



CONTENTS

Chairman and CEO Message	2
Financial Highlights and Review	4
Board of Directors and Executive Officers	6
Corporate Governance	8
Directors' Statement	20
Independent Auditor's Report	24
Consolidated Income Statement	28
Consolidated Statement of Comprehensive Income	29
Balance Sheets	30
Consolidated Statement of Changes in Equity	31
Consolidated Statement of Cash Flows	32
Notes to the Financial Statements	33
SGX-ST Listing Manual Requirements	76

CHAIRMAN AND CEO MESSAGE

Dear Shareholders,

Fiscal year 2026 was a year of transition for Creative as we tightened cost controls and sharpened our focus on long-term performance.

The year was not without its challenges. Geopolitical uncertainties continued to affect global trade, while inflationary pressures impacted cost structures. These conditions reinforced the importance of discipline in how we operate, invest, and bring products to market.

During the year, we strengthened the fundamentals of our business by streamlining our operating model, and allocating resources to priority markets, products, and capabilities. This work resulted in clearer priorities, more timely decision-making, and a more resilient organisation.

Fiscal year 2026 reflected continued progress in rebuilding the Group's financial performance. While sales for fiscal year 2026 were lower at US\$60.9 million, compared with US\$67.4 million in fiscal year 2025, gross profit for fiscal year 2026, excluding the tariff refund of US\$1.3 million from the U.S. Customs Office relating to global tariff refunds arising from judicial decisions, remained at around US\$19.0 million as compared to the previous fiscal year. As a percentage of revenue, gross profit margin improved from 28% in fiscal year 2025 to 31% in fiscal year 2026. The improvement in gross profit margin, together with tighter control of operating expenses, contributed to a significant reduction in net loss from US\$10.5 million in fiscal year 2025 to US\$0.6 million in fiscal year 2026. Further highlights of the Group's financial performance are detailed in the "Financial Highlights and Review" section of this annual report.

The strategic changes made during the year have also enabled us to place greater emphasis on our product and brand initiatives.

Our product strategy combines our rich experience and expertise in sound technology to develop audio solutions tailored to the needs of modern listeners. By pairing reliable performance with intentional, thoughtful design, we strive to elevate the everyday listening experience for our customers. Concurrently, we are focused on cultivating long-term trust and fostering closer engagement with the Creative community, strengthening enduring brand loyalty among audio enthusiasts who value quality, aesthetics, and technical innovation.

We unveiled the Creative XF1 in June 2026, a Hi-Res speaker that combines audio engineering capabilities, premium design and everyday functionality for prosumer audio enthusiasts. We also launched the Sound Blaster Audigy FX Pro sound card, a high-value and accessible upgrade for desktop users and PC builders moving beyond onboard audio, and the Sound Blaster AE-X sound card for PC gamers, audiophiles, and professionals seeking high-fidelity audio and dedicated amplification for studio-grade equipment.

CHAIRMAN AND CEO MESSAGE

The new Creative Nexus app gives customers a more intuitive and personalised way to manage their audio settings across compatible products, helping to create a consistent user experience.

Looking ahead, we remain cautious in our outlook for fiscal year 2027 due to the uncertain macro-economic environment. Ongoing geopolitical tensions may drive higher energy and freight costs, while supply-chain constraints affecting semiconductors and electronic components, driven by the artificial intelligence boom, may place further pressure on costs and availability. Inflationary pressures may continue to dampen consumer demand for electronics products.

Creative enters the new financial year as a leaner and more agile organisation. We stay focused on our core competencies to pursue business opportunities, invest selectively and maintain cost discipline to drive long-term, sustainable growth.

On behalf of the Board, I would like to express our appreciation to Dr. Tan Jok Tin, Mr George Yeo and Mr Sim Guan Huat, who stepped down as Board members during fiscal year 2026, for their invaluable contributions and guidance to Creative.

We also extend a warm welcome to our new Board member, Mr Chew Kian Giap. His wealth of business experience and industry knowledge will add depth and diversity to the Board as the Group moves forward.

Thank you.

Sim Li Ern
Chairman and Chief Executive Officer
Creative Technology Ltd.

FINANCIAL HIGHLIGHTS AND REVIEW

For the financial year ended 30 June 2026

Overview

	US\$million	
	2026	2025
Sales, net	60.9	67.4
Gross profit	19.9	18.9
Gross profit margin	33%	28%
Expenses	21.5	30.7
Net loss	(0.6)	(10.5)

Sales for the financial year ended 30 June 2026 ("FY2026") were US\$60.9 million compared to US\$67.4 million for the financial year ended 30 June 2025 ("FY2025"). Gross profit in FY2026 was US\$19.9 million at a margin of 33% compared to US\$18.9 million at a margin of 28% in FY2025. Net loss in FY2026 was US\$0.6 million compared to US\$10.5 million in FY2025.

Sales

Net sales for FY2026 decreased by 10% compared to FY2025. The decrease in net sales 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.

Sales by Product Category

	US\$million	
	2026	2025
Audio, speakers and headphones	57.1	63.2
Personal digital entertainment	3.8	4.2
	60.9	67.4

Sales of all product categories in FY2026 have decreased compared to FY2025.

Sales by Region

	US\$million	
	2026	2025
Asia Pacific	20.4	24.2
The Americas	17.3	18.0
Europe	23.2	25.2
	60.9	67.4

By geographical region, sales in the Asia Pacific region for FY2026 decreased by 16% compared to FY2025, and as a percentage of total sales was 34% in FY2026 compared to 36% in FY2025. Sales in the Americas region for FY2026 decreased by 4% compared to FY2025, and as a percentage of total sales was 28% in FY2026 compared to 27% in FY2025. Sales in the Europe region for FY2026 decreased by 8% compared to FY2025, and as a percentage of total sales was 38% of total sales in FY2026 compared to 37% in FY2025.

Gross Profit

Gross profit was US\$19.9 million in FY2026 compared to US\$18.9 million in FY2025. Gross profit margin as a percentage of sales was 33% in FY2026 compared to 28% in FY2025. Gross profit in 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 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.

FINANCIAL HIGHLIGHTS AND REVIEW

For the financial year ended 30 June 2026

Expenses

Total expenses at US\$21.5 million in FY2026 decreased by 30% compared to US\$30.7 million in FY2025.

Selling, general and administrative expenses for FY2026 decreased by 21% compared to FY2025. The decrease was mainly attributable to lower payroll and related expenses following the restructuring exercise undertaken in FY2025, as well as lower sales related expenses. FY2025 expenses included employee severance charge in relation to the restructuring exercise.

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

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, 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 of US\$10.5 million in FY2025 includes employee severance charges of US\$3.1 million, interest income of US\$0.4 million and other gains (net) of US\$1.1 million. Excluding employee severance charges, net loss was US\$7.4 million in FY2025.

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 a gain on liquidation of financial assets at fair value through profit or loss previously written-off of US\$0.2 million, offset partially by foreign exchange loss of US\$0.5 million. Other gains (net) of US\$1.1 million in FY2025 were due mainly to foreign exchange gain.

Balance Sheet

The US\$0.5 million increased in cash and cash equivalents was due mainly to net cash generated from operating activities in FY2026.

As at FY2026, certain financial assets at fair value through other comprehensive income were classified as assets held-for-sale following the Group's decision to dispose these investments.

The decrease in trade receivables by US\$0.9 million to US\$3.9 million as at 30 June 2026 was in line with lower sales in the last quarter of FY2026 compared to FY2025.

The inventory balance decreased by US\$2.6 million to US\$13.9 million as at 30 June 2026 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 by US\$0.7 million to US\$2.0 million as at 30 June 2026 was due mainly to U.S. tariff recoverable from the U.S. Customs Office.

Financial assets at fair value through other comprehensive income increased by US\$3.2 million to US\$13.8 million as at 30 June 2026 was due mainly to revaluation gains.

The increase in other non-current assets, right-of-use assets and lease liabilities as at 30 June 2026 compared to 30 June 2025 was primarily attributable to the capitalisation of a new office lease and rental deposits paid in connection with the new office lease.

The increase in trade payables by US\$1.1 million to US\$4.8 million as at 30 June 2026 was due mainly to higher inventory purchases towards the end of FY2026.

The decrease in other creditors, accrued liabilities and provisions by US\$1.5 million to US\$7.4 million as at 30 June 2026 was due mainly to the reversal of provisions following periodic reviews and reassessments of outstanding obligations.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS AND EXECUTIVE OFFICERS

Creative's directors and executive officers are as follows:-

Name	Age	Position
Sim Li Ern	47	Executive Chairman and Chief Executive Officer
Tan Kee Ann	64	Independent Non-Executive Director
Lim Jew Tim	61	Independent Non-Executive Director
Lai Su Fang Cynthia	50	Independent Non-Executive Director
Chew Kian Giap	52	Non-Independent Non-Executive Director (appointed on 6 February 2026)
Chan Chung Tuck	58	Chief Financial Officer

MR. SIM LI ERN became a Director of Creative in September 2023. Mr. Sim is Vice-President of Sales and Marketing in Creative from February 2025. He joined Creative in 2002 and held various positions until 2023. During his past 21 years in Creative, Mr. Sim has gained valuable experience in product marketing, product sourcing, business procurement, channel sales management and strategic business planning and development; working with partners in the USA, South America, Canada and the Asia regions. He has also acquired experience and insight of the company during his term with Creative, working with different departments and business units. Mr. Sim holds a Bachelor of Engineering in Telecommunications (First Class Honours) from University of Sheffield, United Kingdom and a Diploma in Electronic and Electrical Engineering from Singapore Polytechnic.

MR. TAN KEE ANN became a Director of Creative in January 2025. He is currently the Managing Director of Bcast Media Pte Ltd, the manufacturer of JazPiper Karaoke system. Prior to this, Mr. Tan spent 10 years in a manufacturing supply chain business in Shenzhen, China. From 2005 to 2011, Mr. Tan was the co-founder and General Manager of Keenhi Mediatech (Shenzhen) Co. Ltd, an OEM/ODM supplier of digital consumer electronics products with customers mainly in Europe and North America. The company was merged into Gajah Technologies (Shenzhen) Co. Ltd in 2012 where Mr. Tan served as a Business Development Director from 2012 to 2014. Mr. Tan returned to Singapore in 2015 and worked as a business consultant to Antik Technologies Pte Ltd, a joint venture between a local partner and Antik Telecom from Slovakia. Antik is an IPTV content delivery solutions provider with its clients comprising of hotels and broadcasters in South East Asia. Prior to moving to Shenzhen in 2005, Mr. Tan was the founder and Managing Director of Richfield Computers Pte Ltd from 1988 to 2001. Mr. Tan graduated from Singapore Polytechnic in 1982 with a Diploma in Electronics and Communications Engineering.

MR. LIM JEW TIM became a Director of Creative in September 2024. He is currently the Executive Director of Global Licensing Services Pte Ltd., managing the worldwide brand operations of three Japanese consumer electronics and appliances brands. Mr. Lim has been with this group since 2005. Mr. Lim currently also serves as a Director of Segal Management Services Sdn Bhd. The company provides business consultancy services. From 2003 to 2005, Mr. Lim was the Vice-President of Jolimark Information Technology Co. Ltd., a Hong Kong public-listed (2028.HK) Chinese office automation products manufacturing and marketing company. Prior to this, he was responsible for the worldwide sales operation for InnoMedia Pte Ltd, a leading supplier of broadband IP Telephony and SIP Trunking solutions. Mr. Lim was with Innomedia between 1996 and 2003. Mr. Lim was the Sales Director of Creative Technology Ltd. from 1992 to 1996. Mr. Lim holds a Master Degree in Business Administration from the California State University, a Bachelor of Law (LLB) from the University of London, a Bachelor Degree in Mechanical and Production Engineering from the National University of Singapore, and a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

DIRECTORS AND EXECUTIVE OFFICERS (continued)

MS. LAI SU FANG CYNTHIA became a Director of Creative in January 2025. Ms. Cynthia Lai has close to 30 years of experience in finance, tax, treasury and strategic partnerships in real estate, hospitality and aviation sectors. She is currently the Chief Financial Officer of Raffles Quay Asset Management (RQAM). Prior to joining RQAM, Ms. Lai was the CFO of real estate services division of ARA Asset Management Limited. As a pioneer member of the leadership team, she operationalised the investor-operator business strategy, held various directorships to spearhead the business footprint expansion into Malaysia, China, Australia and drive portfolio performance in the different asset classes. In her earlier years of her career, Ms. Lai served as Financial Controller for Suntec City Development, where she managed the transition of integrated development into a real estate investment trust (REIT); at Banyan Tree Limited where she worked on the group's restructuring and governance requirements following its public listing; and at SIA Engineering Company Limited where she played an active role in the initial public offer (IPO) of this Singapore Airlines subsidiary. She began her career as an external auditor. Ms. Lai holds a Master of Business Administration from University of Western Australia and a Bachelor in Business (Accountancy with Distinction) from Queensland University of Technology. She is an accredited member of the Institute of Singapore Chartered Accountants (ISCA).

MR. CHEW KIAN GIAP became a Director of Creative in February 2026. He is currently Vice President, Solutions Engineering, Asia Pacific at Cloudflare Pte Ltd. Prior to joining Cloudflare in 2023, Mr. Chew was Senior Director, Specialist Solutions Engineering, Asia Pacific and Japan at VMware Singapore Pte Ltd from 2019 to 2023. From 2014 to 2019, he served as Vice President, Services, Asia Pacific and Japan at SevOne Inc. Earlier, he was Senior Director, Professional Services, Asia Pacific and Japan at Riverbed Technology from 2010 to 2014. Mr. Chew has more than 25 years of experience in the enterprise technology industry, having held regional leadership positions in solutions engineering, professional services and customer success across the Asia Pacific and Japan region. He has extensive experience working with enterprises on safe AI adoption, cloud infrastructure, cybersecurity, networking and digital transformation initiatives. Mr. Chew holds a Bachelor of Engineering in Electrical and Electronics Engineering (1st Class Honours) from the University of Glasgow, United Kingdom.

MR. CHAN CHUNG TUCK joined Creative in December 1998 as Finance Manager and held various finance positions within the group until 2025 when he was appointed as Chief Financial Officer. Upon graduation from National University of Singapore in 1991, he began his career with Deloitte & Touche LLP and Price Waterhouse (now PricewaterhouseCoopers LLP) where he gained experience in finance, accounting and auditing before joining MMI Holdings Ltd (formally listed on SGX) in 1997 as Internal Audit Manager.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

Creative Technology Ltd. (“Creative” or the “Company”, and together with its subsidiaries, the “Group”) is committed to maintaining good corporate governance in accordance with the principles and provisions set out in the Code of Corporate Governance 2018 (the “Code”). Creative’s approach on corporate governance takes into consideration the principles and provisions set out in the Code. Creative has substantially complied with the key principles and provisions set out in the Code except where specifically identified and disclosed in this report.

This report outlines the main corporate governance practices that were in place throughout the financial year, with specific references to each of the principles of the Code.

PRINCIPLE 1: THE BOARD’S CONDUCT OF ITS AFFAIRS

The principal functions of the Board of Directors of the Company (the “Board”) are to provide guidance and to decide on certain important matters, including those involving the review and approval of strategic plans, direction and policies, to review the Group’s performance, to review the adequacy and integrity of internal controls, and to approve material acquisitions and disposals of assets. The Board also reviews management performance and sets the Company’s values and standards and ensures that obligations to shareholders and other stakeholders are understood and met. Sustainability issues are also considered as part of its strategic formulations.

All Directors are to exercise due diligence and independent judgement, and are obliged to act in good faith and consider at all times, the interests of the Company. When a conflict of interest arises, the concerned Director must disclose such interest, recuse himself/herself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

These functions are either carried out directly by the Board or through committees, namely the Audit Committee, the Nominating Committee and the Remuneration Committee, established by the Board (collectively referred to as “Board Committees”). Each Board Committee is governed and regulated by its own terms of reference, which sets out the scope of its duties and responsibilities, regulations and procedures governing the manner in which the Board Committee is to operate and how decisions are to be taken.

Matters which are specifically reserved to the full Board for decision-making include those involving the review and approval of strategic plans, direction and policies, material acquisitions and disposals of assets, corporate or financial restructuring and share issuances, dividends and other returns to shareholders.

The Constitution of the Company allows the Company’s Directors to participate in a Board meeting by telephone conference or video conference whereby all persons participating in the meeting are able to communicate as a group, without requiring the Directors’ physical presence at the meeting.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

The number of Board and Board Committee meetings held in the financial year ended 30 June 2026 and the attendance of directors during these meetings is as follows:

Name of Director (Number of Meetings Held)	Board (5)	Audit Committee (4)	Remuneration Committee (2)	Nominating Committee (1)
Sim Li Ern	5	—	—	—
Tan Kee Ann	5	4	2	1
Lim Jew Tim	5	4	2	—
Lai Su Fang Cynthia	5	4	2	—
Chew Kian Giap (a)	2	—	—	—
Tan Jok Tin (b)	3	—	—	—
George Yong-Boon Yeo (c)	2	—	—	1
Sim Guan Huat (d)	3	—	—	1

- (a) Mr. Chew Kian Giap was appointed Director on 6 February 2026.
 (b) Dr. Tan Jok Tin ceased to be Director on 15 January 2026.
 (c) Mr. George Yong-Boon Yeo ceased to be Director on 29 October 2025.
 (d) Mr. Sim Guan Huat ceased to be Director on 17 February 2026.

When a Director has multiple board representations, such director has to ensure that he/she gives sufficient time and attention the affairs of the Company.

Upon appointment of each new director, a letter is provided setting out the director's duties and obligations. The Company also conducts an orientation programme for new directors to familiarize them with the Company's business activities and corporate governance practices. The Company will provide training for first-time directors in areas such as accounting, legal and industry-specific knowledge, as appropriate. If a newly appointed director has no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), he/she must undergo training as prescribed by the SGX-ST. Such training should be completed within one year of appointment.

Directors are updated regularly on the Group's strategic directions, financial performance, updates on corporate governance practices, relevant new laws, regulations and changing business risks during Board meetings or at specially-convened sessions.

Directors are also encouraged to request for sponsorship from the Company to attend courses to update their knowledge and better equip themselves to discharge their duties as Directors.

In order to ensure that the Board is able to fulfill its responsibilities, management provides the Board members with regular updates of the performance and financial position of the Group. Information provided includes board papers with updates on key performance indicators, and background or explanatory information relating to matters to be brought before the Board. Management staff and the Company's auditors, who can provide insight into the matters for discussion, are also invited from time to time to attend such meetings. This enables the Board to make informed and sound business decisions and be kept abreast of key challenges, opportunities and developments for the Group.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 1: THE BOARD'S CONDUCT OF ITS AFFAIRS (continued)

The Company Secretary attends all Board meetings and ensures that all Board procedures are followed. The Company Secretary keeps the Directors informed of any significant developments or events relating to the Group. He ensures good communication flows within the Board and between Management and the Directors. The Company Secretary, together with other management staff of the Company, also ensures that the Company complies with the applicable statutory and regulatory rules. The appointment and removal of the Company Secretary is subject to the approval of the Board.

The Directors have separate and independent access to the Company's senior management and the Company Secretary at all times. Should the Directors, whether as a group or individually, need independent professional advice relating to the Company matters, the Company will appoint a professional advisor to render the advice. The cost of such independent professional advice will be borne by the Company.

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE

The Board comprises five members as at 30 June 2026, of whom three are independent non-Executive Directors, one non-independent non-Executive Director and one Executive Director. The criteria of independence are based on the definition given in the Code and in the Listing Rules of SGX-ST. Key information regarding the Directors is disclosed in the section "Board of Directors and Executive Officers". Together, the Board has a diverse wealth of experience as well as skills and knowledge and the diversity of experience, skills and competencies to enhance the effectiveness of the Board in carrying out its responsibilities.

Creative recognises and embraces the benefits of diversity on the Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

The Board's Diversity Policy provides that, in reviewing Board composition, the Board will consider the benefits of all aspects of diversity, including diversity of skills, experience, background, gender, age and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made based on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The current Board comprises members with business and professional experience across a range of areas, including engineering, technology, finance and general management. The Directors have relevant experience in jurisdictions outside of Singapore, and such experience will help guide the Group in its worldwide operations.

The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes and would strive to ensure the diversity that would enhance the long-term success of the Group.

As at 30 June 2026, the independent non-Executive Directors are Mr. Tan Kee Ann, Mr. Lim Jew Tim and Ms. Lai Su Fang Cynthia, and the non-independent non-Executive Director is Mr. Chew Kian Giap. Mr. Sim Li Ern is the Executive Chairman and Chief Executive Officer.

As at 30 June 2026, none of the independent Directors have served on the Board for more than nine years from the respective dates of their first appointment.

The Board had conducted a rigorous review on the Directors' status, taking into consideration all other factors in accessing the independence of each Director. These factors include, inter alia, if the Director has any interest, business relationship and/or other material contractual relationship with the Group which could reasonably be perceived to compromise his/her independence and interfere with the exercise of his/her independent business judgement with a view to the best interests of the Group.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 2: BOARD COMPOSITION AND GUIDANCE (continued)

The non-Executive Directors contribute to the Board by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide different perspectives to the Group's business. While reviewing Management's proposals or decisions, they bring independent judgement to bear on business activities and transactions involving conflicts of interest and other complexities. Where appropriate and necessary, the non-Executive Directors would also meet without the presence of Management.

The Board is of the view that the current Board, with independent non-Executive Directors making up a majority of the Board, provides for a strong and independent element on the Board capable of exercising objective judgement on corporate affairs of the Group. No individual or small group of individuals dominates the Board's decision-making.

PRINCIPLE 3: CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As at 30 June 2026, the roles of Chairman and Chief Executive Officer ("CEO") are held by the same individual, Mr. Sim Li Ern. The Board is of the view that, given Mr. Sim's qualifications, experiences and familiarity with the Group's operations and strategic priorities, the current leadership structure facilitates effective decision-making and provides clear leadership and direction for the Group. Although the Company does not have separate persons for the roles of Chairman and CEO, the majority of the Board comprises independent non-Executive Directors. The Board considers that the current Board composition, together with the presence of a Lead Independent Director, provides an appropriate balance of power, promotes accountability, and supports independent decision-making by the Board. The Lead Independent Director provides an additional channel for independent views and leadership, particularly in situations where the Chairman is conflicted, and is available to address matters that may arise from the concentration of the roles of Chairman and CEO. The Board is of the view that the current arrangement is appropriate and continues to support effective oversight and accountability.

As an Executive Chairman, Mr. Sim provides strategic guidance and leads the Board. He is responsible for ensuring the effectiveness of the Board and its governance processes. With the assistance of the Company Secretary, he sets the agenda for Board meetings and ensures complete and accurate information is provided to the Board to facilitate good decision-making in particular on strategic issues. At meetings, he promotes a culture of open dialogue and debate, facilitating the effective contribution by all Directors.

As a CEO, Mr. Sim is responsible for making strategic proposals to the Board and implementing the Group's strategies and policies as well as the directions of the Board. He also assumes executive responsibility for the day-to-day management of the Group.

All strategic and major decisions relating to the business and management of the Group are jointly and collectively made by the Board. The balance of power and authority is maintained through the presence of a majority of Independent Directors and no one individual controls or dominates the decision-making process of the Company.

During the financial year, Dr. Tan Jok Tin was the Executive Chairman and Interim CEO till 15 January 2026 when he stepped down to focus on other business and personal commitments.

Mr. Tan Kee Ann is the Lead Independent Director. As the Lead Independent Director, he leads and encourages dialogue between the independent directors and provides feedback to the Executive Chairman. As the Lead Independent Director, he is also available as the alternate channel for shareholders, should shareholders fail to resolve concerns through normal channels of the Chairman, CEO and Chief Financial Officer or when such channels are inappropriate.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 4: BOARD MEMBERSHIP

The Nominating Committee (the “NC”) consists of three members, of which two are Independent non-Executive Directors and one is a non-Independent non-Executive Director. The Chairman of the NC is Mr. Tan Kee Ann and the other two members are Mr. Lim Jew Tim and Mr. Chew Kian Giap.

The principal functions of the NC are, among other matters, to recommend all Board and Board Committee appointments, re-appointments or re-elections, to determine the independence of each Director, and to identify new Directors who have the diversity of experience and appropriate knowledge and skills to contribute effectively to the Board.

The key terms of reference of the NC include the following:

- Review the Board’s succession plans and make recommendations to the Board on all appointments and re-appointments of Directors of the Company;
- Review the independence of Directors;
- Assess the effectiveness of the Board as a whole and contribution by each individual Director; and
- Review the training and professional development programmes for the Board.

When a Director has multiple board representations, such director has to ensure that sufficient time and attention is given to the affairs of the Company. On the issue of multiple board representations, the NC and the Board have decided not to set any maximum number of listed company board representations that any Director may hold. The NC is satisfied that sufficient time and attention are being given by all the Directors to the affairs of the Company. The key information of each Director is disclosed in their profile as set out in the “Board of Directors and Executive Officers” of the Annual Report 2026.

The NC has conducted an annual review of the independence of the Independent Directors, using the criteria of independence in the Code and the Listing Rules of SGX-ST, and has ascertained that they are independent.

The Board does not have a practice of appointing alternate directors. There were no alternate directors in this financial year.

The Board has adopted a process for the selection, appointment and re-appointment of directors to the Board. The NC reviews the compositions of the Board periodically. It assesses and shortlists candidates for a position on the Board when a need arises. The search and nomination process for new Directors, if any, will be through recommendations of Directors and Management and external search services. Potential candidates are interviewed by the NC to assess suitability and commitment.

New Directors are at present appointed by way of a Board resolution, after the NC approves their appointment. The NC ensures that new Directors are aware of their duties and obligations. The Company’s Constitution provides that all Directors are to retire at least once every three years by rotation, if they are appointed by the Company at a general meeting, and a newly appointed Director must submit himself/herself for re-election at the next Annual General Meeting. The retiring Director is nonetheless eligible for re-election by shareholders at every Annual General Meeting.

At the forthcoming Annual General Meeting to be held on 28 October 2026 (the “2026 AGM”), Mr. Sim Li Ern and Mr. Chew Kian Giap will, on the date of the 2026 AGM, retire as Directors. Mr. Sim and Mr. Chew have offered themselves for re-election. The NC recommends the re-appointment of Mr. Sim as Executive Director, and Mr. Chew as non-Independent non-Executive Director at the 2026 AGM.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 5: BOARD PERFORMANCE

The NC assesses the effectiveness of the Board as a whole and its board committees and each individual Director, and also assesses the contribution by the Chairman and each individual Director to the effectiveness of the Board. The Company believes that the Board's performance is ultimately reflected in the performance of the Group. The Company assesses the Board's performance through its ability to steer the Group in the right direction and the support it renders to Management. In evaluating the Directors' performance, factors including the respective Directors' attendance, participation and level of participation and contributions at the main Board and Board Committee meetings and other Company activities, are also taken into consideration. No external facilitator is engaged by the Board for the evaluation of the Board's performance.

The NC uses its best efforts to ensure that the Directors appointed to the Board possess the relevant necessary background, experience, knowledge and skills so as to enable each Director to bring to the Board an independent and objective perspective to contribute to the effectiveness of the Board.

The Company believes that apart from the Directors' fiduciary duties (i.e. acting in good faith, with due diligence and care, and in the best interests of the Company and its shareholders), the Board's key responsibilities are to set strategic directions and to ensure that the long-term objective of enhancing shareholders' value is achieved.

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION****PRINCIPLE 8: DISCLOSURE ON REMUNERATION**

The Remuneration Committee (the "RC") consists of three Directors, all of whom are Independent non-Executive Directors. The Chairman of the RC is Mr. Lim Jew Tim and the other two members are Mr. Tan Kee Ann and Ms. Lai Su Fang Cynthia.

The principal functions of the RC are, among other matters, to recommend to the Board a framework of remuneration and specific remuneration packages for each Board member, and key management personnel. The RC considers all aspects of remuneration (including termination terms) to ensure that the terms are fair, competitive and sufficient to attract, retain and motivate each Board member and key management personnel with the required quality to run the Company successfully; to review each Board member's and key management personnel's compensation annually and determine appropriate adjustments where necessary; and to review any other long-term incentive schemes which may be set up from time to time. The RC members are also members of the committee administering the Creative Share Option Scheme (2019).

The RC has access to relevant remuneration data and would seek expert advice from external remuneration consultants whenever required. During the year, there was no requirement for the engagement of external consultants.

The Company adopts a remuneration policy for employees comprising a fixed component and a performance-based variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the Company's and the individual employee's performance. Another element of the variable component is the grant of share options to employees under the Company's share option plan. The Company's employees participate in the performance review process that assesses the individual's performance against set performance targets. Performance against these targets is a factor determining remuneration. This seeks to align the interests of the employees with that of the shareholders.

In the prior years, each non-Executive Director was paid a uniform flat annual Directors' fee of S\$60,000 (pro-rated when length of service is less than one year). However, the Board had accepted the RC's recommendation to reduce the Directors' fee by 40% to S\$36,000 taking into consideration the financial performance of the Company in FY2025.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION

PRINCIPLE 8: DISCLOSURE ON REMUNERATION (continued)

For the financial year ended 30 June 2026, the Board has accepted the RC's proposal to transition from a uniform flat-fee model to a structured, tiered system for the determination of Directors' annual fees. This framework establishes a baseline Director's fee for each Director, supplemented by the specific committee and attendance-based fees, as applicable. The RC is of the view that this framework achieves the objectives of: (i) enhancing accountability by connecting compensation directly to active board participation and defined oversight responsibilities; (ii) ensures equity by equitably recognising and remunerating Directors based on their specific committee portfolios and time commitments and; (iii) institutional alignment by aligning our board compensation practices with the prevailing market practices and guidelines.

Proposed Directors' fee structure for FY2026*:

Appointment	S\$ per annum
Base Fee	
- Lead Independent Director	34,500
- Director	30,000
Audit Committee (AC)	
- AC Chairman	15,000
- AC Member	8,000
Nominating Committee (NC)	
- NC Chairman	10,000
- NC Member	5,000
Remuneration Committee (RC)	
- RC Chairman	10,000
- RC Member	5,000
Attendance Fee per meeting	1,000

* Executive Directors are not paid Director's Fees.

The proposed Directors' fee subject to shareholders' approval at the Annual General Meeting to be paid to each of the non-Executive Directors for the financial year ended 30 June 2026 is as follows:

Name of Director	Directors' Fee (S\$)
Tan Kee Ann	59,875.00
Lim Jew Tim	54,666.67
Lai Su Fang Cynthia	55,000.00
Chew Kian Giap (a)	16,375.00
George Yong-Boon Yeo (b)	16,833.33
Sim Guan Huat (c)	23,416.67
Total	226,166.67

(a) Mr. Chew Kian Giap was appointed as non-Executive Director on 6 February 2026.

(b) Mr. George Yong-Boon Yeo retired as Director on 29 October 2025.

(c) Mr. Sim Guan Huat resigned as Director on 17 February 2026.

Each non-Executive Director also participates in the Company's share option plan. The details of the Directors' share options are set out in the Directors' Statement. Non-Executive Directors are not paid any salary, bonus, or other remuneration.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 6: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES**PRINCIPLE 7: LEVEL AND MIX OF REMUNERATION****PRINCIPLE 8: DISCLOSURE ON REMUNERATION** (continued)

The breakdown of remuneration paid to the Executive Directors and CEO for the financial year ended 30 June 2026 is as follows:

Executive Director	Salary (a) (%)	Bonuses and other variable performance components (%)	Allowances and benefits (b) (%)	Total (S\$'000)
Tan Jok Tin	90	—	10	125
Sim Li Ern	80	3	17	141
Sim Guan Huat	—	—	100	1

(a) Refers to Base Salary and Annual Wage Supplement

(b) Includes transport allowance and employer CPF contributions and other allowances and benefits where relevant

The number of top five key executives of the Group (who are not Directors) in remuneration bands is as follows:

Remuneration Bands	Number of Key Executives
S\$250,000 to S\$499,999	1
Less than S\$250,000	4

For confidentiality and competitive reasons, the Company is not disclosing each individual executive's remuneration and their names. The aggregate total remuneration paid to the top five key executives for the financial year ended 30 June 2026 was S\$856,000.

None of the employees of the Group whose annual remuneration exceeds S\$100,000 are substantial shareholders of the Company, or are immediate family members of a director, the CEO or a substantial shareholder of the Company.

Details of the Creative Share Option Scheme (2019) are set out in the Notes to the Financial Statements.

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges that it is responsible for the overall risk management and internal control framework, but recognises that no cost effective risk management and internal control systems will preclude all errors and irregularities, as such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, frauds or other irregularities.

The Board reviews the Group's business and operational activities as presented by the management to identify areas of significant risks and recommends as appropriate, the measures to control and mitigate such risks. Annually, the Board reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls.

For the financial year ended 30 June 2026, the Board has received assurance from the CEO and Chief Financial Officer ("CFO") that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and
- the risk management and internal control systems have been adequate and effective to address the risks which the Group considers relevant and material to its operations.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 9: RISK MANAGEMENT AND INTERNAL CONTROLS (continued)

The Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems have been adequate and effective for the risks which the Group considers relevant and material to its operations for the financial year ended 30 June 2026. This opinion is arrived at based on the framework established and maintained by the Group, the work performed by the internal and external auditors, reviews carried out by Management, as well as assurances received from the CEO and CFO.

Given the growing emphasis accorded to risk management, the Board has nominated the Audit Committee ("AC") to assist the Board in risk management responsibilities and functions.

PRINCIPLE 10: AUDIT COMMITTEE

The AC consists of three Directors, all of whom are independent non-Executive Directors. The Chairman of the AC is Ms. Lai Su Fang Cynthia. The other two members are Mr. Lim Jew Tim and Mr. Tan Kee Ann. The Board considers Ms. Lai Su Fang Cynthia, who has the appropriate financial management knowledge and experience, is qualified to chair the AC. The other members of the AC also have the appropriate accounting or relevant financial expertise or experience to discharge their responsibilities. None of the AC members are former partners or directors of the Company's existing auditing firm or have any financial interest in the auditing firm.

The principal functions of the AC, among other matters, are:

- to review and recommend for approval of the Board the half year and full year financial results and related announcements to be released on SGXNet;
- to review the assurance from the CEO and the CFO on the financial records and financial statements;
- to assist the Board to review and oversee the internal controls and the Group's Enterprise Risk Management Framework;
- to provide guidance to management and render assistance to the Board to determine the nature and extent of significant risks which the Board would be willing to take in achieving the Group's strategic objectives;
- to review the adequacy, effectiveness, scope and results of the audit and its cost-effectiveness, and the independence and objectivity of the external auditors;
- to review the scope of work of the appointed internal auditors and evaluate the adequacy, effectiveness and independence of the internal auditors;
- to review the findings of the internal and external auditors and the response from the management;
- to make recommendations to the Board on the appointment, re-appointment and/or removal of internal and external auditors, and to approve the remuneration and terms of engagement of the internal and external auditors;
- to review interested person transactions;
- to review whistle-blowing investigations within the Group and ensuring appropriate follow-up in accordance with the Group's whistle-blowing policy; and
- to report any material matters, findings and recommendations to the Board.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or Executive Officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 10: AUDIT COMMITTEE (continued)

The number of meetings convened by the AC is set out in Principle 1: The Board's Conduct of its Affairs. For the financial year, the AC has met with the external auditors in the absence of key management personnel.

In the review of the financial statements for the financial year ended 30 June 2026, the AC has reviewed with the CFO and the external auditors on changes to accounting standards and significant issues and assumptions which are relevant to the Group and which have a direct impact on the group's financial statements. The AC also considered the report from the external auditors, including their findings on the key areas of audit focus. Significant matters that were discussed with management and external auditors have been included as key audit matters in the independent auditors' report for the financial year ended 30 June 2026. Refer to pages 24 to 27 of this Annual Report.

The management provides all Directors with financial updates of the Group's performance, on a regular basis and when required, to enable the Board to make a balance and informed assessment of the Group's performance, position and prospect. The CEO and the CFO also provide assurance to the Board on the integrity of the financial statements of the Company and its subsidiaries.

The Company has in place a whistle-blowing procedure where staff of the Group can raise in confidence concerns on possible improprieties relating to accounting, financial reporting, internal controls and auditing matters. Under these procedures, arrangements are in place for independent investigation of such matters raised and for appropriate follow-up action to be taken. In relation to whistle-blowing by non-employees, the whistle-blower may report any impropriety and/or concern in writing to the CFO or the AC at the registered office address of the Company.

The Board has approved the outsourcing of the Company's internal audit function as they are of the view that the current size and scope of the Group's operations does not warrant having an internal audit function within the organization. GovernAce Advisory & Solutions Pte. Ltd. ("GovernAce") has been appointed to perform risk assessment and conducts reviews to assess the adequacy and effectiveness of the Group's internal controls. The AC reviews and endorses the internal audit plan and the internal audit reports which include the audit findings and recommendations of the internal auditors and management's responses to such findings. Any material non-compliance or failures in the internal control function and the recommendations for improvements are reported to the AC. The AC also reviews the progress of any corrective, preventive or improvement measures as required.

The AC is satisfied that GovernAce has the appropriate resources to discharge its duties effectively as the staff assigned are members of the Institute of Internal Auditors, and adhere to standards set by nationally recognised professional bodies. GovernAce has unfettered access to all the Company's documents, records, properties and personnel. For the financial year ended 30 June 2026, the AC is satisfied that the internal audit function is adequate and effective.

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

The Group is committed to treat all shareholders fairly and equitably. The Group recognises, protects and facilitates the exercise of shareholders' rights, and continually reviews and updates such governance arrangements.

The Company ensures that there is adequate, timely and sufficient information pertaining to changes in the Group's business which could be likely to materially affect the Company's share price or value.

The Company ensures that shareholders have the opportunity to participate effectively and vote at the Company's general meetings. Shareholders are also informed of the rules including voting procedures, that govern the Company's general meetings.

At general meetings of the Company, shareholders are given the opportunity to communicate their views and ask the Directors and management questions regarding matters affecting the Company. The Board and senior management are present and available at the Annual General Meeting to respond and address shareholders' queries. The Company's external auditors are also present to address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditor's report. All Board members except Mr. Sim Guan Huat were present at the Annual General Meeting held on 29 October 2025.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 11: SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS (continued)

Shareholders also have the opportunity to communicate with the Directors after the general meetings. The Company prepares minutes of the general meetings relating to the agenda of the meetings and responses from the Board and Management. The minutes of the general meetings are posted on SGXNet.

In accordance with the Constitution of the Company, absentia voting at the general meetings of shareholders is allowed. Shareholders may appoint not more than two proxies to attend and vote on their behalf. A proxy need not be a member of the Company. Relevant intermediaries such as the Central Provident Fund and custodian banks are entitled to appoint more than two proxies to attend and vote at the meeting. Shareholders who hold shares through these relevant intermediaries will be allowed to attend and vote at the forthcoming Annual General Meeting subject to being appointed a proxy by their respective relevant intermediaries.

Every matter requiring shareholders' approval is proposed on a separate resolution. Each item of special business included in the notice of meeting is accompanied, where appropriate, by an explanation for the proposed resolution. In the event that there are resolutions which are interdependent and linked, the Board will explain the reasons and material implications in the notice of the meeting.

The Company has adopted electronic poll voting for the general meetings to ensure greater transparency and efficiency in the voting process and results. Shareholders are invited to vote on each of the resolutions by poll, using an electronic voting system. The voting results of all votes cast for or against each resolution are screened at the meeting and announced via the SGXNet after the meeting.

The Company has not formally instituted a dividend policy. The Company would consider paying an annual dividend, taking into consideration the Company's financial performance, present cash position, projected cash flow generated from operations and projected capital requirements. This is provided that the amount of dividend declared does not exceed the Company's retained earnings.

PRINCIPLE 12: ENGAGEMENT WITH SHAREHOLDERS

The Company provides shareholders with half yearly and annual financial results of the Group within the regulatory reporting periods, i.e. results for the half year are released to shareholders within 45 days after the half year period whilst the annual results are released within 60 days from the financial year end. In presenting the Group's half yearly and annual results, the Board aims to provide shareholders with a balanced and understandable assessment of the Group's performance and financial position with a commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which it operates.

Material and price-sensitive information is publicly released via SGXNet on a timely basis. The Annual Report and Notice of Annual General Meeting are made available electronically on the Company's website and SGXNet. The Notice of Annual General Meeting is also published in the press and a copy sent to shareholders together with the proxy form. Shareholders and investors can access information on the Company at its website at <https://creative.com> which provides, inter-alia, corporate announcements, press releases and the latest financial results as disclosed by the Company on SGXNet. From time to time, the Company may hold briefings with analysts and the media to coincide with the release of the Group's results. Shareholders may also seek clarification on investor-related issues by email provided in the Company's website at <https://creative.com>.

General meetings are the principal forum for dialogue with shareholders. At these meetings, shareholders are able to engage the Board and the Management on the Group's business activities, financial performance and other business-related matters. The Company may also gather views or inputs and address shareholders' concerns at the general meetings.

Specific guidelines have been laid down for compliance in respect of all public communications. The Company does not practise selective disclosure in the communication of material information. In addition, the Company has also put in place operational procedures to respond promptly to queries from SGX-ST on any unusual trading activities in its securities.

CORPORATE GOVERNANCE

For the financial year ended 30 June 2026

PRINCIPLE 13: ENGAGEMENT WITH STAKEHOLDERS

The Company recognises the importance of engaging and balancing the needs and interests of key stakeholders as part of its overall responsibility to ensure that the best interests of the Company are served.

The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicating with them to align the Company's expectations and goals. The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group can be found in the Company's Sustainability Report.

The Group maintains a corporate website at <https://creative.com> which stakeholders can access information on the Group. Stakeholders can also communicate with the Company with feedback and questions by email provided in the corporate website. Procedures are in place for following up and responding to stakeholders' queries.

DEALINGS IN SECURITIES

In line with the recommended practices on dealings in securities set out in the SGX-ST Listing Rules, the Company provides internal guidance with regards to dealing in the Company's securities by the Company, its Directors and officers. These guidelines prohibit dealing in the Company's securities on short-term considerations, while in possession of unpublished material price-sensitive information in relation to such securities, and during the period commencing one month before the announcement of the Group's half year and full year financial statements.

INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are conducted on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its shareholders. There were no interested person transactions with a value more than S\$100,000 transacted during FY2026.

WHISTLE BLOWING POLICY

The Group has implemented a Whistle-Blowing Policy which provides a mechanism for employees to raise concerns about possible improprieties in financial reporting or other improper business conduct, whilst protecting the whistleblowers from reprisal within the limits of the law. Whistleblower complaints made in good faith are independently investigated. The outcome of each whistleblower investigation is reported to the AC, which is responsible in reviewing whistle blowing investigations and ensuring appropriate follow-up in accordance with the Group's whistle-blowing policy.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2026

The directors present their statement to the members together with the audited financial statements of the Group for the financial year ended 30 June 2026 and the balance sheet of the Company as at 30 June 2026.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 28 to 75 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 30 June 2026 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are as follows:

Sim Li Ern
 Tan Kee Ann
 Lim Jew Tim
 Lai Su Fang Cynthia
 Chew Kian Giap

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share options" in this statement.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Name of director	Holdings registered in name of director or nominee			Holdings in which director is deemed to have an interest		
	At 21.7.2026	At 30.6.2026	At 1.7.2025 or date of appointment, if later	At 21.7.2026	At 30.6.2026	At 1.7.2025 or date of appointment, if later
Creative Technology Ltd.						
<u>(Number of ordinary shares)</u>						
Sim Li Ern	22,750	22,750	22,750	22,408,776*	22,408,776*	22,408,776*
Tan Kee Ann	—	—	—	—	—	—
Lim Jew Tim	3,050	3,050	3,050	—	—	—
Lai Su Fang Cynthia	—	—	—	—	—	—
Chew Kian Giap	2,000	2,000	2,000	—	—	—

* Mr. Sim Li Ern is one of the persons entitled in distribution to the estate of the late Mr. Sim Wong Hoo who held an interest of 22,408,776 shares in the Company. He is also an Administrator of the estate of Mr. Sim Wong Hoo. Accordingly, he is deemed to have an interest in the shares of the Company held by the estate of Mr. Sim Wong Hoo.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2026

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

- (b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in options to subscribe for ordinary shares of the Company granted pursuant to the Creative Share Option Scheme (2019) (the "Scheme") as set out below and under "Share options" in this statement.

Name of director	Number of unissued ordinary shares under share option	
	At 30.6.2026	At 1.7.2025
George Yong-Boon Yeo	–	90,000
Tan Jok Tin	–	500,000
Tan Kee Ann	60,000	60,000
Lim Jew Tim	60,000	60,000
Lai Su Fang Cynthia	60,000	60,000
Chew Kian Giap	60,000	–

4. SHARE OPTIONS**(a) Share option plan**

The Creative Share Option Scheme (2019) ("Scheme") was approved and adopted by shareholders at an Extraordinary General Meeting on 30 October 2019 which allows options to be granted to group employees (including executive directors) and group non-executive directors. The committee, at the date of this statement, administering the Scheme comprises the following directors ("Committee"):

Tan Kee Ann
Lim Jew Tim
Lai Su Fang Cynthia

Under the terms of the Scheme, the Committee may grant options to eligible participants to subscribe for shares at a subscription price set at the market price or at a discount to the market price on the capital of the Company, subject inter alia to the following:

- (i) the aggregate number of shares over which options may be granted when added to the number of shares issued and issuable in respect of all options granted under the Scheme and in respect of all other share-based incentive schemes of the Company then in force, shall not exceed 15% of the total issued shares (excluding treasury shares) of the Company on the date preceding the offer date of an option.
- (ii) the number of shares to be offered to any participant of the Scheme shall be determined at the absolute discretion of the Committee, who shall take into account (where applicable) criteria such as employment level, grade, years of service, performance, contributions, potential for future development and such other criteria as the Committee may consider appropriate.

Subject to any adjustment pursuant to any variation of the share capital of the Company, the subscription price for each share under the Scheme shall be:

- (i) a price equal to the average of the last dealt prices for Creative shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the five consecutive market days immediately preceding the offer date of that option, rounded up to the nearest whole cent, or
- (ii) the discounted value of the share price determined under (i) above, provided that the maximum discount shall not exceed 20% of (i) above or such other percentage or amount as may be determined by the Committee and permitted by SGX-ST and approved by the shareholders of the Company in a general meeting.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2026

4. SHARE OPTIONS (continued)**(a) Share option plan (continued)**

- (iii) prior approval of shareholders of the Company in general meeting shall have been obtained for discount exceeding 20% of the market price if it is prescribed or permitted for the time being by SGX-ST.

The Committee has the discretion to decide on the option vesting schedule in the letter of offer. For options where the exercise price is equal to the market price, the options shall not vest less than 1 year from the date of grant. For options where the exercise price is granted at a discount to the market price, the options shall not vest less than 2 years from the date of grant. Share option exercises will be settled via the delivery of shares.

Options expire after the tenth anniversary of the date of grant for employees and fifth anniversary for non-employees unless they are cancelled or have lapsed.

The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten years from 30 October 2019 provided always that the Scheme may continue beyond the above stipulated period with the approval of the shareholders by an ordinary resolution in general meeting and the approval by any of the relevant authorities which may then be required.

During the financial year ended 30 June 2025, the Company granted options to subscribe for 680,000 ordinary shares of the Company. 500,000 options will vest on 30 September 2026 subject to the Company achieving the performance targets by 30 June 2026. For the remaining 180,000 options, 25% of the options will vest annually on the 1st, 2nd, 3rd and 4th anniversary of the date of the grant.

During the financial year ended 30 June 2026, the Company granted options to subscribe for 560,000 ordinary shares of the Company. 200,000 options will vest on 30 September 2027 subject to the Company achieving the performance targets by 30 June 2027. For the remaining 360,000 options, 25% of the options will vest annually on the 1st, 2nd, 3rd and 4th anniversary of the date of the grant.

Details of the Directors' share options are set out as follows:

Name of director	Granted in financial year ended 30.6.2026	Aggregate granted since commencement of scheme to 30.6.2026	Aggregate exercised since commencement of scheme to 30.6.2026	Aggregate outstanding as at 30.6.2026
George Yong-Boon Yeo	–	90,000	–	–
Tan Jok Tin	–	500,000	–	–
Tan Kee Ann	–	60,000	–	60,000
Lim Jew Tim	–	60,000	–	60,000
Lai Su Fang Cynthia	–	60,000	–	60,000
Chew Kian Giap	60,000	60,000	–	60,000

No participant under the Scheme has received 5% or more of the total number of options available under the Scheme.

No options were granted to controlling shareholders of the Company or their associates.

The options granted by the Company do not entitle the holders of the options, by virtue of such holdings, to any rights to participate in any share issue of any other company.

There were no options exercised during the financial years ended 30 June 2026 and 2025.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2026

4. SHARE OPTIONS (continued)**(b) Share options outstanding**

The number of unissued ordinary shares of the Company under option in relation to the Scheme outstanding at the end of the financial year was as follows:

Grant date	Number of unissued ordinary shares under option at 30.6.2026	Exercise price	Expiry date
4 December 2020	519,000	US\$1.72	4 December 2030
4 September 2023	1,187,000	US\$0.84	4 September 2033
23 June 2025	180,000	US\$0.68	23 June 2030
22 June 2026	60,000	US\$0.65	22 June 2031
	1,946,000		

5. AUDIT COMMITTEE

At the end of the financial year, the Audit Committee comprises the following members, all of whom are independent non-executive directors:

Lai Su Fang Cynthia (Chairman)
Lim Jew Tim
Tan Kee Ann

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Companies Act 1967. In performing its functions, the Committee reviewed the overall scope of work of both internal and external audits and the assistance given by the Company's officers to the auditors. It met with the auditors to discuss the results of their examination and evaluation of the system of internal accounting control of the Company and its subsidiaries. The Committee also reviewed the requirements for approval and disclosure of interested person transactions.

The Committee reviewed the balance sheet of the Company and the consolidated financial statements of the Group as well as the independent auditor's report thereon and recommended to the Board of Directors the nomination of PricewaterhouseCoopers LLP as independent auditor of the Company at the forthcoming Annual General Meeting.

6. INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept reappointment.

On behalf of the directors

Sim Li Ern
Director

Lai Su Fang Cynthia
Director

17 September 2026

INDEPENDENT AUDITOR'S REPORT

to the members of Creative Technology Ltd.

Report on the Audit of the Financial Statements

Our Opinion

In our opinion, the accompanying consolidated financial statements of Creative Technology Ltd. ("the Company") and its subsidiaries ("the Group") and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2026 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

What we have audited

The financial statements of the Company and the Group comprise:

- the consolidated income statement of the Group for the financial year then ended;
- the consolidated statement of comprehensive income of the Group for the financial year then ended;
- the balance sheet of the Group as at 30 June 2026;
- the balance sheet of the Company as at 30 June 2026;
- the consolidated statement of changes in equity of the Group for the financial year then ended;
- the consolidated statement of cash flows of the Group for the financial year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Our Audit Approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

INDEPENDENT AUDITOR'S REPORT

to the members of Creative Technology Ltd.

Our Audit Approach (continued)*Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2026. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<i>Key Audit Matter</i>	<i>How our audit addressed the Key Audit Matter</i>
<u>Inventory valuation</u> The net inventory as of 30 June 2026 amounted to US\$13,861,000. Inventory valuation is a key audit matter because the inventory and related allowance are • Material to the financial statements; • Subject to a high level of judgement; and • Exposed to uncertainty, due to the short product life cycle of audio, multimedia speakers, headphones and personal digital entertainment products, changing demands of consumers as well as rapid technological changes.	Our work done is as follows: 1. Tested the accuracy of inventory costing by reperforming weighted average cost calculations; 2. Assessed the assumptions and considered the nature and suitability of historical data used in estimating the allowance; 3. Compared the inventory on hand against future sales projections, taking into account new models released during the year and historical sales performance to assess adequacy of the allowance; 4. Tested inventory balances to determine that they are carried at the lower of cost and net realisable value; and 5. Review the completeness and adequacy of disclosures in the consolidated financial statements. Based on our procedures, we found management's assessment in respect of inventory valuation to be reasonable. We also found that the disclosures in the financial statements in respect of this matter to be appropriate and adequate.

Other Information

Management is responsible for the other information. The other information comprises all the sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

to the members of Creative Technology Ltd.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

to the members of Creative Technology Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Theresa Sim May Ling.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 17 September 2026

CONSOLIDATED INCOME STATEMENT

For the financial year ended 30 June 2026

		Group	
	Note	30 June 2026 US\$'000	30 June 2025 US\$'000
Sales, net		60,922	67,435
Cost of goods sold	4	(41,012)	(48,555)
Gross profit		19,910	18,880
Expenses:			
Selling, general and administrative		(16,727)	(21,064)
Research and development		(4,733)	(9,663)
Total expenses	4	(21,460)	(30,727)
Interest income		352	426
Other income	6	18	34
Other gains	7	1,349	1,106
Other losses	8	(499)	(1)
Interest expense on lease liabilities		(50)	(97)
Loss before income tax		(380)	(10,379)
Income tax expense	9	(196)	(79)
Net loss		(576)	(10,458)
Attributable to:			
Equity holders of the Company		(586)	(10,444)
Non-controlling interests		10	(14)
		(576)	(10,458)
Loss per share attributable to equity holders of the Company	10		
- Basic (US\$ per share)		(0.01)	(0.15)
- Diluted (US\$ per share)		(0.01)	(0.15)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2026

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Net loss	(576)	(10,458)
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	7,891	928
Total comprehensive income (loss) for the financial year	7,315	(9,530)
Total comprehensive income (loss) attributable to:		
Equity holders of the Company	7,305	(9,516)
Non-controlling interests	10	(14)
Total comprehensive income (loss) for the financial year	7,315	(9,530)

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

BALANCE SHEETS

As at 30 June 2026

		Group		Company	
		30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Note					
ASSETS					
Current assets:					
Cash and cash equivalents	11	30,362	29,839	20,918	23,421
Assets held-for-sale - Financial assets at fair value through other comprehensive income (FVOCI)	17	4,727	–	–	–
Trade receivables	12	3,868	4,829	22	9
Amounts due from subsidiaries	13	–	–	11,696	17,178
Inventories	14	13,861	16,490	–	8
Other current assets	15	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)	16	426	355	–	–
Financial assets at fair value through other comprehensive income (FVOCI)	17	13,783	10,619	–	–
Amounts due from subsidiaries	13	–	–	6,673	9,355
Investments in subsidiaries	19	–	–	16,047	15,667
Property and equipment	20	556	47	543	23
Right-of-use assets (ROU)	21	1,961	934	1,803	827
Other non-current assets	22	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	23	4,791	3,734	1	40
Amounts due to subsidiaries	13	–	–	65	5,148
Other creditors, accrued liabilities and provisions	24	7,391	8,873	1,886	2,662
Contract liabilities	25	45	101	–	–
Lease liabilities	21	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	13	–	–	49,859	50,122
Lease liabilities	21	1,087	25	1,054	–
Deferred income tax liabilities	26	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	27	49,040	49,040	49,040	49,040
Treasury shares	27	(16,035)	(16,035)	(16,035)	(16,035)
Fair value reserve	28(a)	10,743	2,852	–	–
Other reserves	28(b)	42,486	42,454	30,139	30,107
Accumulated losses	29	(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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2026

	Note	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
2026									
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	28	–	–	–	32	–	32	–	32
Total transactions with owners, recognised directly in equity		–	–	–	32	–	32	–	32
Balance at 30 June 2026		<u>49,040</u>	<u>(16,035)</u>	<u>10,743</u>	<u>42,486</u>	<u>(38,162)</u>	<u>48,072</u>	<u>389</u>	<u>48,461</u>
2025									
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	28	–	–	–	207	–	207	–	207
Total transactions with owners, recognised directly in equity		–	–	–	207	–	207	–	207
Balance at 30 June 2025		<u>49,040</u>	<u>(16,035)</u>	<u>2,852</u>	<u>42,454</u>	<u>(37,576)</u>	<u>40,735</u>	<u>379</u>	<u>41,114</u>

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2026

	Note	Group	
		30 June 2026 US\$'000	30 June 2025 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:			
Principal payment 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	11	29,839	42,122
Effects of currency translation on cash and cash equivalents		(609)	1,840
Cash and cash equivalents at end of financial year	11	30,362	29,839

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

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

1. GENERAL INFORMATION

Creative Technology Ltd. (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. The address of its registered office is:

438A Alexandra Road
#04-10
Alexandra Technopark
Singapore 119967

The principal activities of the Company and its subsidiaries consist of the design, manufacture and distribution of audio, multimedia speakers, headphones and personal digital entertainment products.

2. MATERIAL ACCOUNTING POLICIES**2.1 Basis of preparation**

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention, except as disclosed in the accounting policies below.

The Group and the Company conduct a substantial portion of its business in United States dollars (“US\$” or “\$”). All dollar amounts included in the financial statements and in the notes herein are United States dollars unless designated as Singapore dollars (“S\$”). The Group and the Company operate on a thirteen week calendar closing on the Friday closest to the natural calendar quarter. The Group’s financial year 2026 ended on 3 July 2026, the Friday nearest to 30 June 2026, while the prior financial year ended on 27 June 2025. All financial years are described by their natural calendar dates.

The preparation of financial statements in conformity with SFRS(I) requires management to exercise judgement in applying the Group’s accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2026

On 1 July 2025, the Group and the Company have adopted the new or amended SFRS(I)s that are mandatory for application for the financial year.

Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I).

The adoption of the new or amended SFRS(I)s did not result in any significant changes to the accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Group accounting**(a) Subsidiaries**

Subsidiaries are entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Group accounting (continued)

(a) Subsidiaries (continued)

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of non-controlling interests.

Acquisition-related costs are expensed as incurred.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated income statement, consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Please refer to the paragraph “Investments in subsidiaries and associated companies” for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Group’s ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group’s share of its associated companies’ post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group’s share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)**2.2 Group accounting (continued)****(c) Associated companies (continued)**

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Dilution gains and losses arising from investments in associated companies are recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiaries and associated companies" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

2.3 Impairment of non-financial assets**Property and equipment****Right-of-use assets****Investments in subsidiaries and associated companies**

Property and equipment, right-of-use assets and investments in subsidiaries and associated companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss is recognised in profit or loss.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand and short-term bank deposits with various banks which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Financial assets

(a) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) Debt instruments

Debt instruments mainly comprise of cash and cash equivalents, trade receivables, other current and non-current assets and financial assets at FVPL.

There are three subsequent measurement categories, depending on the Group's business model for managing the asset and the cash flow characteristics of the asset.

The Group managed this group of financial assets by collecting the contractual cash flow and these cash flow represents solely payment of principal and interest and are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in other gains and other losses.

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in other gains and other losses, except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as fair value gains and losses in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as dividend income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)**2.5 Financial assets (continued)****(b) Impairment**

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition and evidence indicating the asset is impaired, lifetime expected credit loss will be calculated and recognised.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

2.6 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liabilities simultaneously.

2.7 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using standard cost, appropriately adjusted at the balance sheet date to approximate actual cost on a weighted average basis. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.8 Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Property and equipment

(a) Measurement

Property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Cost recognised includes purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(b) Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives as follows:

Leasehold improvements	- Shorter of lease term or useful life
Machinery and equipment	- 3 to 6 years
Furniture, fixtures and office equipment	- 1 to 8 years

The residual values, estimated useful lives and depreciation methods are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent measurement

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss when incurred.

2.10 Right-of-use assets and lease liabilities

When the Group is the lessee

At inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use ("ROU") assets

The Group recognises a ROU asset and lease liability at the date which the underlying asset is available for use. ROU assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before commencement date, lease incentive received and for any remeasurement of lease liabilities.

These ROU assets are subsequently depreciated using straight-line method from the commencement date to the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)**2.10 Right-of-use assets and lease liabilities (continued)**When the Group is the lessee (continued)

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Lease payments include fixed payment (including in-substance fixed payments), less any lease incentives receivables, and payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method and shall be remeasured when:

- There is a change in future lease payments arising from changes in the lease's implicit rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

- Short term and low value leases

Lease payments relating to short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements, are expensed to profit or loss on a straight-line basis over the lease term.

2.11 Trade and other creditors

Trade and other creditors are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

2.12 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The warranty provision represents management's best estimate of probable liability under its product warranties. Management determines the warranty provision based on known product failures (if any), historical experience, and other currently available evidence.

Other provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The fair values of current financial assets and liabilities at the balance sheet date approximate their carrying amounts. Where applicable and necessary, the fair value of non-current financial assets and liabilities is determined by discounting the expected future contractual cash flows to their present value using the market interest rates applicable at the reporting date for instruments with similar terms, maturity, and credit risk.

2.14 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Sales are presented net of value-added tax, returns and rebates, and after eliminating sales within the Group. The Group recognises revenue at the point when the amount of revenue and related cost can be reliably measured, the Group has delivered the products to the customers, the customers have accepted the products, significant risks and rewards of ownership have been transferred and when it is probable that the collectability of the related receivables is reasonably assured. The Group records a contract liability when payment is received from the customer in advance of the Group satisfying a performance obligation and the contract liability is reduced as performance obligations are satisfied and revenue is recognised.

Allowances are accrued for estimated returns and rebates based on historical experience, current economic trends and changes in customer demand and acceptance of its products. Such allowances are adjusted periodically to reflect actual and anticipated experience. When recognising revenue, the Group records estimated reductions to revenue for customer programs and incentive offerings, including price protection, promotions, other volume-based incentives and rebates.

Interest income is recognised on a time-proportion basis using the effective interest method.

2.15 Research and development costs

As the Group cannot definitively distinguish the research phase from the development phase of its internal projects to create intangible assets, the Group treats the expenditure on its internal projects as if they were incurred in the research phase only. Accordingly, all research and development costs are recognised as an expense when incurred.

2.16 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)**2.16 Income taxes (continued)**

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

2.17 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund or pension on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

(b) Share-based compensation**Share options**

The share options plan is an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of options is recognised as an expense in profit or loss with a corresponding increase in share-based compensation reserves over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to share-based compensation reserves over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in other reserves are credited to share capital account when new ordinary shares are issued, or to the “treasury shares” account when treasury shares are re-issued to the employees.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)

2.17 Employee compensation (continued)

(c) Termination benefits

Termination benefits are those benefits which are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the Group recognises costs for a restructuring that is within the scope of SFRS(I) 1-37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.18 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company is the United States Dollar ("US\$"), which reflects the economic environment in which the activities of the Company are largely exposed to. The financial statements are presented in United States Dollar.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the United States Dollar using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates prevailing at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group's entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency by way of assets and liabilities being translated at the closing exchange rates prevailing at the date of the balance sheet, and income and expenses being translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions).

Fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the date of the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

2. MATERIAL ACCOUNTING POLICIES (continued)**2.19 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

2.20 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Where the Company's ordinary shares are repurchased ("treasury shares"), the consideration paid, including any directly attributable incremental cost, is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share options, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in other reserves of the Company.

2.21 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.22 Assets held-for-sale

Non-current assets (or disposal groups) are classified as assets held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of carrying amount and fair value less costs to sell, except for financial assets within the scope of SFRS(I) 9 Financial Instruments, which continue to be measured in accordance with SFRS(I) 9. The assets are not depreciated or amortised while they are classified as held-for-sale.

A gain or loss on a financial asset classified as held-for-sale and measured at fair value through other comprehensive income shall be recognised in other comprehensive income until the financial asset is derecognised. On disposal of an equity investment, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Revenue recognition

Allowances are accrued for estimated returns and rebates. Management analyses historical returns, current economic trends and changes in customer demand and acceptance of its products when evaluating the adequacy of the sales returns allowance. Such allowances are adjusted periodically to reflect actual and anticipated experience. When recognising revenue, the Group records estimated reductions to revenue for customer programs and incentive offerings, including price protection, promotions, other volume-based incentives and rebates. Significant management judgement and estimates must be used in connection with establishing these allowances in any accounting period. The Group may take action when necessary in response to market conditions to increase customer incentive offerings, possibly resulting in an incremental reduction of revenue at the time the incentive is offered. The Group's net revenue for the financial year ended 30 June 2026 was US\$60,922,000 (2025: US\$67,435,000).

(b) Valuation of inventories

The Group states inventories at the lower of cost and net realisable value. The Group records a write-down for inventories of components and products which have become obsolete or are in excess of anticipated demand or net realisable value. Management performs a detailed assessment of inventory at each balance sheet date to establish provisions for excess and obsolete inventories. Management judgement includes assessing the assumptions and considering the nature and suitability of historical data used in estimating the allowance, comparing the inventory on hand against future sales projections, taking into account new models released during the year and historical sales performance to assess adequacy of the allowance. The markets for personal computer peripherals and personal digital entertainment products are subject to a rapid and unpredictable pace of product and component obsolescence and demand changes. If future demand or market conditions for the Group's products are less favourable than forecasted or if unforeseen technological changes negatively impact the utility of component inventory, the Group may be required to record write-downs which would negatively affect gross margins in the period when the write-downs are recorded and its operating results and financial position could be adversely affected. The net carrying amount of the Group's inventories at 30 June 2026 was US\$13,861,000 (2025: US\$16,490,000).

(c) Assessment of the probability of the outcome of current litigation

The Group is subject to certain legal proceedings, lawsuits and other claims. Judgements and estimates applied by management are made on a case-by-case basis to determine the impact, if any, on the business, liquidity, results of operations, financial condition or cashflows. Management believes that the ultimate outcome of the legal proceedings, lawsuits and other claims, individually and in aggregate will not have a material adverse impact to the Group. Management will only recognise the provision when, and only when the entity has a present obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The related provisions are recognised in Note 24.

(d) Income taxes

In preparing its financial statements, management judgement and estimates were made by the Group in connection with its income taxes for each of the jurisdictions in which it operates. This involves estimating the current tax exposures related to uncertainty in income taxes in the form of taxability of certain income, deductibility of its expenses, and the estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. The Group's income tax liabilities were US\$147,000 (2025: US\$1,000) and deferred income tax liabilities were US\$9,560,000 (2025: US\$9,660,000) at 30 June 2026.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

4. EXPENSES BY NATURE

In addition to information disclosed elsewhere in the financial statements, included in the cost of goods sold, selling, general and administrative and research and development expenses are the following:

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Depreciation of property and equipment (Note 20)	65	57
Depreciation of ROU assets (Note 21)	1,070	1,187
Employee compensation (Note 5)	13,606	19,987
Advertising expenses	1,988	2,817
Research and development related expenses	476	988
Travel, entertainment and transportation expenses	154	347
Legal claims and other costs	(1,147)	(360)
Freight and fulfilment costs	5,882	6,508
Inventory write-off (write-back) - net	8	(650)

5. EMPLOYEE COMPENSATION

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Wages and salaries	11,816	14,911
Employer's contribution to defined contribution plans including Central Provident Fund	1,388	1,752
Employee share-based expense (Note 28)	32	207
Termination benefits	370	3,117
	13,606	19,987

Termination benefits of US\$370,000 in the financial year ended 30 June 2026 (2025: US\$3,117,000) relates to costs of involuntary termination benefits incurred during the year in a restructuring exercise to reduce costs due to the lower level of business activities.

6. OTHER INCOME

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Grant income	18	34
	18	34

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

7. OTHER GAINS

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Fair value gain on financial assets at FVPL (Note 16)	95	16
Gain on liquidation of financial assets at FVPL previously written-off	119	–
Gain on divestment of assets (Note 18)	859	–
Gain on sale of intellectual property assets	184	–
Currency translation gain - net	–	920
Others	92	170
	1,349	1,106

8. OTHER LOSSES

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Loss on property and equipment written-off	11	1
Currency translation loss - net	488	–
	499	1

9. INCOME TAXES

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Tax expense (credit) attributable to loss is made up of:		
Current income tax:		
- Tax expense for current financial year	153	9
- Withholding tax	–	–
	153	9
(Over) under provision in prior financial years:		
- Current income tax	(76)	(40)
- Deferred income tax (Note 26)	119	110
	196	79

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

9. INCOME TAXES (continued)

The tax expense on the Group's results differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Loss before income tax	(380)	(10,379)
Tax calculated at tax rate of 17% (2025: 17%)	(65)	(1,764)
Effects of		
- tax exempt (income) loss	(56)	46
- income not subject to tax	(208)	(751)
- expenses not deductible for tax purposes	129	95
- different tax rates in other countries	(217)	41
- deferred tax assets not recognised	1,070	2,349
- utilisation of tax losses and capital allowances	(500)	(7)
- under provision in previous financial years	43	70
Tax expense	196	79

10. LOSS PER SHARE

	Group			
	30 June 2026		30 June 2025	
	Basic US\$'000	Diluted US\$'000	Basic US\$'000	Diluted US\$'000
Net loss attributable to equity holders of the Company	(586)	(586)	(10,444)	(10,444)
	Number of Shares '000	Number of Shares '000	Number of Shares '000	Number of Shares '000
Weighted average number of ordinary shares outstanding	70,397	70,397	70,397	70,397
Adjustments for dilutive effects of				
- share options	—	—	—	—
Weighted average number of ordinary shares used to compute loss per share	70,397	70,397	70,397	70,397
Loss per share (US\$)	(0.01)	(0.01)	(0.15)	(0.15)

Basic loss per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

For the purpose of calculating diluted earnings per share, loss attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares of the Company comprises share options.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

10. LOSS PER SHARE (continued)

For share options, the weighted average number of shares in issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration.

For the financial years ended 30 June 2026 and 2025, diluted earnings per share is the same as basic earnings per share. 1,946,000 share options (2025: 3,320,000 share options) were excluded from the computation of diluted earnings per share for the financial year ended 30 June 2026, as the effect of including such shares would be anti-dilutive.

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Cash at bank and on hand	24,711	19,907	15,267	13,489
Short-term bank deposits	5,651	9,932	5,651	9,932
	30,362	29,839	20,918	23,421

12. TRADE RECEIVABLES

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Trade receivables				
- Non-related parties	3,868	4,829	22	9
Less: Impairment (Note 33(b))	-	-	-	-
Trade receivables - net	3,868	4,829	22	9

13. AMOUNTS DUE FROM (TO) SUBSIDIARIES

	Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Amounts due from subsidiaries - current		
- Trade	1,691	1,691
- Non-trade	116,625	116,707
	118,316	118,398
Less: Allowance for impairment	(106,620)	(101,220)
	11,696	17,178
Amounts due from subsidiaries - non-current		
- Trade	18,616	18,616
- Non-trade	34,124	36,776
	52,740	55,392
Less: Allowance for impairment	(46,067)	(46,037)
	6,673	9,355

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

13. AMOUNTS DUE FROM (TO) SUBSIDIARIES (continued)

	Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Amounts due to subsidiaries - current		
- Trade	-	-
- Non-trade	(65)	(5,148)
	(65)	(5,148)
Amounts due to subsidiaries - non-current		
- Trade	-	-
- Non-trade	(49,859)	(50,122)
	(49,859)	(50,122)

The non-trade amounts due from and due to subsidiaries are interest-free and unsecured.

The current portions of non-trade amounts due from and due to subsidiaries are repayable on demand. There is no fixed repayment terms and repayments are not expected to be within twelve months for the non-current portions of amounts due from and due to subsidiaries.

Management has assessed the fair values of the non-current amounts due from and due to subsidiaries and concluded that the fair values at balance sheet date approximate carrying values.

14. INVENTORIES

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Raw materials	106	392	-	8
Finished products	13,755	16,098	-	-
	13,861	16,490	-	8

The cost of inventories recognised in “cost of goods sold” amounts to US\$33,341,000 (2025: US\$39,811,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

15. OTHER CURRENT ASSETS

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Prepayments	595	653	111	74
Deposits	202	167	84	40
Refund receivable	600	–	–	–
Other receivables from an associated company (Note 18)	300	–	300	–
Other receivables from non-related parties	351	486	54	69
	2,048	1,306	549	183

Other receivables from an associated company are unsecured, interest-free and repayable within the next twelve months from balance sheet date.

Other receivables from non-related parties are unsecured, interest-free and repayable on demand.

16. FINANCIAL ASSETS AT FVPL

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	355	1,515	–	–
Fair value gain (Note 7)	95	16	–	–
Distributions	(24)	–	–	–
Transfer to financial assets at FVOCI (Note 17)	–	(1,176)	–	–
End of financial year	426	355	–	–

Financial assets at FVPL are non-quoted investments mandatorily measured at fair value through profit or loss.

17. FINANCIAL ASSETS AT FVOCI

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	10,619	7,112	–	–
Fair value gain	7,891	928	–	–
Additions	–	1,403	–	–
Transfer from financial assets at FVPL (Note 16)	–	1,176	–	–
End of financial year	18,510	10,619	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

17. FINANCIAL ASSETS AT FVOCI (continued)

Financial assets at FVOCI are analysed as follows:

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Current (Assets held-for-sale)				
- Unlisted equity securities	4,727	–	–	–
Non-current				
- Listed equity securities	5,329	2,286	–	–
- Unlisted equity securities	8,454	8,333	–	–
	13,783	10,619	–	–

Included in the Group's fair value reserve gain is an amount of US\$3,277,000 (2025: fair value reserve loss of US\$1,350,000) relating to assets held-for-sale which would be transferred to retained earnings upon the completion of the disposal of these assets in subsequent financial year.

18. INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Unquoted shares at cost	–	1,886
Loan to associated company	–	2,250
	–	4,136
Share of post-acquisition reserves	–	(4,136)
	–	–

The Group has no material associates as at 30 June 2026 and 30 June 2025. The loan to the associate outstanding as at 30 June 2025 was unsecured and interest-free.

The associated company of the Group comprise of:

Name of entity	Place of business/country of incorporation	% of ownership interest	
		30 June 2026	30 June 2025
Creative Knowledge Ltd. *	Cayman Islands	– *	39
Zeica Labs Pte. Ltd.	Singapore	40	–

* Creative Knowledge Ltd. was liquidated during the financial year ended 30 June 2026 with no financial impact on the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

18. INVESTMENTS IN ASSOCIATED COMPANIES (continued)

During the financial year, the Group entered into a sales and purchase agreement with a third party, Zeica Labs Pte. Ltd. (“Zeica”), to divest its Super X-Fi business. The assets disposed include intellectual property rights (“IP”) and inventory (collectively “Assets”). The transaction was completed on 14 January 2026 for a cash consideration of US\$1,000,000 and non-monetary asset in the form of a 40% equity interest in Zeica. Cash consideration of US\$300,000 remained outstanding as at balance sheet date and is recorded in other receivables from an associated company (Note 15).

Under SFRS(I) 1-28 Investments in Associates and Joint Ventures, the gain on disposal from a downstream transaction between the Group and Zeica is recognised only to the extent of the unrelated investors’ interests in the associated company. Accordingly, the Group recognised a gain on disposal of US\$859,000, while the remaining unrealised gain was primarily offset against the investment in associate, resulting in a nil carrying amount as at balance sheet date.

As at 30 June 2026, the Group has not recognised losses totalling US\$184,000 (FY2025: Nil) in relation to its interests in associated companies.

19. INVESTMENTS IN SUBSIDIARIES

	Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	219,323	219,323
Additions	800	–
End of financial year	220,123	219,323
<i>Accumulated impairment</i>		
Beginning of financial year	(203,656)	(208,016)
(Provision) write-back	(420)	4,360
End of financial year	(204,076)	(203,656)
Net carrying value at end of financial year	16,047	15,667

Addition of US\$800,000 during the financial year ended 30 June 2026 was related to an equity capital injection by the Company into its wholly-owned subsidiary, Creative Technology (China) Co., Ltd.

An impairment loss of US\$420,000 in the financial year ended 30 June 2026 was made following a review of the recoverable amount of a loss-making subsidiary. The impairment write-back of US\$4,360,000 in the financial year ended 30 June 2025 reflects an increase in the recoverable amount of the Company’s investments in certain subsidiaries following the realisation of assets value arising from liquidation.

Details of significant subsidiaries are included in Note 39.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

20. PROPERTY AND EQUIPMENT

	Leasehold improvements US\$'000	Machinery and equipment US\$'000	Furniture, fixtures and office equipment US\$'000	Total US\$'000
Group				
30 June 2026				
<i>Cost</i>				
Beginning of financial year	823	1,737	2,104	4,664
Additions	381	78	126	585
Disposals	(819)	(1,380)	(1,305)	(3,504)
End of financial year	385	435	925	1,745
<i>Accumulated depreciation</i>				
Beginning of financial year	817	1,711	2,089	4,617
Depreciation charge (Note 4)	25	21	19	65
Disposals	(818)	(1,372)	(1,303)	(3,493)
End of financial year	24	360	805	1,189
Net book value				
End of financial year	361	75	120	556
	Leasehold improvements US\$'000	Machinery and equipment US\$'000	Furniture, fixtures and office equipment US\$'000	Total US\$'000
Group				
30 June 2025				
<i>Cost</i>				
Beginning of financial year	836	2,042	2,464	5,342
Additions	11	1	14	26
Disposals	(24)	(306)	(374)	(704)
End of financial year	823	1,737	2,104	4,664
<i>Accumulated depreciation</i>				
Beginning of financial year	836	1,988	2,439	5,263
Depreciation charge (Note 4)	5	28	24	57
Disposals	(24)	(305)	(374)	(703)
End of financial year	817	1,711	2,089	4,617
Net book value				
End of financial year	6	26	15	47

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

20. PROPERTY AND EQUIPMENT (continued)

	Leasehold improvements US\$'000	Machinery and equipment US\$'000	Furniture, fixtures and office equipment US\$'000	Total US\$'000
<u>Company</u>				
30 June 2026				
<i>Cost</i>				
Beginning of financial year	809	1,371	1,606	3,786
Additions	381	71	122	574
Disposals	(809)	(1,370)	(1,181)	(3,360)
End of financial year	381	72	547	1,000
<i>Accumulated depreciation</i>				
Beginning of financial year	809	1,353	1,601	3,763
Depreciation charge	20	13	11	44
Disposals	(809)	(1,362)	(1,179)	(3,350)
End of financial year	20	4	433	457
<i>Net book value</i>				
End of financial year	361	68	114	543
	Leasehold improvements US\$'000	Machinery and equipment US\$'000	Furniture, fixtures and office equipment US\$'000	Total US\$'000
<u>Company</u>				
30 June 2025				
<i>Cost</i>				
Beginning of financial year	833	1,677	1,962	4,472
Additions	–	–	4	4
Disposals	(24)	(306)	(360)	(690)
End of financial year	809	1,371	1,606	3,786
<i>Accumulated depreciation</i>				
Beginning of financial year	833	1,639	1,953	4,425
Depreciation charge	–	19	8	27
Disposals	(24)	(305)	(360)	(689)
End of financial year	809	1,353	1,601	3,763
<i>Net book value</i>				
End of financial year	–	18	5	23

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Movements in leasehold properties capitalised as ROU assets as follows:

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
<i>Cost</i>				
Beginning of financial year	2,985	3,632	2,482	2,870
Additions	1,976	–	1,904	–
Modification of lease liability	178	134	–	–
Disposals	(2,959)	(781)	(2,482)	(388)
End of financial year	2,180	2,985	1,904	2,482
<i>Accumulated depreciation</i>				
Beginning of financial year	2,051	1,645	1,655	1,086
Additions (Note 4)	1,070	1,187	928	957
Disposals	(2,902)	(781)	(2,482)	(388)
End of financial year	219	2,051	101	1,655
Net book value				
End of financial year	1,961	934	1,803	827

The lease liabilities recognised as follows:

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Current lease liabilities	581	945	457	863
Non-current lease liabilities	1,087	25	1,054	–
	1,668	970	1,511	863

The amounts recognised in the consolidated income statement as follows:

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Depreciation on ROU assets	1,070	1,187
Lease expense not capitalised – short term and low value leases	47	64
Interest expense on lease liabilities	50	97
	1,167	1,348

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

21. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	970	2,062
<u>Changes in financing cash flows</u>		
Payment of principal and interest on lease liabilities	(1,165)	(1,408)
Total changes from financing cash flows	(1,165)	(1,408)
<u>Other changes – liabilities related</u>		
New lease	1,693	–
Lease modification	178	134
Lease termination	(63)	–
Interest expense	50	97
Exchange difference	5	85
Total other changes – liabilities related	1,863	316
End of financial year	1,668	970

Total cash outflow for all the leases of the Group during the financial year is US\$1,212,000 (2025: US\$1,472,000).

Future cash outflow which is not capitalised in lease liabilities - extension option

Some lease arrangements include extension options, for which the related lease payments have not been included in the lease liabilities as the Group is not reasonably certain to exercise those extension options. The Group negotiates extension options, where applicable, to optimise operational flexibility in managing the assets used in its operations. Such extension options are exercisable by the Group and not by the lessor.

22. OTHER NON-CURRENT ASSETS

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Deposits	471	34	140	–

23. TRADE PAYABLES

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Trade payables				
- Non-related parties	4,791	3,734	1	40

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

24. OTHER CREDITORS, ACCRUED LIABILITIES AND PROVISIONS

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Warranty (Note (a))	305	434	–	–
Legal claims and other costs (Note (b))	500	1,700	200	1,000
Sales returns and rebates accruals	1,990	2,201	–	5
Payroll accruals	1,440	1,424	630	492
Royalty accruals	257	96	66	96
Other creditors	571	535	48	66
Freight and duty accruals	397	440	–	–
Professional fees accruals	504	456	276	247
Other accruals	1,427	1,587	666	756
	7,391	8,873	1,886	2,662

(a) Warranty

The warranty period for the bulk of the products typically ranges between 1 to 2 years. The product warranty provision reflects management's best estimate of probable liability under its product warranties. Management determines the warranty provision based on known product failures (if any), historical experience, and other currently available evidence.

Movements in provision for warranty are as follows:

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	434	503	–	–
Provision made	750	847	–	–
Provision utilised	(879)	(916)	–	–
End of financial year	305	434	–	–

(b) Legal claims and other costs

The provision for legal claims and other costs is in respect of certain legal claims brought against the Group and other associated costs. In the opinion of management, after taking appropriate legal advice, the outcomes of these legal claims and associated costs are not expected to give rise to any significant loss beyond the amounts provided at 30 June 2026. Management considers that disclosure of further details of these claims will seriously prejudice the Group's negotiating position and accordingly, further information on the nature of the obligation has not been provided.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

25. CONTRACT LIABILITIES

	Group			Company		
	30 June 2026 US\$'000	30 June 2025 US\$'000	1 July 2024 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000	1 July 2024 US\$'000
Advances from customers	45	101	77	–	–	–

All contract liability balance at the beginning of the period has been recognised as sales in the current period.

As permitted under the SFRS(I) 15, the aggregated transaction price allocated to unsatisfied contracts of periods one year or less is not disclosed.

26. DEFERRED INCOME TAX LIABILITIES

Movements in deferred income tax liabilities account are as follows:

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	9,660	8,709	–	–
Currency translation difference	(219)	841	–	–
Provision made	119	110	–	–
End of financial year	9,560	9,660	–	–

The deferred tax liabilities comprise mainly of tax related exposure on foreign sourced income that is expected to be settled after one year.

Respectively, the Group and the Company have unrecognised tax losses of approximately US\$645,000,000 and US\$471,000,000 (2025: US\$642,000,000 and US\$471,000,000) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses in their respective countries of incorporation. Approximately US\$37,000,000 (2025: US\$40,000,000) of the Group's tax losses expire between 2027 and 2034. The Group also has United States tax deductions not included in unrecognised tax losses of approximately US\$163,000 (2025: US\$447,000) as a result of the exercise of employee share options of which the tax benefit has not been realised. The tax benefit of the deductions, when realised will be accounted for as a credit to other reserves rather than a reduction of the income tax expense.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

27. 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
<u>Group and Company</u>				
2026				
Beginning and end of financial year	<u>75,000</u>	<u>(4,603)</u>	<u>49,040</u>	<u>(16,035)</u>
2025				
Beginning and end of financial year	<u>75,000</u>	<u>(4,603)</u>	<u>49,040</u>	<u>(16,035)</u>

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

(a) Treasury shares

No shares were acquired in the financial years ended 30 June 2026 and 2025.

The Company did not issue any treasury shares in the financial years ended 30 June 2026 and 2025.

(b) Share options

The Creative Share Option Scheme (2019) ("Scheme") was approved and adopted by shareholders at an Extraordinary General Meeting on 30 October 2019 which allows options to be granted to group employees (including executive directors) and group non-executive directors. The committee, at the date of this statement, administering the Scheme comprises the following directors ("Committee"):

Tan Kee Ann
Lim Jew Tim
Lai Su Fang Cynthia

Under the terms of the Scheme, the Committee may grant options to eligible participants to subscribe for shares at a subscription price set at:

- (i) a price equal to the average of the last dealt prices for Creative shares on the Singapore Exchange Securities Trading Limited ("SGX-ST") over the five consecutive market days immediately preceding the offer date of that option, rounded up to the nearest whole cent, or
- (ii) the discounted value of the share price determined under (i) above, provided that the maximum discount shall not exceed 20% of (i) above or such other percentage or amount as may be determined by the Committee and permitted by SGX-ST and approved by the shareholders of the Company in a general meeting.
- (iii) prior approval of shareholders of the Company in general meeting shall have been obtained for discount exceeding 20% of the market price if it is prescribed or permitted for the time being by SGX-ST.

The Committee has the discretion to decide on the option vesting schedule in the letter of offer. For options where the exercise price is equal to the market price, the options shall not vest less than 1 year from the date of grant. For options where the exercise price is granted at a discount to the market price, the options shall not vest less than 2 years from the date of grant. Share option exercises will be settled via the delivery of shares.

Options expire after the tenth anniversary of the date of grant for employees and fifth anniversary for non-employees unless they are cancelled or have lapsed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

27. SHARE CAPITAL AND TREASURY SHARES (continued)

(b) Share options (continued)

During the financial year ended 30 June 2025, the Company granted options to subscribe for 680,000 ordinary shares of the Company. 500,000 options will vest on 30 September 2026 subject to the Company achieving the performance targets by 30 June 2026. For the remaining 180,000 options, 25% of the options will vest annually on the 1st, 2nd, 3rd and 4th anniversary of the date of the grant.

During the financial year ended 30 June 2026, the Company granted options to subscribe for 560,000 ordinary shares of the Company. 200,000 options will vest on 30 September 2027 subject to the Company achieving the performance targets by 30 June 2027. For the remaining 360,000 options, 25% of the options will vest annually on the 1st, 2nd, 3rd and 4th anniversary of the date of the grant.

The fair value of each share option granted is determined at the date of grant using the Black-Scholes option pricing model. This model requires the input of highly subjective assumptions, including the option's expected life, risk-free interest rates, dividend yield and the price volatility of the underlying share. The expected life of the options represents the period of time the options are expected to be outstanding. The expected share price volatility assumption is determined using the historical volatility of the Company's shares over the period which commensurate with the expected term.

The following table presents the weighted average assumptions used in the Black-Scholes option pricing model for the share option grants.

Date of Grant	22 June 2026	9 March 2026	23 June 2025
Share price at grant date	S\$0.80 (US\$0.63)	S\$0.63 (US\$0.49)	S\$0.83 (US\$0.65)
Exercise price	S\$0.83 (US\$0.65)	S\$0.65 (US\$0.51)	S\$0.87 (US\$0.68)
Expected volatility (%)	50.4	47.8 – 48.8	47.4 – 48.9
Risk-free interest rates (%)	2.7	2.4 – 2.5	3.0 – 3.2
Dividend yield (%)	–	–	–
Expected life of options (in years)	3.8	5.8 – 6.3	3.8 – 5.6
Weighted average fair value	US\$0.25	US\$0.24	US\$0.29

Movements in the number of unissued ordinary shares under option and their exercise price were as follows:

	Number of Options ('000)	Exercise Price
Outstanding at 1 July 2024	4,554	US\$1.08
Granted	680	US\$0.68
Cancelled/Forfeited/Expired	(1,914)	US\$1.06
Outstanding at 30 June 2025	3,320	US\$1.01
Exercisable at 30 June 2025	1,233	US\$1.38
Outstanding at 1 July 2025	3,320	US\$1.01
Granted	560	US\$0.53
Cancelled/Forfeited/Expired	(1,934)	US\$0.82
Outstanding at 30 June 2026	1,946	US\$1.05
Exercisable at 30 June 2026	1,158	US\$1.23

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

27. SHARE CAPITAL AND TREASURY SHARES (continued)**(b) Share options (continued)**

There were no options exercised during the financial years ended 30 June 2026 and 2025.

The options outstanding as at 30 June 2026 and 2025 were in the following exercise price ranges:

	2026		2025	
	Number of Shares Outstanding (‘000)	Weighted Average Remaining Contractual Term (in years)	Number of Shares Outstanding (‘000)	Weighted Average Remaining Contractual Term (in years)
<u>Range of Exercise Prices</u>				
US\$0.01 to US\$1.00	1,427	6.68	2,556	8.20
US\$1.01 to US\$2.00	519	4.42	764	5.29
	1,946	6.08	3,320	7.53

28. RESERVES**(a) Fair value reserve**

Fair value reserve comprise of the cumulative fair value changes of equity financial assets at FVOCI (Note 17).

(b) Other reserves

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
<i>Share-based compensation reserves</i>				
Beginning of financial year	42,454	42,247	30,107	29,900
Amortisation of deferred share compensation (Note 5)	32	207	32	207
End of financial year	42,486	42,454	30,139	30,107

29. ACCUMULATED LOSSES

Movements in accumulated losses for the Company are as follows:

	Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	(55,276)	(50,070)
Net loss	(2,799)	(5,206)
End of financial year	(58,075)	(55,276)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

30. DIVIDENDS

No dividend was paid in respect of the previous financial year and no dividend has been proposed for the financial year ended 30 June 2026.

31. CONTINGENCIES

The Company has issued banker's guarantee of US\$304,000 (2025: US\$304,000) to its landlord for its office building in Singapore.

32. COMMITMENTS

Capital and other commitments

Capital and other expenditures contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000	30 June 2026 US\$'000	30 June 2025 US\$'000
Property and equipment	2	–	1	–
Purchase obligations	5,624	5,286	112	177
	<u>5,626</u>	<u>5,286</u>	<u>113</u>	<u>177</u>

33. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The Group's principal financial instruments, other than foreign exchange contracts, comprise investments, cash at bank and short-term bank deposits. All financial transactions with the banks are duly accepted with Board of Directors' resolutions, with banking mandates, which define the permitted financial instruments and facility limits, approved by the Board of Directors. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

It is the Group's policy not to engage in foreign exchange and/or derivatives speculation or trading or enter into any complex foreign exchange or derivatives transactions. From time to time, the Group enters into forward exchange contracts to reduce its exposure to currency translation gains and losses.

The main financial risks arising from the Group's operations and the use of financial instruments are market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk. Management does not view the Company on a standalone basis and therefore all risks relevant to the Company are considered and managed at the Group level. The policies for managing each of these risks at the Group level are summarised below.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk****(i) Equity price risk**

As part of its long-term business strategy, from time to time, the Group makes strategic equity investments in companies that can provide the Group with technologies or products that management believes will give the Group a competitive advantage in the markets in which the Group competes. The Group has strategic investments in quoted equity shares classified as financial assets at FVOCI. The Group manages the risk of unfavourable changes by cautious review of the investments before investing and continuous monitoring of the performance of investments held and assessing market risk relevant to which the investments operate. The market value of these investments will fluctuate with market conditions. The table below summarises the impact to the Group's fair value reserve in equity arising as a result of a 10% increase/decrease in prices of quoted equity securities. This analysis assumes that all other variables remain constant.

	Equity	
	10% increase US\$'000	10% decrease US\$'000
Group		
30 June 2026		
Quoted equity securities	<u>533</u>	<u>(533)</u>
30 June 2025		
Quoted equity securities	<u>229</u>	<u>(229)</u>

(ii) Interest rate risk

The Group has balances placed with reputable banks and financial institutions. The Group manages its interest rate risks on its interest income by placing the cash balances in varying maturities and interest rate terms with due consideration to operating cash flow requirements and optimising yield.

(iii) Currency risk

The functional currency of the companies in the Group is predominantly the US dollar and accordingly, gains and losses resulting from the translation of financial assets and liabilities denominated in currencies other than the US dollar are reflected in the determination of net profit (loss). From time to time, the Group enters into forward exchange contracts to reduce its exposure to currency translation gains and losses. Forward exchange contracts are marked to market each period and the resulting gains and losses are included in the determination of net profit (loss). No forward exchange contracts were outstanding as at 30 June 2026 and 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)****(iii) Currency risk (continued)**

The Group's currency profile other than USD is as follows:

	SGD US\$'000	EUR US\$'000	GBP US\$'000	JPY US\$'000
Group				
30 June 2026				
<u>Financial assets</u>				
Cash and cash equivalents	1,042	8,715	3,481	3,813
Financial assets at FVOCI	5,329	–	–	–
Trade receivables	87	1,163	201	295
Other current and non-current assets	363	38	43	34
Intra-group receivables	2,116	5,083	65	361
	<u>8,937</u>	<u>14,999</u>	<u>3,790</u>	<u>4,503</u>
<u>Financial liabilities</u>				
Intra-group payables	(2,116)	(5,083)	(65)	(361)
Other financial liabilities	(4,180)	(1,435)	(191)	(180)
	<u>(6,296)</u>	<u>(6,518)</u>	<u>(256)</u>	<u>(541)</u>
Net financial assets	<u>2,641</u>	<u>8,481</u>	<u>3,534</u>	<u>3,962</u>
	SGD US\$'000	EUR US\$'000	GBP US\$'000	JPY US\$'000
Group				
30 June 2025				
<u>Financial assets</u>				
Cash and cash equivalents	1,607	6,913	3,674	4,262
Financial assets at FVOCI	2,439	–	–	–
Trade receivables	290	1,503	278	235
Other current and non-current assets	180	42	71	52
Intra-group receivables	2,142	5,185	148	421
	<u>6,658</u>	<u>13,643</u>	<u>4,171</u>	<u>4,970</u>
<u>Financial liabilities</u>				
Intra-group payables	(2,142)	(5,185)	(148)	(421)
Other financial liabilities	(3,487)	(1,763)	(259)	(255)
	<u>(5,629)</u>	<u>(6,948)</u>	<u>(407)</u>	<u>(676)</u>
Net financial assets	<u>1,029</u>	<u>6,695</u>	<u>3,764</u>	<u>4,294</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)****(iii) Currency risk (continued)**

The Company's currency profile other than USD is as follows:

	SGD US\$'000	EUR US\$'000	GBP US\$'000	JPY US\$'000
<u>Company</u>				
30 June 2026				
<u>Financial assets</u>				
Cash and cash equivalents	705	7,795	3,086	3,344
Trade receivables	20	–	–	–
Other current and non-current assets	199	–	–	–
Amounts due from subsidiaries	1,550	214	–	–
	<u>2,474</u>	<u>8,009</u>	<u>3,086</u>	<u>3,344</u>
<u>Financial liabilities</u>				
Amounts due to subsidiaries	–	–	(65)	–
Other financial liabilities	(3,015)	–	(3)	–
	<u>(3,015)</u>	<u>–</u>	<u>(68)</u>	<u>–</u>
Net financial assets	<u>(541)</u>	<u>8,009</u>	<u>3,018</u>	<u>3,344</u>
	SGD US\$'000	EUR US\$'000	GBP US\$'000	JPY US\$'000
<u>Company</u>				
30 June 2025				
<u>Financial assets</u>				
Cash and cash equivalents	1,039	5,845	3,324	3,588
Trade receivables	–	–	–	–
Other current and non-current assets	14	–	2	–
Amounts due from subsidiaries	1,569	205	–	–
	<u>2,622</u>	<u>6,050</u>	<u>3,326</u>	<u>3,588</u>
<u>Financial liabilities</u>				
Amounts due to subsidiaries	–	–	(148)	–
Other financial liabilities	(2,250)	(12)	(6)	–
	<u>(2,250)</u>	<u>(12)</u>	<u>(154)</u>	<u>–</u>
Net financial assets	<u>372</u>	<u>6,038</u>	<u>3,172</u>	<u>3,588</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(a) Market risk (continued)****(iii) Currency risk (continued)**

A change of 10% in foreign currency exchange rates relative to US\$ at the reporting date would increase (decrease) profit (loss) before tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	10% strengthened		10% weakened	
	Profit and loss US\$'000	Other comprehensive income US\$'000	Profit and loss US\$'000	Other comprehensive income US\$'000
Group				
30 June 2026				
SGD against USD	(269)	533	269	(533)
EUR against USD	848	–	(848)	–
GBP against USD	353	–	(353)	–
JPY against USD	396	–	(396)	–
30 June 2025				
SGD against USD	(141)	244	141	(244)
EUR against USD	669	–	(669)	–
GBP against USD	376	–	(376)	–
JPY against USD	429	–	(429)	–
	10% strengthened	10% weakened		
	Profit and loss US\$'000	Profit and loss US\$'000		
Company				
30 June 2026				
SGD against USD	(54)	54		
EUR against USD	801	(801)		
GBP against USD	302	(302)		
JPY against USD	334	(334)		
30 June 2025				
SGD against USD	37	(37)		
EUR against USD	604	(604)		
GBP against USD	317	(317)		
JPY against USD	359	(359)		

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group and the Company's major classes of financial assets are cash and cash equivalents, trade and other receivables. There are no other classes of financial assets that is past due and/or impaired except for the Group's trade receivables and the Company's amounts due from subsidiaries. The Group deals only with financial institutions with high credit ratings and limits the amount of credit exposure to any one financial institution. The Group sells its products to original equipment manufacturers, distributors and key retailers. The Group believes that the concentration of credit risk in its trade receivables is substantially mitigated due to performance of ongoing credit evaluations of its customers' financial condition, use of short collection terms, use of letters of credit in certain circumstances, procurement of credit insurance coverage and the geographical dispersion of sales.

The maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

As at 30 June 2026, there were no significant concentrations of credit risk and only 1 customer (2025: 1) individually accounted for 10% or more of net trade receivable of Group.

Cash and cash equivalents that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

The Group applies the simplified approach in providing for expected credit losses prescribed by SFRS(I) 9, which permits the use of the lifetime credit loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Group considers historical loss rates for customers, and adjusts for forward looking macroeconomic data. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default payments are considered evidence that the debtor is non-performing. Management measured expected credit loss on non or under-performing receivables at its maximum exposure to the Group at balance sheet date. Other than the Company's amounts due from subsidiaries which are non-performing, the Group and the Company have no financial assets that are subject to more than immaterial credit losses.

The movements in allowance for impairment on Group's trade receivables as follows:

	Allowance on trade receivables		Total
	Non-Performing US\$'000	General US\$'000	US\$'000
Group			
<u>2026 and 2025</u>			
Beginning and end of financial year	—	—	—

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(b) Credit risk (continued)**

The Group's credit risk exposure in relation to trade receivables is as follows:

	Current US\$'000	Past due				Total US\$'000
		1 to 30 days US\$'000	31 to 60 days US\$'000	61 to 90 days US\$'000	More than 90 days US\$'000	
Group						
2026						
Trade receivables	2,726	851	50	122	119	3,868
Less: Allowance for impairment based on expected loss rate	–	–	–	–	–	–
	2,726	851	50	122	119	3,868
2025						
Trade receivables	3,788	976	36	16	13	4,829
Less: Allowance for impairment based on expected loss rate	–	–	–	–	–	–
	3,788	976	36	16	13	4,829

The Company's credit risk exposure in relation to amount due from subsidiaries are reviewed for any significant increase in credit risk and where necessary, specific allowance for impairment would be made and the details are set out below:

	Company	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	147,257	135,557
Add: Allowance for impairment during the year	5,430	11,700
	152,687	147,257

(c) Liquidity risk

To manage liquidity risk, the Group monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and secured committed funding facilities from financial institutions. In assessing the adequacy of these funding facilities, management reviews its working capital requirements regularly.

As at 30 June 2026 and 30 June 2025, other than lease liabilities recognised in the balance sheet, the Group's financial liabilities mature in less than 1 year's time.

The following table analyses the lease liabilities of the Group into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cashflows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(c) Liquidity risk (continued)**

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Less than one year	675	974
Between one and two years	1,129	25
	1,804	999

(d) Capital risk

The Group's and Company's objectives when managing capital, which is total equity, are to safeguard the Group's and Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group and Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares or obtain new borrowings.

As at 30 June 2026 and 2025, the Group and Company does not have any outstanding bank borrowings and the Group and Company is not subject to any externally imposed capital requirements.

(e) 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

33. FINANCIAL RISK MANAGEMENT (continued)**(e) Fair value measurements (continued)**

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.

The changes in Level 3 instruments are as follows:

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Beginning of financial year	455	450
Fair value gain recognised in income statement	95	5
Fair value gain recognised in other comprehensive income statement	1,000	—
Disposals	(24)	—
Transfer to level 2	(100)	—
End of financial year	1,426	455

(f) 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

34. RELATED PARTY TRANSACTIONS

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	30 June 2026 US\$'000	30 June 2025 US\$'000
Short-term employee benefits	1,052	1,374
Employer's contribution to defined contribution plans including Central Provident Fund	100	63
Termination benefits	19	124
Employee share-based expense	35	55
Directors' fee	144	244
	1,350	1,860

Outstanding balances with related parties as at 30 June 2026 are disclosed in Note 13.

35. SEGMENT INFORMATION

Management determines the operating segments based on the reports reviewed and used by the chief operating decision-maker ("CODM") to make strategic decisions.

The CODM considers the business from a geographic segment perspective. Geographically, management considers the performance of the business of the sale of audio, speakers, headphones and personal digital entertainment products in Asia Pacific, Europe and The Americas.

The reportable operating segments derive their revenue primarily from the sale of audio, speakers, headphones and personal digital entertainment products. In addition, services within Asia Pacific include investment holding and this is included within the reportable operating segment as it is included in the reports provided to the CODM.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

35. SEGMENT INFORMATION (continued)

The segment information provided to the CODM for the reportable segments is as follows:

	Asia Pacific US\$'000	The Americas US\$'000	Europe US\$'000	Total US\$'000
Group				
30 June 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 right-of-use 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
Group				
30 June 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 gains (losses), 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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

35. SEGMENT INFORMATION (continued)

The revenue reported to the CODM excludes sales between segments. The revenue from external parties reported to the CODM is measured in a manner consistent with that in profit or loss. Geographic revenue information for the financial years ended 30 June 2026 and 30 June 2025 is based on the location of the selling entity. Disaggregation of revenue by geography is as disclosed in this note.

The CODM assesses the performance of the operating segments based on net profit or loss. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

The amounts provided to the CODM with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the CODM monitors the total assets attributable to each segment. All assets are allocated to reportable segments.

The amounts provided to the CODM with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segment. All liabilities are allocated to reportable segments.

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

For the financial year ended 30 June 2026, no customers (2025: nil) accounted for 10% or more of net revenues.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

36. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Below are the new accounting standards and interpretations that have been published that are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group and Company.

SFRS(I) 18 - Presentation and Disclosure in Financial Statements (effective for annual reporting periods beginning on or after 1 January 2027)

SFRS(I) 18 will replace SFRS(I) 1-1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though SFRS(I) 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance (comprising of the statement of profit or loss and other comprehensive income) and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. Based on management's preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of SFRS(I) 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories may impact how operating profit is calculated and reported.
- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

- management-defined performance measures; and
- for the first annual period of application of SFRS(I) 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying SFRS(I) 18 and the amounts previously presented applying SFRS(I) 1-1.

From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.

The Group will apply the new standard from its mandatory effective date of 1 July 2027. Retrospective application is required, and so the comparative information for the financial year ending 30 June 2028 will be restated in accordance with SFRS(I) 18.

The new or amended accounting Standards and Interpretations listed above are not mandatory for 30 June 2026 reporting periods and have not been early adopted by the Group and Company. These are not expected to have a material impact on the Group and Company in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2026

37. EVENTS OCCURRING AFTER BALANCE SHEET DATE

Subsequent to 30 June 2026, the Group entered into an agreement to divest a financial asset at FVOCI (Note 17) 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) and the transaction is completed as at the date of this report.

38. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of CREATIVE TECHNOLOGY LTD. on 17 September 2026.

39. LISTING OF SIGNIFICANT COMPANIES IN THE GROUP

Name of companies	Principal activities	Country of business / incorporation	Proportion of ownership interest held	
			2026	2025
<u>Significant subsidiaries held by the Group</u>			%	%
Creative Labs, Inc. (a)	Distribution of digitised sound and video boards, computers, related multimedia and personal digital entertainment products	United States of America	100	100
Creative Labs (Europe) Limited (c)	Distribution of digitised sound and video boards, computers, related multimedia and personal digital entertainment products	Republic of Ireland	100	100
Creative Labs Pte. Ltd. (b)	Development and sale of audio and multimedia entertainment products	Singapore	100	100
Creative Media Kabashiki Kaisha (a)	Distribution of digitised sound and video boards, computers and related multimedia products	Japan	70	70
CTI Limited (a)	Investment holding	Bermuda	100	100
CTI II Limited (a)	Investment holding	Bermuda	100	100

(a) Not required to be audited under the laws of the country of incorporation

(b) Audited by PricewaterhouseCoopers LLP, Singapore

(c) Audited by PricewaterhouseCoopers, Ireland

All the Singapore-incorporated subsidiaries were audited by the Company's auditor, PricewaterhouseCoopers LLP, Singapore.

For subsidiaries which appointed different auditors, the Audit Committee and Board of Directors are satisfied that the appointment would not compromise the standard and effectiveness of the audit.

There are no significant associated companies held by the Group.

SGX-ST LISTING MANUAL REQUIREMENTS

For the financial year ended 30 June 2026

Additional Requirements of SGX-ST Listing Manual**DIRECTORS' REMUNERATION**

The following information relates to remuneration of directors of the Company during the financial year:

	2026	2025
Number of directors of the Company in remuneration bands:		
- above S\$500,000	–	–
- S\$250,000 to below S\$500,000	–	–
- below S\$250,000	11	12
Total	11	12

The Company proposed to pay Directors' fees of S\$226,166.67 in the current financial year (2025: paid S\$186,000.00) to its non-executive directors on its Board of Directors.

AUDITOR'S REMUNERATION

The following information relates to fees of the auditors during the financial year:

	2026 US\$'000	2025 US\$'000
Audit fees paid/payable to:		
- Auditor of the Company	142	144
- Other auditors*	31	39
Other fees paid/payable to:		
- Auditor of the Company	36	35
- Other auditors*	12	20

* Include PricewaterhouseCoopers member firms outside Singapore

The Group has complied with Rules 712 and 715 or 716 of the Listing Manual issued by SGX-ST in relation to its auditors.

The Audit Committee has reviewed all non-audit services provided by the auditor of the Company and in the Audit Committee's opinion, the non-audit services provided, will not affect the independence of the auditors.

MATERIAL CONTRACTS

There is no material contract entered into by the Company or any of its subsidiaries involving the interest of the chief executive officer, any director or controlling shareholder, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

SGX-ST LISTING MANUAL REQUIREMENTS

For the financial year ended 30 June 2026

STATISTICS OF SHAREHOLDING AS AT 14 SEPTEMBER 2026

Number of Issued Shares	:	75,000,000
Number of Issued Shares (excluding Treasury Shares)	:	70,396,649
Number / Percentage of Treasury Shares	:	4,603,351 (6.54%)
Class of Shares	:	Ordinary shares
Voting Rights (excluding Treasury Shares)	:	1 vote per share

Based on the information available to the Company as at 14 September 2026, 68.13% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by SGX-ST is complied with.

Size of shareholdings	Number of shareholders	Percentage of shareholders (%)	Number of shares	Percentage of shares (%)
1 - 99	1,050	11.17	46,594	0.07
100 - 1,000	4,754	50.58	2,521,351	3.58
1,001 - 10,000	3,080	32.77	11,281,807	16.02
10,001 - 1,000,000	507	5.39	22,045,763	31.32
1,000,001 and above	8	0.09	34,501,134	49.01
Total	9,399	100.00	70,396,649	100.00

TWENTY LARGEST SHAREHOLDERS

Name of shareholder	Number of shares	Percentage (%)
1 ESTATE OF SIM WONG HOO, DECEASED	22,408,776	31.83
2 DBS NOMINEES (PRIVATE) LIMITED	3,052,233	4.34
3 CITIBANK NOMINEES SINGAPORE PTE LTD	2,416,446	3.43
4 PHILLIP SECURITIES PTE LTD	1,755,441	2.49
5 NG KEH LONG	1,355,875	1.93
6 RAFFLES NOMINEES (PTE.) LIMITED	1,246,584	1.77
7 UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,161,300	1.65
8 OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,104,479	1.57
9 MAYBANK SECURITIES PTE. LTD.	966,550	1.37
10 TAN SIAK MENG	855,400	1.22
11 BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	707,000	1.00
12 OCBC SECURITIES PRIVATE LIMITED	617,730	0.88
13 UOB KAY HIAN PRIVATE LIMITED	484,900	0.69
14 TEO KENG LIK (ZHANG JINGLI)	414,450	0.59
15 MOOMOO FINANCIAL SINGAPORE PTE. LTD.	413,642	0.59
16 LIM & TAN SECURITIES PTE LTD	347,650	0.49
17 LEE YEOW CHOR	340,000	0.48
18 CHOO AH SENG	323,850	0.46
19 SIM GUAN HUAT	314,525	0.45
20 ONG ENG CHEOW	300,150	0.43
Total	40,586,981	57.66

Substantial shareholder	Number of ordinary shares	
	Direct interest	Deemed interest
Estate of Sim Wong Hoo, Deceased	22,408,776	—

CORPORATE INFORMATION

Board of Directors

Sim Li Ern, Executive Chairman and Chief Executive Officer
Tan Kee Ann, Independent Non-Executive Director
Lim Jew Tim, Independent Non-Executive Director
Lai Su Fang Cynthia, Independent Non-Executive Director
Chew Kian Giap, Non-Independent Non-Executive Director

Chief Executive Officer

Sim Li Ern

Company Secretary

Ng Keh Long

Registered Office

438A Alexandra Road #04-10
Alexandra Technopark
Singapore 119967
Tel: 65-6895-4000

Share Registrar

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower
#14-07
Singapore 098632

Corporate Counsel

Duane Morris & Selvam LLP
16 Collyer Quay
#17-00
Singapore 049318

Independent Auditor

PricewaterhouseCoopers LLP
7 Straits View, Marina One
East Tower, Level 12
Singapore 018936

Audit Partner: Theresa Sim
Year of appointment: 2026
Number of years of appointment: 1 year

CREATIVE[®]

Find your inspiration.

[creative.com](https://www.creative.com)