire property, plant and equipment	620	254

8. Investment property

The Group's investment property consists of a four-story office building, held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. The property is leased to third parties under operating leases.

	Group	
	2026	2025
	$'000	$'000
At fair value		
At 1 January	14,830	14,875
Addition	188	417
Currency re-alignment	506	(167)
At 30 June	15,524	15,125

Valuation techniques and assumptions

The investment property was valued by independent professional valuers at recent financial year ended 31 December 2025 who hold a recognised and relevant professional qualification and have recent experience in the location and category of the property held by the Group.

In determining the fair value, the valuers have used capitalisation approach and discounted cash flows approach which make reference to certain estimates. The key assumptions and estimates used to determine the fair value of investment property include, amongst others, capitalisation rates, discount rates, occupancy details, and price per square metre of gross/net lettable area. The fair value hierarchy used was Level 3.

The valuations were based on the property's highest and best use, which was in line with its actual use. Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

8. Investment property (Continued)

Valuation techniques and assumptions (Continued)

Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement* guidance.

For valuations performed by external valuation experts, the management reviews the appropriateness of the valuation methodologies and assumptions adopted. The management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by the management for reasonableness.

As at 31 December 2025, the significant input to valuation techniques using income capitalisation approach in respect of investment property in Australia was the capitalisation rate of 7.50%. An increase in capitalisation rate will result in a decrease to the fair value of the investment property.

9. Trade and other receivables

	Group		**Company**	
	30.6.2026	**31.12.2025**	**30.6.2026**	**31.12.2025**
	$'000	**$'000**	**$'000**	**$'000**
Trade receivables				
- Third parties	5,562	6,301	-	-
- Accrued income	-	584	-	-
- Retention sums	7,757	7,270	-	-
Loss allowance	-	(14)	-	-
	13,319	14,141	-	-
Other receivables				
- Third parties	268	381	55	30
- Joint venture	-	305	-	-
- Subsidiary	-	-	18,278	16,822
- Subsidiaries – non-trade (Net investment)	-	-	1,921	2,304
	268	686	20,254	19,156
Allowance for impairment losses - subsidiaries	-	-	(3,374)	(3,374)
	268	686	16,880	15,782
Dividend	9	-	9	
Deposits	395	171	-	-
Prepayments	855	603	19	45
	14,846	15,601	16,908	15,827

9. Trade and other receivables (Continued)

Trade receivables are non-interest bearing and generally have credit terms of 30 to 60 (31.12.2025: 30 to 60) days. Accrued income represents unbilled revenue from work performed by the Group which has been certified by the customer's surveyor. Retention receivables are classified as current assets because they are expected to be realised in the normal operating cycle of the Group.

Other receivables due from subsidiaries and joint venture are unsecured, non-interest bearing and repayable within the next 12 months.

The Group provides for lifetime expected credit losses for trade receivables based on the Group's historical observed default rates which is adjusted with forward-looking information. At each reporting date, management had assessed the expected credit loss to be insignificant. The loss allowance at the end of each reporting period represents allowances made for trade receivables due from third parties that are credit impaired. There is no change in the estimation techniques made in assessing loss allowance during the financial period.

10. Contract assets and contract liabilities

	Group	
	30.6.2026	**31.12.2025**
	$'000	**$'000**
Contract assets	11,765	10,041
Contract liabilities	109	75

Contract assets primarily relate to the right to consideration for work completed but not yet billed at reporting date for civil engineering works. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the obligation to transfer goods or services to customers for which the Group has received advances from customers for civil engineering works. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract.

11. Financial assets at fair value through profit or loss

	Group and Company	
	30.6.2026	31.12.2025
	$'000	$'000
Balance at beginning at financial period	-	-
Additions	2,359	-
Disposal	(254)	-
Fair value recognised in profit or loss	(417)	-
Exchange difference	19	-
Balance at end at financial period	1,707	-

Financial assets at fair value through profit or loss comprise quoted shares. Dividend income recognised and gain on disposal for these investments are included in "Other income". The fair values of these quoted shares are based in the closing quoted market shares on the last market day of the reporting period (Level 1).

12. Trade and other payables

	Group		Company	
	30.6.2026	31.12.2025	30.6.2026	31.12.2025
	$'000	$'000	$'000	$'000
Trade payables				
- Third parties	7,083	7,591	-	-
- Retention sums	1,162	1,111	-	-
	8,245	8,702	-	-
Other payables				
- Third parties	3	21	-	65
- Subsidiaries	-	-	16,762	16,762
Goods and services tax payable	131	83	-	-
Deposit received	107	115	-	-
Accrued expenses	1,445	1,686	185	123
Accrued Directors' fee	38	31	38	31
	9,969	10,638	16,985	16,981

Trade payables due to third parties are non-interest bearing and are generally settled on 30 to 60 (31.12.2025: 30 to 60) days' credit terms.

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

13. Borrowings

Borrowings by the Group comprise bank term loans of $13,405,000 (31.12.2025: $13,608,000) and finance lease liabilities of $1,906,000 (31.12.2025: $1,317,000), which are recorded under "Lease liabilities".

	Group	
	30.6.2026	31.12.2025
	$'000	$'000
Amount repayable within one year		
Secured	10,267	10,172
Amount repayable after one year		
Secured	5,044	4,753
	15,311	14,925

Bank term loans and finance lease liabilities of the Group are secured over certain property, plant and equipment and investment property of the Group.

14. Share capital

	Group and Company			
	30.6.2026 Number of shares	31.12.2025 Number of shares	30.6.2026 $'000	31.12.2025 $'000
Issued and fully paid				
Balance at beginning and end of financial period/year	430,610,283	430,610,283	55,169	55,169

There was no change in the issued and fully paid capital of the Company since 31 December 2025.

The Company did not have any outstanding convertibles and subsidiary holdings as at 30 June 2026 and 30 June 2025.

15. Treasury shares

	Group and Company			
	30.6.2026 Number of shares	31.12.2025 Number of shares	30.6.2026 $'000	31.12.2025 $'000
Balance at beginning of financial period	520,400	-	22	-
Purchase of treasury shares	505,000	520,400	23	22
Balance at end of financial period	1,025,400	520,400	45	22

As at 1 January 2025 and 30 June 2025, there were no treasury shares held by the Company.

15. Treasury shares (Continued)

As at 31 December 2025, the Company held 520,400 treasury shares and the total number of ordinary shares in the capital of the Company (excluding treasury shares) was 430,089,883 shares.

The Company acquired 505,000 of its own shares through purchases on the SGX-ST during the six months period ended 30 June 2026. The total amount paid and deducted from equity to acquire the shares was approximately $23,000.

As at 30 June 2026, the Company held 1,025,400 treasury shares which represented approximately 0.24% of the 429,584,883 total number of ordinary shares in the capital of the Company (excluding treasury shares).

There were no sales, transfers, cancellation and/or use of treasury shares as at the end of the current and previous financial period/year reported on.

16. Net asset value

	Group		Company	
	30.6.2026	**31.12.2025**	**30.6.2026**	**31.12.2025**
	$ Cents	**$ Cents**	**$ Cents**	**$ Cents**
Net asset value per ordinary share	9.82	9.81	5.73	5.71

As at 30 June 2026, net asset value per ordinary share is computed based on the number of issued ordinary shares (excluding treasury shares) of 429,584,883 (31.12.2025: 430,089,883) respectively.

17. Earnings per share ("EPS")

	Group	
	6 Months Ended	
	30.6.2026	**30.6.2025**
Profit attributable to owners of the parent ($'000)	374	798
Weighted average number of ordinary shares in issue	429,703,861	430,610,283
Basic EPS - SGD Cents[(1)]	0.09	0.19
Diluted EPS - SGD Cents[(2)]	0.09	0.19

17. Earnings per share (“EPS”) (Continued)

Notes:

(1) The calculation for the basic EPS for the relevant financial periods is based on the weighted average number of ordinary shares of the Company during the relevant financial periods.

(2) For six months ended 30 June 2026 and 30 June 2025 respectively, the diluted EPS is the same as the basic EPS as the Company does not have any dilutive options during the financial period.

18. Financial assets and financial liabilities

The carrying amounts of financial assets and financial liabilities of the Group and the Company as at 30 June 2026 and 31 December 2025 recorded at amortised cost are as follows:

	Group		Company	
	30.6.2026	31.12.2025	30.6.2026	31.12.2025
	$’000	$’000	$’000	$’000
Financial assets				
Trade and other receivables	13,991	14,998	16,889	15,782
Cash and cash equivalents	12,284	16,925	7,561	10,324
Total financial assets carried at amortised cost	26,275	31,923	24,450	26,106
Financial liabilities				
Trade and other payables	9,838	10,555	16,985	16,981
Bank term loans	13,405	13,608	-	-
Lease liabilities	3,121	2,544	175	210
Total financial liabilities carried at amortised cost	26,364	26,707	17,160	17,191

19. Fair value of financial assets and financial liabilities

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and

- the fair value of other financial assets and other financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

19. Fair value of financial assets and financial liabilities (Continued)

Fair value hierarchy

The Group and the Company classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The table below analyses financial instruments carried at fair value by the valuation method. The fair value hierarchy has the following levels:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

20. Subsequent events

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

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

OTHER INFORMATION

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

The condensed statements of financial position of Ocean Sky International Limited and its subsidiaries as at 30 June 2026 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

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

Not applicable.

2A. 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.
(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

OTHER INFORMATION (CONTINUED)

3. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Company is a Singapore-based investment holding company with an interest in the civil engineering & infrastructure construction and related services business ("**Civil Engineering and Infrastructure Construction Business**"), and the business of property development, investment and management ("**Property Business**").

Statement of Comprehensive Income

Review of the Group's performance for the 6 months ended 30 June 2026 ("HYE2026") as compared to previous corresponding period ended 30 June 2025 ("HYE2025")

Revenue

	6 Months Ended			
	30.6.2026	**30.6.2025**	**+ / (-)**	**+ / (-)**
	$'000	**$'000**	**$'000**	**%**
Revenue				
- Civil Engineering and Infrastructure Business	18,400	17,431	969	5.6
- Property Business	702	567	135	23.8
Total Revenue	**19,102**	**17,998**	**1,104**	

The Group recorded a revenue of $19.10 million for HYE2026 compared with $18.00 million for HYE2025.

Revenue from Civil Engineering and Infrastructure Construction Business of $18.40 million for HYE2026 was $0.97 million higher compared with $17.43 million for HYE2025 mainly due to higher level of construction activities and progress made in various on-going projects.

Revenue from Property Business of $0.70 million for HYE2026 was $0.13 million higher compared with $0.57 million for HYE2025 due to higher occupancy rate achieved by the Melbourne investment property in HYE2026.

Cost of Services

	6 Months Ended			
	30.6.2026	**30.6.2025**	**+ / (-)**	**+ / (-)**
	$'000	**$'000**	**$'000**	**%**
Cost of Services				
- Civil Engineering and Infrastructure Business	16,247	14,800	1,447	9.8
- Property Business	233	176	57	32.4
Total Cost of Services	**16,480**	**14,976**	**1,504**	

In line with the increased construction activities, the costs of services for the Civil Engineering and Infrastructure Construction Business of $16.25 million for HYE2026 were $1.45 million higher compared with $14.80 million for HYE2025. Meanwhile, the costs of services for Property Business of $0.23 million for HYE2026 were $0.05 million higher as compared with $0.18 million for HYE2025 for the Melbourne investment property, mainly due to property agent commission expenses incurred in securing tenants for the Melbourne investment property.

OTHER INFORMATION (CONTINUED)

Statement of Comprehensive Income (Continued)

Gross Profit Margin

The Group's gross profit margin ("GPM") decreased from 16.8% for HYE2025 to 13.7% for HYE2026. The GPM for the Civil Engineering and Infrastructure Construction Business similarly decreased from 15.1% for HYE2025 to 11.7% for HYE2026, mainly due to the completion of certain higher margin projects in HYE2025.

Other income

Other income of $0.33 million for HYE2026 was $0.14 million lower compared to $0.47 million in HYE2025. The decrease was mainly attributable to the one-off write-back of an overprovision for penalty and interest following the settlement of a withholding tax assessment for a foreign subsidiary in HYE2025. This was partly offset by gain on disposal of financial assets at fair value through profit or loss.

Expenses

Administrative and other operating expenses of $2.13 million for HYE2026 was $0.16 million lower compared with $2.29 million for HYE2025, mainly due to higher unrealised foreign exchange gain arising from the appreciation of Australian dollar ("AUD") against Singapore dollar for the AUD denominated financial assets, partly offset by higher employee benefits expenses and fair value loss of financial assets at fair value through profit or loss.

Finance costs of $0.34 million for HYE2026 was $0.07 million lower compared with $0.41 million for HYE2025 mainly due to lower interest rates for the Melbourne and Singapore property loans.

Share of results of joint ventures

Share of results of joint ventures was a loss of $0.05 million for HYE2026 as compared with a loss of $0.01 million for HYE2025. The higher share of loss was mainly due to increased operating expenses incurred by the Cambodia joint venture during HYE2026.

Income tax (expense)/credit

The Group recorded a profit before tax of $0.43 million for HYE2026, compared to a profit before tax of $0.78 million for HYE2025. An income tax expenses of $0.05 million was recognised in HYE2026, compared with income tax credit of $0.02 million in HYE2025. The increase was mainly due to taxable profit recorded for Civil Engineering and Infrastructure Construction Business in HYE2026, partly offset by over provision of income tax expense in prior years.

Profit after income tax

As a result of the foregoing, the Group registered a profit after income tax of $0.37 million for HYE2026, compared with a profit after income tax of $0.80 million for HYE2025.

OTHER INFORMATION (CONTINUED)

Statement of Financial Position

Review of the Group's financial position as at 30 June 2026 as compared to 31 December 2025

Non-current assets

Property, plant, and equipment increased to $11.53 million as at 30 June 2026 from $10.57 million as at 31 December 2025 mainly due to the additions of new plant and equipment, partly offset by depreciation during the financial period.

Investment property increased to $15.52 million as at 30 June 2026 from $14.83 million as at 31 December 2025 due to the additional refurbishment costs incurred during the financial period, and currency re-alignment of Australian dollar denominated investment property in Melbourne.

Investment in joint ventures decreased to $1.56 million as at 30 June 2026 from $1.69 million as at 31 December 2025 mainly due to the share of loss by the Cambodia joint venture and repayment of advances from joint ventures.

Current assets

Trade and other receivables decreased to $14.85 million as at 30 June 2026 from $15.60 million as at 31 December 2025 mainly due to the repayment of shareholder loan extended to a joint venture and the collection of outstanding amounts towards the end of the financial period by the Group's Civil Engineering and Infrastructure Construction Business, partly offset by the higher retention sum on work done.

Net contract assets increased to $11.66 million as at 30 June 2026 from $9.97 million as at 31 December 2025 mainly due to lower certification received on the work done from the customers by the Group's Civil Engineering and Infrastructure Construction Businesses as at 30 June 2026.

Financial assets at fair value through profit or loss amounted to $1.71 million as at 30 June 2026 was mainly due to the purchase of quoted financial assets during HYE2026, partly offset by the fair value loss of financial assets on fair value through profit or loss.

Non-current liabilities and current liabilities

Trade and other payables decreased to $9.97 million as at 30 June 2026 from $10.64 million as at 31 December 2025 mainly due to timing of payments for the Group's Civil Engineering and Infrastructure Construction Business towards the end of financial period.

Provisions remained unchanged at $0.12 million as at 30 June 2026 compared to 31 December 2025.

Total bank term loans decreased to $13.41 million as at 30 June 2026 from $13.61 million as at 31 December 2025 mainly due to repayment of property loans in Singapore and Australia, partly offset by currency re-alignment of AUD denominated property loan during the financial period.

Total lease liabilities increased to $3.12 million as at 30 June 2026 from $2.54 million as at 31 December 2025 was mainly due to new financing for plant and equipment, partly offset by repayment during the financial period.

Statement of Cashflows

<u>Review of the Group's cashflows for HYE2026</u>

The Group recorded net cash outflow of $0.74 million from operating activities for HYE2026 mainly due to net working capital outflow of $1.99 million and income tax paid of $0.25 million, partly offset by operating cash inflow before working capital changes of $1.50 million.

The Group recorded net cash outflow of $2.27 million from investing activities for HYE2026 mainly due to purchase of financial assets at fair value through profit or loss and plant and equipment, partly offset by repayment of advances from joint ventures and proceeds from disposals of financial assets at fair value through profit or loss.

The Group recorded net cash outflow of $1.03 million from financing activities for HYE2026 mainly due to the repayment of bank borrowings, payment obligations under leases and purchase of treasury shares, as well as payment of interest expenses.

Overall, total cash and cash equivalents decreased from $16.93 million as at 31 December 2025 to $12.29 million as at 30 June 2026 after taking into effect of foreign exchange rate changes.

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

No specific forecast or a prospect statement has been disclosed previously.

5. 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 operating period and the next 12 months

Ocean Sky International Limited ("OceanSky" or the "Group") maintained positive momentum across its core construction and property segments during HYE2026. The construction and property industries continue to be supported by underlying demand over the longer term, although near-term conditions remain uncertain and performance across markets has been uneven. Operating conditions are expected to remain challenging, given prevailing cost pressures and market conditions.

(a) Civil Engineering and Infrastructure Construction Business

According to the Building and Construction Authority ("**BCA**"), civil engineering construction demand in Singapore reached S$2.99 billion as at April 2026, against a full-year forecast of S$11.6 billion to S$13.4 billion.[1] Fuel, material and labour costs continued to rise through HYE2026 amid ongoing inflationary pressures and tight labour supply, which continued to place pressure on project margins.

The Group remains focused on cost discipline, operational efficiency and careful project selection as it executes its civil engineering and infrastructure construction projects in the period ahead.

[1]Building and Construction Authority (BCA). *Construction Demand, Tender Price Index & Construction Materials*. https://www1.bca.gov.sg/e-services/key-construction-information/

OTHER INFORMATION (CONTINUED)

(b) Property Business

Global economic conditions remained uncertain during HYE2026, following the escalation of conflict in the Middle East from late February 2026, which weighed on global economic activity and added to inflationary pressures.[2] This uncertain backdrop has continued to shape investment sentiment across asset classes, including real estate.

Singapore

The Singapore private residential property market showed continued but moderating price growth in HYE2026. According to the Urban Redevelopment Authority ("**URA**")'s flash estimates, the overall private residential property price index rose by 0.9% in Q1 2026 before moderating to a 0.5% increase in Q2 2026.[3]

This moderation reflects broader macroeconomic uncertainty, including global trade and geopolitical developments, as well as more selective buyer demand amid a wider range of housing options.

The Group continues to adopt a disciplined and selective approach in Singapore, focusing on opportunities that align with its long-term property strategy while managing market exposure and maintaining prudent capital management.

Australia

Interest rates in Australia remained elevated during HYE2026. According to the Reserve Bank of Australia ("**RBA**"), the official cash rate was raised on three occasions during the first half of the year, reaching 4.35% effective 12 August 2026.[4] Land tax and interest expenses continued to constitute a significant portion of the property's overall operating expenses.

For 2026, the Victorian Absentee Owner Surcharge remains at 4% of the taxable land value, applied in addition to regular land tax.

The Group continues to engage property agents to secure lease renewals and enhance the property's attractiveness to tenants.

Cambodia

In Cambodia, Eco Garden Mall maintained stable operations during HYE2026, with no material changes to the project's status. The Group continues to work with its joint venture partners on sales and marketing efforts.

[2] Monetary Authority of Singapore (MAS). Macroeconomic Review Volume XXV Issue 2, Apr 2026. https://www.mas.gov.sg/publications/macroeconomic-review/2026/volume-xxv-issue-2-apr-2026

[3] Urban Redevelopment Authority (URA). *Release of flash estimate for 1st Quarter 2026 and 2nd Quarter 2026 private residential property price index.* https://www.ura.gov.sg/news/media/pr26-51/

[4] Reserve Bank of Australia (RBA) Cash Rate Target. https://www.rba.gov.au/cash-rate-target-overview.html

6. **Dividend**

If a decision regarding dividend has been made:

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

No interim dividend has been declared for HYE2026.

(b) **Amount per share (cents) and previous corresponding period (cents).**

Not applicable. No dividend has been declared for HYE2025.

(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. No dividend has been declared for HYE2026.

(d) **The date the dividend is payable?**

Not applicable.

(e) **The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared/recommended for HYE2026 as the Company currently does not have profits available for the declaration of a dividend.

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

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

There was no disclosable interested person transaction during the financial period under review.

9. **Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

10. **Disclosure of Acquisition (including incorporation) and sale of shares under Catalist Rule 706A**

The Company did not acquire or dispose shares in any companies during the six months financial period ended 30 June 2026.

11. Negative confirmation pursuant to Rule 705(5) of the Catalist Rules.

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months financial period ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ang Boon Cheow Edward	Chia Boon Kuah

BY ORDER OF THE BOARD

Low Wei Han
Company Secretary

13 August 2026

<u>Sponsor's Statement</u>

This announcement has been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (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 Mr Lance Tan, Senior Vice President, at 83 Clemenceau Avenue, #10-01 UE Square, Singapore 239920, telephone (65) 6590 6881.