SOUTHERN ARCHIPELAGO LTD.
(Company Registration No. 199302554G)
(Incorporated in the Republic of Singapore)

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2026

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	GROUP S$'000 3Q2026	S$'000 3Q2025	% Increase/ (Decrease)	S$'000 9M2026	S$'000 9M2025	% Increase/ (Decrease)
Revenue	5	859	948	(9)	2,337	3,160	(26)
Other gains − net	6	90	179	(50)	683	97	604
Interest income		-*	-*	-	1	1	-
Expenses							
Raw materials and consumables used		(11)	(51)	(78)	(28)	(105)	(73)
Employee benefits	7	(438)	(536)	(18)	(1,534)	(1,704)	(10)
Depreciation of property and equipment		(259)	(148)	75	(798)	(523)	53
Amortisation of intangible assets		(5)	(3)	67	(14)	(10)	40
Others	8	(212)	(350)	(39)	(731)	(929)	(21)
Finance costs	9	(107)	(112)	(4)	(317)	(314)	1
Total expenses		**(1,032)**	**(1,200)**		**(3,422)**	**(3,585)**	
Loss before income tax		**(83)**	**(73)**		**(401)**	**(327)**	
Income tax expense	10	(51)	(83)	(39)	(195)	(395)	(51)
LOSS FOR THE PERIOD, NET OF TAX		**(134)**	**(156)**		**(596)**	**(722)**	
**: < S$1,000*							
Other comprehensive income/(loss)							
Items that may be reclassified subsequently to profit or loss:							
Foreign currency translation loss							
- Loss on translating foreign operations		(173)	(1,066)	(84)	(1,092)	(1,300)	(16)
- Reclassification of currency translation reserves upon liquidation of subsidiary		-	828	(100)	-	828	(100)
Other comprehensive loss for the period, net of tax		(173)	(238)		(1,092)	(472)	
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD, NET OF TAX		**(307)**	**(394)**		**(1,688)**	**(1,194)**	
Loss for the period attributable to owners of the Company		**(134)**	**(156)**		**(596)**	**(722)**	
Total comprehensive loss for the period attributable to owners of the Company		**(307)**	**(394)**		**(1,688)**	**(1,194)**	
Loss per share (S$ cents)							
- Basic		(0.0005)	(0.0006)		(0.0022)	(0.0026)	
- Diluted		(0.0005)	(0.0006)		(0.0022)	(0.0026)	

Condensed Interim Statements of Financial Position

	Note	GROUP S$'000 As at 30/09/2026	GROUP S$'000 As at 31/12/2025	COMPANY S$'000 As at 30/09/2026	COMPANY S$'000 As at 31/12/2025
ASSETS					
Current assets					
Cash and bank balances		457	342	109	49
Trade and other receivables	11	335	275	580	60
Other assets	12	85	92	65	33
Income tax receivable		130	525	-	-
		1,007	**1,234**	**754**	**142**
Non-current assets					
Investments in subsidiaries		-	-	80	80
Investment in associate	13	-	-	-	-
Loans to subsidiaries		-	-	6,264	6,233
Property and equipment	14	8,669	9,971	148	44
Intangible assets	15	73	50	-	-
Deferred tax assets		458	329	-	-
		9,200	**10,350**	**6,492**	**6,357**
Total assets		**10,207**	**11,584**	**7,246**	**6,499**
LIABILITIES					
Current liabilities					
Other payables	16	827	1,193	4,883	4,460
Borrowings	17	6,446	5,240	5,532	4,412
Loan from a subsidiary		-	-	5,590	5,590
Lease liabilities		91	29	91	29
		7,364	**6,462**	**16,096**	**14,491**
Net current liabilities		**(6,357)**	**(5,228)**	**(15,342)**	**(14,349)**
Non-current liabilities					
Lease liabilities		59	11	59	11
Defined benefit plan		1,039	1,022	-	-
Borrowings	17	2,503	3,159	-	-
		3,601	**4,192**	**59**	**11**
Total liabilities		**10,965**	**10,654**	**16,155**	**14,502**
Net (liabilities)/assets		**(758)**	**930**	**(8,909)**	**(8,003)**
EQUITY					
Equity attributable to owners of the Company					
Share capital	18	127,339	127,339	127,339	127,339
Reserves	19	(1,788)	347	3,576	4,619
Accumulated losses		(126,309)	(126,756)	(139,824)	(139,961)
Total equity		**(758)**	**930**	**(8,909)**	**(8,003)**

Condensed Interim Consolidated Statement of Cash Flows

		GROUP S$'000	
		9M2026	9M2025
Cash Flows from Operating Activities			
Loss before tax		(401)	(327)
Adjustments for:			
Unrealised foreign exchange gain		(693)	(775)
Depreciation of property and equipment		798	523
Amortisation of intangible assets		14	10
Property and equipment written off	6	-*	-*
Loss on voluntary liquidation of a dormant subsidiary	6	-	828
Loss allowance on trade receivables	8	-*	36
Write-back of loss allowance on other receivables	8	(11)	-
Interest expense	9	317	314
Interest income		(1)	(1)
Operating cash flows before working capital changes		**23**	**608**
Changes in working capital			
Receivables		(66)	134
Payables		(289)	431
Cash flows (used in)/generated from operating activities		**(332)**	**1,173**
Tax received/(paid)		16	(597)
Net cash flows (used in)/generated from operating activities		**(316)**	**576**
Cash Flows from Investing Activities			
Purchase of property and equipment	14	(7)	(2,287)
Acquisition of intangible assets		(41)	(5)
Interest received		1	1
Net cash flows used in investing activities		**(47)**	**(2,291)**
Cash Flows from Financing Activities			
Repayment of borrowings		(462)	(1,531)
Repayments for lease liabilities		(66)	(65)
Interest paid		(254)	(260)
Proceeds from borrowings		1,287	3,470
Net cash flows generated from financing activities		**505**	**1,614**
Net increase/(decrease) in cash and cash equivalents		142	(101)
Cash and cash equivalents at the beginning of the period		342	414
Effect of changes in foreign exchange rates on cash and cash equivalents		(27)	(17)
Cash and cash equivalents at the end of the period		**457**	**296**

**: < S$1,000*

Condensed Interim Statements of Changes in Equity

Group

	Attributable to owners of the Company					
	Share capital S$'000	Share option reserve S$'000	Currency translation reserve S$'000	Other reserve S$'000	Accumulated losses S$'000	Total S$'000
9M2026						
Balance at 1 January 2026	127,339	4,619	(5,573)	1,301	(126,756)	930
Loss for the period	-	-	-	-	(596)	(596)
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(1,092)	-	-	(1,092)
Total comprehensive loss for the period	**-**	**-**	**(1,092)**	**-**	**(596)**	**(1,688)**
Share options expired	-	(1,043)	-	-	1,043	-
Balance at 30 September 2026	**127,339**	**3,576**	**(6,665)**	**1,301**	**(126,309)**	**(758)**
9M2025						
Balance at 1 January 2025	127,339	4,619	(5,021)	1,735	(126,230)	2,442
Loss for the period	-	-	-	-	(722)	(722)
Other comprehensive loss, net of tax:						
Foreign currency translation loss	-	-	(472)	-	-	(472)
Total comprehensive loss for the period	**-**	**-**	**(472)**	**-**	**(722)**	**(1,194)**
Voluntary liquidation of dormant subsidiary	-	-	-	(434)	434	-
Balance at 30 September 2025	**127,339**	**4,619**	**(5,493)**	**1,301**	**(126,518)**	**1,248**

Company

	Share capital S$'000	Share option reserve S$'000	Accumulated losses S$'000	Total S$'000
9M2026				
Balance at 1 January 2026	127,339	4,619	(139,961)	(8,003)
Loss for the period	-	-	(906)	(906)
Total comprehensive loss for the period	**-**	**-**	**(906)**	**(906)**
Share options expired	-	(1,043)	1,043	-
Balance at 30 September 2026	**127,339**	**3,576**	**(139,824)**	**(8,909)**
9M2025				
Balance at 1 January 2025	127,339	4,619	(138,649)	(6,691)
Loss for the period	-	-	(987)	(987)
Total comprehensive loss for the period	**-**	**-**	**(987)**	**(987)**
Balance at 30 September 2025	**127,339**	**4,619**	**(139,636)**	**(7,678)**

SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Southern Archipelago Ltd. (the "Company") is incorporated and domiciled in Singapore. It was listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 19 June 2000. These condensed interim consolidated financial statements as at, and for, the three months and nine months ended 30 September 2026 comprise the financial position of Company and its subsidiaries (collectively, the "Group").

The principal activity of the Company is that of investment holding. The principal activities of the Group are those relating to:

(a) sterilisation, decontamination and polymerisation services;
(b) property; and
(c) hospitality and wellness.

2. Basis of Preparation

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

The accounting policies adopted by the Group are consistent with those used in its most recent audited financial statements, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars ("S$"), which is the functional currency of the Company.

The Group incurred a net loss of S$0.60 million for the financial period ended 30 September 2026 and as at that date, the Group's and the Company's net current liabilities are S$6.36 million and S$15.34 million respectively. The Group and the Company are in a net liability position of S$0.76 million and S$8.91 million respectively. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns. Nevertheless, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial period ended 30 September 2026 remains appropriate after taking into account the following factors:

- The sterilisation business segment remains profitable, and its revenue has recovered progressively since 1Q2026, despite the unfavourable impact of the weaker Indonesian Rupiah on translation into the Group's presentation currency. Quarterly revenue increased from S$0.84 million in 2Q2026 to S$0.86 million in 3Q2026. With its capacity expansion completed, the Group expects the segment to generate positive operating cash flows over the next 12 months;
- The Board and the management team of the Group ("Management") are actively exploring viable fundraising and capital structure options to secure additional working capital where required, including but not limited to additional shareholders' loan, the extension of existing shareholder loans and capital fundraising from shareholders; and
- The Company's substantial shareholder has indicated that they will continue to provide financial support to enable the Group to meet its obligations as they fall due for at least the next 12 months from the date of these condensed interim financial statements.

2.1 New and Amended Standards Adopted by the Group

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

2.2 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 expenses. 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 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.

(a) Critical judgements in applying accounting policies

The application of judgements in the process of applying the Group's accounting policies that are expected to have a significant effect on the amounts recognised in the financial statements are as follows:

(i) Impairment of investments in subsidiaries

Investments in subsidiaries (including loans to subsidiaries which are in substance part of the net investments in subsidiaries) are tested for impairment whenever there is any objective evidence or indication that these investments may be impaired. In determining whether there is objective evidence of impairment, the Company considers factors such as the subsidiaries' financial performance, financial position and the overall economic environment in which the subsidiaries operate.

(ii) Impairment of investment in an associate

Investment in an associate is tested for impairment whenever there is any objective evidence or indication that the investment may be impaired. The recoverable amount of the investment in an associate is determined based on the higher of fair value less costs of disposal and value in use.

(iii) Loss allowance for trade receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(iv) Income taxes

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances, deductibility of certain expenses and taxability of certain income in each relevant tax jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

2.2 Use of Judgements and Estimates (cont'd)

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty as at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

(i) Defined benefit plan

The present value of employee compensation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used include the discount rate, rate of future salary increase and rate of resignation. Any changes in these assumptions will impact the carrying amount of employee compensation.

In determining the appropriate discount rate, management considers the interest rates of high-quality corporate bonds with extrapolated maturities corresponding to the expected duration of the defined benefit obligations. These corporate bonds generally have an AA rating with low risk of default. The interest rate is used to determine the present value of estimated future cash outflows expected to be required to settle employee compensation. Management does not expect any variable changes in the assumptions used to determine the present value of employee compensation on an actuarial basis will result in the amount determined to be materially different.

The Group obtains external, independent actuarial report annually. The actuarial gain/(loss) will be assessed during year end.

3. Seasonal Operations

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

4. Segment and Revenue Information

The Group is organised into four main business segments:

- Investment holding – investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.
- Sterilisation – providing contract sterilisation, decontamination and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.
- Hospitality and wellness – provision of hotel management and wellness services.
- Property – long-term holding of properties for rental and related income.

4.1 Reportable Segments

1 July 2026 to 30 September 2026	Investment holding S$'000	Sterilisation S$'000	Hospitality and wellness S$'000	Property S$'000	Total S$'000
External revenues	**-**	**859**	**-**	**-**	**859**
Segment results	(111)	840	(2)	(1)	726
Interest income	-*	-*	-	-	-*
Finance costs	(36)	(71)	-	-	(107)
Employee benefits	(160)	(278)	-	-	(438)
Depreciation and amortisation	(23)	(241)	-	-	(264)
Reportable segment (loss)/profit before income tax	**(330)**	**250**	**(2)**	**(1)**	**(83)**
Other material item					
Capital expenditure					
- property and equipment	-	5	-	-	5
- intangible assets	-	14	-	-	14
	-	19	-	-	19
Segment assets	**328**	**9,420**	**-**	**1**	**9,749**
Unallocated assets – deferred tax assets					458
Consolidated total assets					**10,207**
Segment liabilities	**6,342**	**4,622**	**-**	**1**	**10,965**
Consolidated total liabilities					**10,965**

**: < S$1,000*

1 July 2025 to 30 September 2025	Investment holding S$'000	Sterilisation S$'000	Hospitality and wellness S$'000	Property S$'000	Total S$'000
External revenues	**-**	**948**	**-**	**-**	**948**
Segment results	(136)	863	(1)	-	726
Interest income	-*	-*	-	-	-*
Finance costs	(31)	(81)	-	-	(112)
Employee benefits	(218)	(318)	-	-	(536)
Depreciation and amortisation	(20)	(131)	-	-	(151)
Reportable segment (loss)/profit before income tax	**(405)**	**333**	**(1)**	**-**	**(73)**
Other material item					
Capital expenditure					
- property and equipment	-	612	-	-	612
- intangible assets	-	5	-	-	5
	-	617	-	-	617
Segment assets	**338**	**11,027**	**-**	**2**	**11,367**
Unallocated assets – deferred tax assets					262
Consolidated total assets					**11,629**
Segment liabilities	**4,947**	**5,432**	**-**	**2**	**10,381**
Consolidated total liabilities					**10,381**

**: < S$1,000*

4.1 Reportable Segments (cont'd)

9M2026	Investment holding S$'000	Sterilisation S$'000	Hospitality and wellness S$'000	Property S$'000	Total S$'000
External revenues	**-**	**2,337**	**-**	**-**	**2,337**
Segment results	(333)	2,603	(5)	(4)	2,261
Interest income	-*	1	-	-	1
Finance costs	(99)	(218)	-	-	(317)
Employee benefits	(575)	(959)	-	-	(1,534)
Depreciation and amortisation	(73)	(739)	-	-	(812)
Reportable segment (loss)/profit before income tax	**(1,080)**	**688**	**(5)**	**(4)**	**(401)**
Other material item					
Capital expenditure					
- property and equipment	177	6	-	-	183
- intangible assets	-	41	-	-	41
	177	47	-	-	224
Segment assets	**328**	**9,420**	**-**	**1**	**9,749**
Unallocated assets – deferred tax assets					458
Consolidated total assets					**10,207**
Segment liabilities	**6,342**	**4,622**	**-**	**1**	**10,965**
Consolidated total liabilities					**10,965**

**: < S$1,000*

9M2025	Investment holding S$'000	Sterilisation S$'000	Hospitality and wellness S$'000	Property S$'000	Total S$'000
External revenues	**-**	**3,160**	**-**	**-**	**3,160**
Segment results	(1,182)	3,412	(5)	(2)	2,223
Interest income	-*	1	-	-	1
Finance costs	(105)	(209)	-	-	(314)
Employee benefits	(639)	(1,065)	-	-	(1,704)
Depreciation and amortisation	(62)	(471)	-	-	(533)
Reportable segment (loss)/profit before income tax	**(1,988)**	**1,668**	**(5)**	**(2)**	**(327)**
Other material item					
Capital expenditure					
- property and equipment	-	2,287	-	-	2,287
- intangible assets	-	5	-	-	5
	-	2,292	-	-	2,292
Segment assets	**338**	**11,027**	**-**	**2**	**11,367**
Unallocated assets – deferred tax assets					262
Consolidated total assets					**11,629**
Segment liabilities	**4,947**	**5,432**	**-**	**2**	**10,381**
Consolidated total liabilities					**10,381**

**: < S$1,000*

4.2 Geographical Information

As at 30 September 2026	External Revenues S$'000	Non-current assets^^ S$'000
Singapore	-	148
Indonesia	2,337	8,594
	2,337	**8,742**

As at 30 September 2025	External Revenues S$'000	Non-current assets^^ S$'000
Singapore	-	63
Indonesia	3,160	10,157
	3,160	**10,220**

^^ : Non-current assets exclude deferred tax assets

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

5. Revenue

	Group			
	3 months ended 30 Sep 2026 S$'000	3 months ended 30 Sep 2025 S$'000	9 months ended 30 Sep 2026 S$'000	9 months ended 30 Sep 2025 S$'000
Revenue from sterilisation services	859	948	2,337	3,160

The Group derives revenue from the transfer of services at a point in time. The Group satisfies a performance obligation when the customers receive the services.

6. Other gains - Net

	Group			
	3 months ended 30 Sep 2026 S$'000	3 months ended 30 Sep 2025 S$'000	9 months ended 30 Sep 2026 S$'000	9 months ended 30 Sep 2025 S$'000
Currency exchange gain – net	87	172	662	846
Property and equipment written off	-	-	-*	-*
Loss on voluntary liquidation of a dormant subsidiary	-	-	-	(828)
Miscellaneous income	3	7	21	79
	90	179	683	97

**: < S$1,000*

7. Employee Benefits

	Group			
	3 months ended 30 Sep 2026 S$'000	3 months ended 30 Sep 2025 S$'000	9 months ended 30 Sep 2026 S$'000	9 months ended 30 Sep 2025 S$'000
Short-term employee benefits	398	502	1,414	1,535
Contribution to defined contribution plan	9	11	27	32
Defined benefits plans	31	23	93	137
	438	536	1,534	1,704
Comprised:				
Directors of the Company	68	74	238	236
Director of the Group's subsidiary	61	81	215	240

8. Other Expenses

	Group			
	3 months ended 30 Sep 2026 S$'000	3 months ended 30 Sep 2025 S$'000	9 months ended 30 Sep 2026 S$'000	9 months ended 30 Sep 2025 S$'000
Audit fees:				
- auditor of the Company	27	25	77	74
- other auditors	2	2	6	6
Legal, professional and consultancy fees	9	18	50	43
Loss allowance on trade receivables	-*	36	-*	36
Write-back of loss allowance on other receivables	(1)	-	(11)	-
Upkeep expenses	32	33	97	90
Directors' fees	26	26	78	78
Travelling expenses	3	4	18	15
Postage and telecommunication expenses	4	6	12	15
Printing and stationery expenses	-	-	-	11
Staff training and welfare expenses	32	34	85	94
Marketing and advertising	2	-	8	7
Sundry expenses	54	20	55	63
SGX expenses	8	8	26	26
Others	14	138	230	371
	212	350	731	929

9. Finance Costs

	Group			
	3 months ended 30 Sep 2026 S$'000	3 months ended 30 Sep 2025 S$'000	9 months ended 30 Sep 2026 S$'000	9 months ended 30 Sep 2025 S$'000
Interest expense				
- loans from banks	82	93	249	256
- loans from shareholders	23	18	63	54
- lease liabilities	2	1	5	4
	107	112	317	314

10. Income Tax Expense

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

	Group			
	3 months ended 30 Sep 2026 S$'000	3 months ended 30 Sep 2025 S$'000	9 months ended 30 Sep 2026 S$'000	9 months ended 30 Sep 2025 S$'000
Income tax expense comprised:				
Current income tax	97	92	278	392
Deferred tax	(46)	(9)	(155)	3
	51	83	123	395
Under-provision in prior years:				
Current income tax expense	-	-	72	-
	51	83	195	395

11. Trade and Other Receivables

	Group		Company	
	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000
Trade receivables				
- third parties (a)	290	229	-	-
Less: Loss allowance	(30)	(32)	-	-
Trade receivables - net	260	197	-	-
Other receivables				
- third parties	129	147	10	20
Less: Loss allowance	(54)	(69)	(10)	(20)
Other receivables - net	75	78	-	-
Amount due from subsidiary	-	-	580	60
Total trade and other receivables	335	275	580	60

(a) Trade receivables from third parties are non-interest bearing and repayable within the normal trade credit terms of 30 to 60 days (2025: 30 to 60 days).

12. Other Assets

	Group		Company	
	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000
Deposits	25	25	23	23
Prepayments	60	67	42	10
Total other assets	85	92	65	33

13. Investment in Associate

As at 30 September 2026, the Group and the Company have continued to fully impair its investment in an associate, the recoverable amount of which was determined to be S$ Nil (31 December 2025: S$ Nil) on the basis that the associate is in a net liabilities position as at 30 September 2026.

14. Property and Equipment

During the three months ended 30 September 2026, the Group acquired assets amounting to S$5,000 (3Q2025: S$612,000).

During the nine months ended 30 September 2026, the Group acquired assets amounting to S$7,000 (9M2025: S$2,287,000) and right-of-use assets amounting to S$176,000 (9M2025: S$ Nil).

15. Intangible Assets

	Group Software S$'000
At 31 December 2025	
Cost	70
Accumulated amortisation	(20)
Net carrying amount	50
9 months ended 30 September 2026	
Opening net carrying amount	50
Additions	41
Amortisation during the period	(14)
Currency translation differences	(4)
Closing net carrying amount	73
At 30 September 2026	
Cost	105
Accumulated amortisation	(32)
Net carrying amount	73

16. Other Payables

	Group		Company	
	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000
Current				
Other payables	133	570	8	24
Deposit payable	8	8	-	-
Interest payable (a)	365	302	4,602	4,154
Accrued operating expenses	321	313	273	282
Total other payables	827	1,193	4,883	4,460

(a) Interest payable relates to loans from shareholders and loans from a subsidiary.

17. Borrowings

	Group		Company	
	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000
Amount repayable within one year or on demand				
Secured - Loans from banks (a)	914	828	-	-
Unsecured - Loans from banks (b)	1,000	1,000	1,000	1,000
Unsecured - Loans from shareholders (c)	4,532	3,412	4,532	3,412
	6,446	5,240	5,532	4,412
Amount repayable after one year				
Secured - Loans from banks (a)	2,503	3,159	-	-
Total borrowings	8,949	8,399	5,532	4,412

(a) Loans from banks are secured over the Group's freehold land and building. The loans from banks bear interest at floating rates ranging from 7.75% to 8.25% (2025: 7.75%) per annum.

(b) Loans from banks are unsecured and bear interest of 2.5% plus bank's Cost of Funds.

(c) Loans from shareholders are unsecured. One of these loans bears a fixed interest rate of 2.00% (2025: 2.00%) per annum. The remaining loans carry a variable interest rate of 2.03% to 2.35% (2025: 2.15% to 3.90%) per annum, which is renewed and compounded weekly.

Breach of Loan Covenant by Company

As at 30 September 2026, the Company was in breach of a loan covenant which requires the Group to maintain a minimum net tangible asset ("NTA") of S$1.00 million. The Group's NTA was negative S$0.83 million as at 30 September 2026. The loan amounting to S$1.00 million was obtained for working capital purposes and is classified as current.

The Company has not received any notice of default or letter of demand from the bank in respect of the breach. However, the breach may constitute an event of default under the loan agreement, giving the bank the right to demand immediate repayment of all outstanding amount.

18. Share Capital

	Group and Company			
	As at 30 Sep 2026		As at 31 Dec 2025	
	Number of ordinary shares	S$'000	Number of ordinary shares	S$'000
Beginning and end of period/year	27,570,762,183	127,339	27,570,762,183	127,339

The Company did not hold any treasury shares as at 30 September 2026 and 31 December 2025.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2026 and 31 December 2025.

Blumont Employee Share Option Scheme 2013 (the "Blumont ESOS 2013")

As at 30 September 2026, all options granted under Blumont ESOS 2013 have fully vested and there were outstanding options exercisable into 895,000,000 (31 Dec 2025: 1,160,000,000) ordinary shares. During the nine-month period ended 30 September 2026, 265,000,000 options expired unexercised (31 Dec 2025: Nil).

Southern Archipelago Employee Share Option Scheme 2023 ("SAL ESOS 2023") and Performance Share Plan 2023 ("SAL PSP 2023")

No share options under the SAL ESOS 2023 and incentive share awards under the SAL PSP 2023 have been granted for the three months and nine months ended 30 September 2026 (31 Dec 2025: Nil).

19. Reserves

	Group		Company	
	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000
Composition:				
Currency translation reserve	(6,665)	(5,573)	-	-
Other reserve	1,301	1,301	-	-
Share option reserve	3,576	4,619	3,576	4,619
	(1,788)	347	3,576	4,619

20. Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

21. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company as at 30 September 2026 and 31 December 2025.

	Group		Company	
	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000	As at 30 Sep 2026 S$'000	As at 31 Dec 2025 S$'000
Financial assets				
At amortised cost				
Cash and bank balances	457	342	109	49
Trade and other receivables	335	275	580	60
Loans to subsidiaries	-	-	6,264	6,233
Other assets (deposits)	25	25	23	23
Total	817	642	6,976	6,365
Financial liabilities				
At amortised cost				
Other payables	827	1,193	4,883	4,460
Borrowings	8,949	8,399	5,532	4,412
Loan from a subsidiary	-	-	5,590	5,590
Lease liabilities	150	40	150	40
Total	9,926	9,632	16,155	14,502

22. Net (Liability)/Asset Value Per Ordinary Share

	Group		Company	
	As at 30 Sep 2026	As at 31 Dec 2025	As at 30 Sep 2026	As at 31 Dec 2025
Net (liability)/asset value per ordinary share (in cents)	(0.0028)	0.0034	(0.0323)	(0.0290)

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

1. Review

The condensed interim nine-months consolidated statement of financial position of Southern Archipelago Ltd. and its subsidiaries as at 30 September 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the nine-months period then ended and certain explanatory notes have not been audited or reviewed by the Company's Independent Auditors.

2. Review of Performance of the Group

Commentary on the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Revenue

Revenue decreased by S$0.82 million to S$2.34 million for 9M2026 (9M2025: S$3.16 million), primarily due to increased competition and challenging macroeconomic and political conditions in Indonesia, alongside operational challenges and a market-driven shift in export demand, which resulted in lower sales volume.

Other Gains – Net

Other gains increased by S$0.58 million to S$0.68 million for 9M2026 (9M2025: S$0.10 million), mainly due to one-off recognition of loss on voluntary liquidation of a dormant subsidiary in the prior period offset by lower currency exchange gain in current period.

Expenses

Raw materials and consumables used decreased by S$0.08 million to S$0.03 million in 9M2026 (9M2025: S$0.11 million), in line with the lower revenue.

Employee benefits decreased by S$0.17 million to S$1.53 million in 9M2026 (9M2025: S$1.70 million), mainly due to foreign exchange difference arising from the translation to the Group's presentation currency.

Depreciation of property and equipment increased by S$0.28 million to S$0.80 million in 9M2026 (9M2025: S$0.52 million), mainly due to additional depreciation on costs incurred for the expansion of sterilisation business.

Amortisation of intangible assets increased by S$4,000 to S$14,000 in 9M2026 (9M2025: S$10,000), mainly due to amortisation of new software purchased during the period.

Other expenses decreased by S$0.20 million to S$0.73 million in 9M2026 (9M2025: S$0.93 million), mainly due to nil provision for withholding tax recognised during the period and lower withholding tax on employee remuneration incurred.

Income Tax Expenses

Income tax expenses decreased by S$0.20 million to S$0.20 million in 9M2026 (9M2025: S$0.40 million), mainly due to a reduction in chargeable income and the recognition of a deferred tax credit for the period. This was partially offset by an under-provision of income tax in respect of prior years of S$0.07 million, arising from the tax authority's final assessment of a prior year, under which additional tax was assessed and set off against the Group's income tax receivable for that year. The Group will review and assess the annual income tax expense at year end.

Other Comprehensive Income

Foreign currency translation loss on translating foreign operations of S$1.09 million for 9M2026 (9M2025: S$1.30 million) relates to the translation of the results and the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency in accordance with SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rate.*

Commentary on the Condensed Interim Statement of Financial Position

Cash and bank balances increased by S$0.12 million or 34% from S$0.34 million as at 31 December 2025 to S$0.46 million as at 30 September 2026, mainly due to proceeds from shareholder loans.

Trade and other receivables increased by S$0.06 million or 22% from S$0.28 million as at 31 December 2025 to S$0.34 million as at 30 September 2026 mainly due to higher trade receivables due from third parties.

2. Review of Performance of the Group (Cont'd)

Commentary on the Condensed Interim Statement of Financial Position (cont'd)

Current income tax receivable decreased by S$0.40 million or 75% from S$0.53 million as at 31 December 2025 to S$0.13 million as at 30 September 2026, mainly due to the set-off of a prior year's income tax receivable following the tax authority's final assessment.

Property and equipment decreased by S$1.30 million or 13% from S$9.97 million as at 31 December 2025 to S$8.67 million as at 30 September 2026, mainly due to depreciation and currency translation differences.

Intangible assets increased by S$23,000 or 46% from S$50,000 as at 31 December 2025 to S$73,000 as at 30 September 2026 mainly due to capitalisation of new software by the sterilisation business during the period.

Deferred tax assets increased by S$0.13 million or 39% from S$0.33 million as at 31 December 2025 to S$0.46 million as at 30 September 2026, mainly due to increase in deductible temporary differences recognised during the period.

Other payables decreased by S$0.36 million or 31% from S$1.19 million as at 31 December 2025 to S$0.83 million as at 30 September 2026, mainly due to settlement of outstanding payment relating to the expansion of sterilisation business.

Lease liabilities, including current and non-current, increased by S$0.11 million or 275% from S$0.04 million as at 31 December 2025 to S$0.15 million as at 30 September 2026, mainly due to extension of lease for office premise that the Company entered into during the period.

As at 30 September 2026, the Group had a negative working capital of S$6.36 million (31 December 2025: S$5.23 million). The Company intends to fund its operation through the Group's internal resources, loans from shareholder, borrowings and/or capital raising as and when required.

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

Not applicable as there is no forecast or prospect statement previously disclosed to shareholders.

4. 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

Below are updates on the Group's operations:

Sterilisation

The Group's sterilisation business segment has completed its capacity expansion and continues to diversify its customer base. Results in 4Q2025 and 1Q2026 were affected by Indonesia's macroeconomic and political conditions, a market-driven shift in export demand and intensified local competition. The segment has since been on a gradual recovery path, with revenue increasing quarter-on-quarter from S$0.84 million in 2Q2026 to S$0.86 million in 3Q2026, although it remains below the corresponding quarter last year. Reported revenue has also been affected by the weaker Indonesian Rupiah on translation into the Group's presentation currency, partly cushioned at Group level by exchange gains recognised in profit or loss.

The segment remained profitable, recording a profit before tax of S$250,000 in 3Q2026 (3Q2025: S$333,000). The lower profit mainly reflects higher depreciation following completion of the capacity expansion, with operating performance before depreciation broadly in line with the corresponding quarter last year.

Customer acquisition efforts are ongoing. Although take-up has been slower than anticipated, the Group continues to pursue new customer opportunities to support utilisation of the expanded capacity.

Investment Holdings and Opportunities

The Group continues to explore potential investment opportunities that are viable and in line with our strategic objective.

Hospitality and Wellness Sector

The Group is monitoring the market and remains open to new opportunities only when conditions are favourable and align with our prudent growth strategy.

5. Dividend Information

(a) Current Financial Period Reported On.
Any dividend declared for the current financial period reported on?
No.

(b) Corresponding Period of the Immediately Preceding Financial Year.
Any dividend declared for the corresponding period of the immediately preceding financial year?
No.

(c) Date payable
Not applicable.

(d) Books closure date
Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect.
The Board of Directors does not recommend any payment of dividends for the nine months ended 30 September 2026.

6. General Mandate from Shareholders for Interested Party Transactions

No general mandate for Interested Party Transactions has been obtained from the shareholders.

7. Confirmation pursuant to Rule 705(5) of the listing manual.

To the best of our knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited consolidated financial results for the nine months ended 30 September 2026 to be false or misleading.

On behalf of the Board of Directors

Alan Chin Yu	John Lee Yow Meng
Executive Director	Chief Financial Officer and Executive Director

8. Confirmation Pursuant to Rule 720(1) of the listing manual.

The Company hereby confirms that it has procured undertakings from all its directors and executive officer under Rule 720(1) of the listing manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD
Southern Archipelago Ltd.

John Lee Yow Meng
Chief Financial Officer and Executive Director
11 November 2026