CREATIVE TECHNOLOGY LTD

SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 JUNE 2026
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

TABLE OF CONTENTS

UNAUDITED RESULTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 JUNE 2026

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	GROUP Six months ended 30 June			GROUP Financial year ended 30 June		
	2026 US$'000	2025 US$'000	% change + / (-)	2026 US$'000	2025 US$'000	% change + / (-)
Sales, net	26,760	30,051	(11)	60,922	67,435	(10)
Cost of goods sold	(17,027)	(21,396)	(20)	(41,012)	(48,555)	(16)
Gross profit	**9,733**	**8,655**	12	**19,910**	**18,880**	5
Expenses:						
Selling, general and administrative	(7,398)	(9,479)	(22)	(16,727)	(21,064)	(21)
Research and development	(2,365)	(4,678)	(49)	(4,733)	(9,663)	(51)
Total expenses	**(9,763)**	**(14,157)**	(31)	**(21,460)**	**(30,727)**	(30)
Interest income	173	205	(16)	352	426	(17)
Other income	11	27	(59)	18	34	(47)
Other gains (losses), net	742	1,009	(26)	850	1,105	(23)
Interest expense on lease liabilities	(21)	(38)	(45)	(50)	(97)	(48)
Profit (loss) before income tax	**875**	**(4,299)**	n.m.	**(380)**	**(10,379)**	(96)
Income tax expense	(208)	(58)	n.m.	(196)	(79)	n.m.
Net profit (loss)	**667**	**(4,357)**	n.m.	**(576)**	**(10,458)**	(94)
Attributable to:						
Equity holders of the Company	649	(4,375)	n.m.	(586)	(10,444)	(94)
Non-controlling interests	18	18	-	10	(14)	n.m.
	667	**(4,357)**		**(576)**	**(10,458)**	
Profit (loss) per share attributable to equity holders of the Company						
- Basic (US$ per share)	0.01	(0.06)	n.m.	(0.01)	(0.15)	(93)
- Diluted (US$ per share)	0.01	(0.06)	n.m.	(0.01)	(0.15)	(93)

n.m. - not meaningful

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	Six months ended 30 June			Financial year ended 30 June		
	2026 US$'000	2025 US$'000	% change + / (-)	2026 US$'000	2025 US$'000	% change + / (-)
Net profit (loss)	667	(4,357)	n.m.	(576)	(10,458)	(94)
Other comprehensive income (loss):						
Items that will not be reclassified subsequently to profit or loss:						
Financial assets at fair value through other comprehensive income ("Financial assets at FVOCI"):						
Fair value gain	7,765	789	n.m.	7,891	928	n.m.
Total comprehensive income (loss) for the period/year	8,432	(3,568)	n.m.	7,315	(9,530)	n.m.
Attributable to:						
Shareholders of the Company	8,414	(3,586)	n.m.	7,305	(9,516)	n.m.
Non-controlling interests	18	18	-	10	(14)	n.m.
Total comprehensive income (loss) for the period/year	8,432	(3,568)	n.m.	7,315	(9,530)	n.m.

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 June 2026 US$'000	**30 June 2025 US$'000**	**30 June 2026 US$'000**	**30 June 2025 US$'000**
ASSETS				
Current assets:				
Cash and cash equivalents	30,362	29,839	20,918	23,421
Assets held-for-sale - Financial assets at fair value through other comprehensive income (FVOCI)	4,727	-	-	-
Trade receivables	3,868	4,829	22	9
Amounts due from subsidiaries	-	-	11,696	17,178
Inventories	13,861	16,490	-	8
Other current assets	2,048	1,306	549	183
	54,866	**52,464**	**33,185**	**40,799**
Non-current assets:				
Financial assets at fair value through profit or loss (FVPL)	426	355	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	13,783	10,619	-	-
Amounts due from subsidiaries	-	-	6,673	9,355
Investments in subsidiaries	-	-	16,047	15,667
Property and equipment	556	47	543	23
Right-of-use assets (ROU)	1,961	934	1,803	827
Other non-current assets	471	34	140	-
	17,197	**11,989**	**25,206**	**25,872**
Total assets	**72,063**	**64,453**	**58,391**	**66,671**
LIABILITIES				
Current liabilities:				
Trade payables	4,791	3,734	1	40
Amounts due to subsidiaries	-	-	65	5,148
Other creditors, accrued liabilities and provisions	7,391	8,873	1,886	2,662
Contract liabilities	45	101	-	-
Lease liabilities	581	945	457	863
Current income tax liabilities	147	1	-	-
	12,955	**13,654**	**2,409**	**8,713**
Non-current liabilities:				
Amounts due to subsidiaries	-	-	49,859	50,122
Lease liabilities	1,087	25	1,054	-
Deferred income tax liabilities	9,560	9,660	-	-
	10,647	**9,685**	**50,913**	**50,122**
Total liabilities	**23,602**	**23,339**	**53,322**	**58,835**
NET ASSETS	**48,461**	**41,114**	**5,069**	**7,836**
EQUITY				
Share capital	49,040	49,040	49,040	49,040
Treasury shares	(16,035)	(16,035)	(16,035)	(16,035)
Fair value reserve	10,743	2,852	-	-
Other reserves	42,486	42,454	30,139	30,107
Accumulated losses	(38,162)	(37,576)	(58,075)	(55,276)
	48,072	40,735	5,069	7,836
Non-controlling interests	389	379	-	-
Total equity	**48,461**	**41,114**	**5,069**	**7,836**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	Financial year ended 30 June	
	2026	2025
	US$'000	US$'000
Cash flows from operating activities:		
Net loss	(576)	(10,458)
Adjustments for:		
Income tax expense	196	79
Depreciation	1,135	1,244
Employee share-based expense	32	207
Loss on property and equipment written-off	11	1
Gain on divestment of assets	(859)	-
Fair value gain on financial assets at FVPL	(95)	(16)
Gain on liquidation of financial assets at FVPL previously written-off	(119)	-
Currency translation loss (gain)	390	(914)
Interest income	(352)	(426)
Interest expense on lease liabilities	50	97
	(187)	(10,186)
Changes in working capital		
Trade receivables	961	(1,081)
Inventories	2,629	4,649
Other assets and receivables	(903)	757
Trade payables	1,057	(3,324)
Accrued liabilities and provisions	(1,906)	(2,829)
Contract liabilities	(56)	24
Cash provided by (used in) operations	1,595	(11,990)
Interest received	376	441
Income tax refunded	68	13
Net cash provided by (used in) operating activities	**2,039**	**(11,536)**
Cash flows from investing activities:		
Purchase of property and equipment	(585)	(26)
Purchase of financial assets at FVOCI	-	(1,153)
Proceeds from divestment of assets	700	-
Proceeds from liquidation and distribution of financial assets at FVPL	143	-
Net cash provided by (used in) investing activities	**258**	**(1,179)**
Cash flows from financing activities:		
Repayment of lease liabilities	(1,115)	(1,311)
Interest paid on lease liabilities	(50)	(97)
Net cash used in financing activities	**(1,165)**	**(1,408)**
Net increase (decrease) in cash and cash equivalents	**1,132**	**(14,123)**
Cash and cash equivalents at beginning of financial year	29,839	42,122
Effects of currency translation on cash and cash equivalents	(609)	1,840
Cash and cash equivalents at end of the financial year	**30,362**	**29,839**

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity of the Group

	Share Capital US$'000	Treasury Shares US$'000	Fair Value Reserve US$'000	Other Reserves US$'000	Retained Earnings (Accumulated Losses) US$'000	Total US$'000	Non-controlling Interests US$'000	Total Equity US$'000
FY2026								
Balance at 1 July 2025	49,040	(16,035)	2,852	42,454	(37,576)	40,735	379	41,114
Loss for the year	-	-	-	-	(586)	(586)	10	(576)
Other comprehensive income for the year	-	-	7,891	-	-	7,891	-	7,891
Total comprehensive income (loss) for the year	-	-	7,891	-	(586)	7,305	10	7,315
Employee share-based expense	-	-	-	32	-	32	-	32
Total transactions with owners, recognised directly in equity	-	-	-	32	-	32	-	32
Balance at 30 June 2026	**49,040**	**(16,035)**	**10,743**	**42,486**	**(38,162)**	**48,072**	**389**	**48,461**
FY2025								
Balance at 1 July 2024	49,040	(16,035)	1,924	42,247	(27,132)	50,044	393	50,437
Loss for the year	-	-	-	-	(10,444)	(10,444)	(14)	(10,458)
Other comprehensive income for the year	-	-	928	-	-	928	-	928
Total comprehensive income (loss) for the year	-	-	928	-	(10,444)	(9,516)	(14)	(9,530)
Employee share-based expense	-	-	-	207	-	207	-	207
Total transactions with owners, recognised directly in equity	-	-	-	207	-	207	-	207
Balance at 30 June 2025	**49,040**	**(16,035)**	**2,852**	**42,454**	**(37,576)**	**40,735**	**379**	**41,114**

Statements of Changes in Equity of the Company

	Share Capital US$'000	Treasury Shares US$'000	Other Reserves US$'000	Accumulated Losses US$'000	Total Equity US$'000
FY2026					
Balance at 1 July 2025	49,040	(16,035)	30,107	(55,276)	7,836
Total comprehensive loss for the year	-	-	-	(2,799)	(2,799)
Employee share-based expense	-	-	32	-	32
Balance at 30 June 2026	**49,040**	**(16,035)**	**30,139**	**(58,075)**	**5,069**
FY2025					
Balance at 1 July 2024	49,040	(16,035)	29,900	(50,070)	12,835
Total comprehensive loss for the year	-	-	-	(5,206)	(5,206)
Employee share-based expense	-	-	207	-	207
Balance at 30 June 2025	**49,040**	**(16,035)**	**30,107**	**(55,276)**	**7,836**

CHANGES IN THE COMPANY'S SHARE CAPITAL

Issued and paid up capital

As at 30 June 2026, the Company's issued and paid up capital excluding treasury shares comprises 70,396,649 (30 June 2025: 70,396,649) ordinary shares.

As at 30 June 2026, the Company's issued and paid up share capital was US$49.04 million (31 December 2025: US$49.04 million).

Employee share options plan

The Company did not issue any treasury shares under the Creative Share Option Scheme (2019) in the second half year of FY2026 (second half year of FY2025: Nil).

As at 30 June 2026, there were 1,946,000 unissued ordinary shares under the options granted to eligible employees and directors (30 June 2025: 3,320,000).

Treasury shares

As at 30 June 2026, the Company held 4,603,351 (30 June 2025: 4,603,351) treasury shares against 70,396,649 (30 June 2025: 70,396,649) issued ordinary shares excluding treasury shares.

The movement of treasury shares for the period is as follows:

	Half year ended 30 June	
	2026	**2025**
Balance at beginning and end of period	4,603,351	4,603,351

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed interim financial statements for the six months 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 interim financial statements for the period ended 31 December 2025.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the most recent audited financial statements as at 30 June 2025, except for the mandatory adoption of new standards effective as of 1 July 2025. The adoption of the new standards has no significant impact on the financial statements.

2. BREAKDOWN OF SALES

		GROUP		
		Financial year ended 30 June 2026 US$'000	**Financial year ended 30 June 2025 US$'000**	**% change + / (-)**
	First Half Year			
(a)	Sales	34,162	37,384	(9%)
(b)	Net loss	(1,243)	(6,101)	(80%)
	Second Half Year			
(a)	Sales	26,760	30,051	(11%)
(b)	Net profit (loss)	667	(4,357)	n.m.

3. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after accounting for:

	GROUP			
	Six months ended 30 June		**Financial year ended 30 June**	
	2026 US$'000	**2025 US$'000**	**2026 US$'000**	**2025 US$'000**
Grant income	11	27	18	34
Inventory write-back (write-off) - net	240	81	(8)	650
Depreciation	(617)	(541)	(1,135)	(1,244)
Fair value gain on financial assets at FVPL	11	5	95	16
Gain on divestment of assets	859	-	859	-
Gain on liquidation of financial assets at FVPL previously written-off	-	-	119	-
Gain on sale of intellectual property assets	-	-	184	-
Foreign exchange (loss) gain	(128)	947	(488)	920

4. INCOME TAX

Tax (expense) credit attributable to profit is made up of:

	GROUP			
	Six months ended 30 June		Financial year ended 30 June	
	2026 US$'000	2025 US$'000	2026 US$'000	2025 US$'000
Current income tax	(148)	(3)	(77)	31
Deferred income tax - under provision in prior financial years	(60)	(55)	(119)	(110)
	(208)	(58)	(196)	(79)

5. DIVIDENDS

No dividend has been recommended in the second half year of FY2026 as the Company is in an accumulated losses position. No dividends were recommended or declared for the same period last year.

6. NET ASSETS VALUE

	GROUP		COMPANY	
	30 June 2026 US$	30 June 2025 US$	30 June 2026 US$	30 June 2025 US$
Net asset value per ordinary share	0.69	0.58	0.07	0.11

7. FAIR VALUE MEASUREMENTS

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

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

	US$'000			
	Level 1	Level 2	Level 3	Total
Group				
30 June 2026				
Financial assets at FVPL	-	-	426	426
Financial assets at FVOCI	5,329	12,181	1,000	18,510
	5,329	12,181	1,426	18,936
30 June 2025				
Financial assets at FVPL	-	-	355	355
Financial assets at FVOCI	2,286	8,233	100	10,619
	2,286	8,233	455	10,974

Included in financial assets at FVOCI are assets held-for-sale of US$4,727,000 (2025: Nil).

Fair values for listed equity securities are determined using quoted market prices at the balance sheet date. These instruments are included in Level 1.

Fair values for unlisted equity securities and debt securities determined by recent transaction considerations agreed in principle-to-principal markets whereby transactions, both originations and resales, are negotiated independently amongst multiple non-related parties, are included in Level 2.

Fair values for unlisted equity securities and fund investments determined using net asset values or proprietary pricing transaction with shareholder which approximate the fair value of the investments are included in Level 3.

8. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amount of the different categories of financial instruments are as follows:

	GROUP	
	30 June 2026 US$'000	30 June 2025 US$'000
Financial assets, at FVPL	426	355
Financial assets, at FVOCI	18,510	10,619
Financial assets, at amortised cost	36,154	35,355
Financial liabilities, at amortised cost	13,065	12,441

Included in financial assets at FVOCI are assets held-for-sale of US$4,727,000 (2025: Nil).

9. GROUP BORROWINGS

	GROUP	
	30 June 2026 US$'000	30 June 2025 US$'000
Amount repayable:		
In one year or less, or on demand		
Secured	581	945
Unsecured	-	-
	581	945
After one year		
Secured	1,087	25
Unsecured	-	-
	1,087	25
Total	1,668	970

Secured borrowings relate to lease liabilities which are secured over right-of-use assets.

10. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital US$'000	Treasury shares US$'000
Group and Company				
30 June 2026				
Beginning and end of period	75,000	(4,603)	49,040	(16,035)
30 June 2025				
Beginning and end of period	75,000	(4,603)	49,040	(16,035)

11. SEGMENTAL REPORTING

	ASIA PACIFIC US$'000	THE AMERICAS US$'000	EUROPE US$'000	TOTAL US$'000
GROUP				
2026				
Sales	20,414	17,306	23,202	60,922
(Loss) profit after total expenses	(4,571)	2,186	835	(1,550)
Interest income	352	-	-	352
Other income	18	-	-	18
Other gains, net	688	23	139	850
Interest expense on lease liabilities	(49)	(1)	-	(50)
(Loss) profit before income tax	(3,562)	2,208	974	(380)
Income tax expense	(4)	(149)	(43)	(196)
Net (loss) profit	(3,566)	2,059	931	(576)
Other segment items				
Additions to property and equipment	585	-	-	585
Additions to ROU assets	1,976	-	-	1,976
Depreciation	1,122	13	-	1,135
Fair value gain on financial assets at FVPL	95	-	-	95
Segment assets	58,583	5,994	7,486	72,063
Segment liabilities	10,812	1,084	11,706	23,602

	ASIA PACIFIC US$'000	THE AMERICAS US$'000	EUROPE US$'000	TOTAL US$'000
GROUP				
2025				
Sales	24,235	17,998	25,202	67,435
(Loss) profit after total expenses	(11,864)	561	(544)	(11,847)
Interest income	424	2	-	426
Other income	34	-	-	34
Other (losses) gains, net	2,004	(15)	(884)	1,105
Interest expense on lease liabilities	(95)	(1)	(1)	(97)
(Loss) profit before income tax	(9,497)	547	(1,429)	(10,379)
Income tax expense	(2)	(7)	(70)	(79)
Net (loss) profit	(9,499)	540	(1,499)	(10,458)
Other segment items				
Additions to property and equipment	25	1	-	26
Depreciation	1,185	20	39	1,244
Fair value gain on financial assets at FVPL	16	-	-	16
Segment assets	49,633	5,500	9,320	64,453
Segment liabilities	9,582	1,031	12,726	23,339

Summary of net sales by country:

	GROUP	
	30 June 2026 US$'000	30 June 2025 US$'000
Singapore	12,837	16,830
United States of America	17,306	17,998
Ireland	23,202	25,202
Other countries	7,577	7,405
	60,922	67,435

Summary of net sales by product category:

	GROUP	
	30 June 2026 US$'000	30 June 2025 US$'000
Audio, speakers and headphones	57,076	63,229
Personal digital entertainment	3,846	4,206
	60,922	67,435

Summary of non-current assets by country (excluding financial instruments):

	GROUP	
	30 June 2026 US$'000	30 June 2025 US$'000
Singapore	2,356	871
United States of America	33	16
Other countries	128	94
	2,517	981

12. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to 30 June 2026, the Group entered into an agreement to divest a financial asset at FVOCI presented as assets held-for-sale at balance sheet date with a carrying value of US$3,727,000 (including the fair value change in other comprehensive income of US$2,277,000).

OTHER INFORMATION

13. AUDIT

The figures have not been audited or reviewed by our auditors.

14. AUDITORS' REPORT

Not applicable.

15. REVIEW OF GROUP PERFORMANCE

CONSOLIDATED INCOME STATEMENT

Net Sales

Net sales for FY2026 and the second half year of FY2026 decreased by 10% and 11%, respectively, compared to FY2025 and the second half year of FY2025. The decrease was due mainly to the impact of geo-political tensions that contributed to elevated inflation which dampened demand for consumer electronics products, as well as the Group's strategic efforts to streamline its product offerings and focus on improving gross profit margin.

The decrease in FY2026 revenue impacted all regions. Net sales in Asia Pacific, the Americas and Europe regions decreased by 16%, 4% and 8% respectively, compared to FY2025.

Gross Profit

Gross profit margin increased to 36% for the second half of FY2026 and 33% for FY2026, compared to 29% in the second half of FY2025 and 28% for FY2025. Gross profit margin for the second half of FY2026 included a US$1.3 million tariff refund from the U.S. Customs Office relating to global tariff refunds arising from judicial decisions. Excluding this refund, gross profit margin for both the second half of FY2026 and FY2026 would be 31%. The improvement in gross profit margin was primarily attributable to a favourable product mix, driven by the focus on sales of higher-margin products.

Net Loss

Net loss in FY2026 was US$0.6 million compared to US$10.5 million in FY2025. Net loss in FY2026 includes tariff refund of US$1.3 million (see above), interest income of US$0.4 million and other gains (net) of US$0.9 million. Excluding the tariff refund, net loss in FY2026 was US$1.9 million. Net loss in FY2025 includes employee severance payment of US$3.1 million, interest income of US$0.4 million and other gains (net) of US$1.1 million. Excluding employee severance payment, net loss in FY2025 was US$7.4 million.

Net profit for the second half year of FY2026 was US$0.7 million compared to net loss of US$4.4 million in the second half year of FY2025. Net profit for the second half year of FY2026 includes tariff refund of US$1.3 million, interest income of US$0.2 million and other gains (net) of US$0.7 million. Excluding the tariff refund, the second half year of FY2026 would have resulted in a net loss of US$0.6 million. Net loss for the second half year of FY2025 includes employee severance payment of US$2.1 million, interest income of US$0.2 million and other gains (net) of US$1.0 million. Excluding employee severance payment, net loss for the second half year of FY2025 was US$2.3 million.

Selling, general and administrative expenses for FY2026 and the second half of FY2026 decreased by 21% and 22%, respectively, compared to FY2025 and the second half of FY2025. The decrease was mainly attributable to lower payroll and related expenses following the restructuring exercises undertaken in FY2025, as well as lower sales related expenses.

Research and development expenses for FY2026 and the second half of FY2026 decreased by 51% and 49%, respectively, compared to FY2025 and the second half of FY2025. The decrease was mainly attributable to lower payroll and related expenses following the restructuring exercises undertaken in FY2025.

Other gains (net) of US$0.7 million in the second half of FY2026 comprised a gain on divestment of assets of US$0.9 million, partially offset by foreign exchange loss of US$0.1 million. The gain on divestment of assets of US$0.9 million arose from the divestment of certain assets and equity participation in a newly incorporated entity, Zeica Labs Pte Ltd. Other gains (net) of US$0.9 million in FY2026 comprised a gain on divestment of assets of US$0.9 million, gain on sale of intellectual property assets of US$0.2 million, fair value gain and gain on liquidation of financial assets at FVPL previously written-off of US$0.2 million, offset partially by foreign exchange loss of US$0.5 million. Other gains (net) of US$1.0 million in the second half year of FY2025 and US$1.1 million in FY2025 were mainly attributable to foreign exchange gain.

The functional currency of the Company and its subsidiaries is predominantly the US dollar and accordingly, gains and losses resulting from the translation of monetary assets and liabilities denominated in currencies other than the US dollar are reflected in the determination of net income (loss). The exchange differences were due mainly to the cash and cash equivalent balances held by the Group. Other than US dollar, cash and cash equivalents were held mainly in Singapore dollar, Euro, British Pound and Japanese Yen. The exchange loss in the second half year of FY2026 and FY2026 was due mainly to the depreciation of Euro, British Pound and Japanese Yen against US dollar. The exchange gain in the second half year of FY2025 and FY2025 was due to the appreciation of these currencies and Singapore dollar against US dollar.

BALANCE SHEETS

The increase in cash and cash equivalents in FY2026 was due mainly to net cash generated from operating activities (see below). As at FY2026, certain financial assets at FVOCI were classified as assets held-for-sale following the Group's decision to dispose these investments. These investments were valued based on the offer price received by the Group, which represented their estimated realisable value upon disposal. The decrease in trade receivables was broadly in line with lower sales in the last quarter of FY2026 compared to FY2025. The decrease in inventory balances was primarily attributable to the Group's continued focus on the streamlining of product offerings and inventory optimisation initiatives to improve inventory turnover. The increase in other current assets was mainly due to U.S. tariff recoverable from the U.S. Customs Office. The increase in financial assets at FVOCI was due mainly to revaluation gains. The increase in right-of-use assets was primarily attributable to the capitalisation of a new office lease. The increase in other non-current assets related mainly to deposits paid in connection with a new office lease and a customs bond. The increase in trade payables was due mainly to higher inventory purchases towards the end of FY2026. The decrease in other creditors, accrued liabilities and provisions was due mainly to the reversal of provisions following periodic reviews and reassessments of outstanding obligations.

CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash provided by operating activities of US$2.0 million was driven mainly by decreases in trade receivables and inventories, as well as an increase in trade payables. The positive cash flow movement was partially offset by an increase in other assets and receivables and a decrease in accrued liabilities and provisions. Net cash used in operating activities of US$11.5 million in FY2025 was due mainly to operating loss for the financial year, decreases in trade payables and other creditors, accrued liabilities and provisions, partially offset by decrease in inventories.

Net cash provided by investing activities was US$0.3 million in FY2026 (FY2025: US$1.2 million net cash used in investing activities) due mainly to proceeds from the divestment of assets.

Net cash used in financing activities of US$1.2 million in FY2026 (FY2025: US$1.4 million) was due mainly to repayments of lease liabilities and interest on lease liabilities.

16. VARIANCE FROM PROSPECT STATEMENT

There is no significant variance in the operating performance of the Group in the second half year of FY2026 compared to the prospect statement disclosed in the announcement of results for the first half of FY2026.

17. PROSPECTS

The overall business environment remains uncertain with the continuing heightened geopolitical tensions in the Middle East and Ukraine that resulted in elevated inflationary pressures and dampened demand for consumer electronics products. Supply constraint for certain electronics components driven by the rapid AI development has led to higher product cost and supply chain disruptions With these uncertain and difficult business conditions, the market for the Group's products remains challenging.

The Group is much leaner now with a lower operating cost structure to weather the challenges and adverse external impacts on its business environment. Creative's Board and management team continue to work on new strategic directions while remaining focused on its core strengths to work towards profitability and sustainable growth of the business.

The Group remains cautious on its outlook for FY2027. New products such as the new Hi-Res XF1 speaker targeting the prosumer market and the next generation of audio products are expected to drive new opportunities for the Group. For first half year and full year of FY2027, the Group is targeting to maintain revenue at the current level and expects to report an operating loss.

18. INTERESTED PERSON TRANSACTIONS

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

19. CONFIRMATION OF DIRECTORS AND EXECUTIVE OFFICERS' UNDERTAKINGS PURSUANT TO LISTING RULE 720(1)

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

20. REPORT OF PERSONS OCCUPYING MANAGERIAL POSITIONS WHO ARE RELATED TO A DIRECTOR, CHIEF EXECUTIVE OFFICER OR SUBSTANTIAL SHAREHOLDER

Name	**Age**	**Family relationship with any director and/or substantial shareholder**	**Current position and duties, and the year the position was held**	**Details of changes in duties and position held, if any, during the year**
Sim Li Ern	47	Cousin of Mr. Chew Kian Giap, a Non-Independent Non-Executive Director and a nephew of Mr. Sim Wong Hoo, the late Chairman and CEO of the Company. He is also an Administrator of Mr. Sim Wong Hoo's estate, a substantial shareholder of the Company.	Appointed as Chairman with effect from 6 February 2026 and as CEO with effect from 5 January 2026. As Chairman, Mr. Sim provides strategic guidance and lead the Board of Directors, ensuring effectiveness of the Board and its governance processes. As CEO, Mr. Sim is responsible for making strategic proposals to the Board of Directors and implementing the Group's strategies and policies, as well as executive responsibility for the day-to-day management of the Group.	Prior to his appointment as Chairman and CEO of the Company, Mr. Sim served as an Executive Director, holding the position of Vice President, Sales & Marketing, and was responsible for leading the Group's sales and marketing functions.
Low Shek Chian	44	Cousin of Mr. Sim Li Ern,	Appointed as General Manager	Prior to his

		Chairman and CEO of the Company. Cousin of Mr. Chew Kian Giap, a Non-Independent Non-Executive Director. A nephew of Mr. Sim Wong Hoo, the late Chairman and CEO of the Company.	with effect from 1 June 2026. Mr. Low's duties include overseeing the Group's operations, information technology and product development functions.	appointment as General Manager, he served as Director, CEO Office, overseeing the Group's information technology operations.
Lim Hwee Min	50	Cousin of Mr. Sim Li Ern, Chairman and CEO of the Company. Cousin of Mr. Chew Kian Giap, a Non-Independent Non-Executive Director. A niece of Mr. Sim Wong Hoo, the late Chairman and CEO of the Company. She is also an Administrator of Mr. Sim Wong Hoo's estate, a substantial shareholder of the Company.	Appointed as Financial Controller with effect from 1 February 2026. Ms. Lim's duties include overseeing the Group's overall accounting functions.	Prior to her appointment as Financial Controller, Ms. Lim held the position of Finance Manager, overseeing sales and receivables accounting functions.

BY ORDER OF THE BOARD

NG KEH LONG
COMPANY SECRETARY
20 August 2026