

CREATIVE TECHNOLOGY LTD

SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 JUNE 2025 FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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UNAUDITED RESULTS FOR THE SECOND HALF YEAR AND FINANCIAL YEAR ENDED 30 JUNE 2025

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	GROUP			GROUP		
	Six months ended			Financial year ended		
	30 June			30 June		
	2025	2024	% change	2025	2024	% change
	US\$'000	US\$'000	+ / (-)	US\$'000	US\$'000	+ / (-)
Sales, net	30,051	30,986	(3)	67,435	62,779	7
Cost of goods sold	(21,396)	(21,588)	(1)	(48,555)	(43,765)	11
Gross profit	8,655	9,398	(8)	18,880	19,014	(1)
Expenses:						
Selling, general and administrative	(9,479)	(10,453)	(9)	(21,064)	(21,246)	(1)
Research and development	(4,678)	(4,936)	(5)	(9,663)	(9,691)	(0)
Total expenses	(14,157)	(15,389)	(8)	(30,727)	(30,937)	(1)
Interest income	205	457	(55)	426	1,160	(63)
Other income	27	9	n.m.	34	277	(88)
Other gains (losses), net	1,009	(1,074)	n.m.	1,105	(60)	n.m.
Interest expense on lease liabilities	(38)	(77)	(51)	(97)	(175)	(45)
Loss before income tax	(4,299)	(6,676)	(36)	(10,379)	(10,721)	(3)
Income tax expense	(58)	(85)	(32)	(79)	(98)	(19)
Net loss	(4,357)	(6,761)	(36)	(10,458)	(10,819)	(3)
Attributable to:						
Equity holders of the Company	(4,375)	(6,754)	(35)	(10,444)	(10,826)	(4)
Non-controlling interests	18	(7)	n.m.	(14)	7	n.m.
	(4,357)	(6,761)		(10,458)	(10,819)	
Loss per share attributable to equity holders of the Company						
- Basic (US\$ per share)	(0.06)	(0.10)	(40)	(0.15)	(0.15)	-
- Diluted (US\$ per share)	(0.06)	(0.10)	(40)	(0.15)	(0.15)	-

n.m. - not meaningful

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			GROUP		
	Six months ended			Financial year ended		
	30 June			30 June		
	2025	2024	% change	2025	2024	% change
	US\$'000	US\$'000	+ / (-)	US\$'000	US\$'000	+ / (-)
Net loss	(4,357)	(6,761)	(36)	(10,458)	(10,819)	(3)
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	789	127	n.m.	928	325	n.m.
Total comprehensive loss for the period/year	<u>(3,568)</u>	<u>(6,634)</u>	(46)	<u>(9,530)</u>	<u>(10,494)</u>	(9)
Attributable to:						
Shareholders of the Company	(3,586)	(6,627)	(46)	(9,516)	(10,501)	(9)
Non-controlling interests	18	(7)	n.m.	(14)	7	n.m.
Total comprehensive loss for the period/year	<u>(3,568)</u>	<u>(6,634)</u>	(46)	<u>(9,530)</u>	<u>(10,494)</u>	(9)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	30 June 2025 US\$'000	30 June 2024 US\$'000	30 June 2025 US\$'000	30 June 2024 US\$'000
<u>ASSETS</u>				
Current assets:				
Cash and cash equivalents	29,839	42,122	23,421	34,802
Trade receivables	4,829	3,748	9	50
Amounts due from subsidiaries	-	-	17,178	18,278
Inventories	16,490	21,139	8	-
Other current assets	1,306	2,232	183	199
	52,464	69,241	40,799	53,329
Non-current assets:				
Financial assets at fair value through profit or loss (FVPL)	355	1,515	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	10,619	7,112	-	-
Amounts due from subsidiaries	-	-	9,355	8,156
Investments in subsidiaries	-	-	15,667	11,307
Property and equipment	47	79	23	47
Right-of-use assets (ROU)	934	1,987	827	1,784
Other non-current assets	34	130	-	-
	11,989	10,823	25,872	21,294
Total assets	64,453	80,064	66,671	74,623
<u>LIABILITIES</u>				
Current liabilities:				
Trade payables	3,734	7,058	40	51
Amounts due to subsidiaries	-	-	5,148	5,038
Other creditors, accrued liabilities and provisions	8,873	11,702	2,662	4,432
Contract liabilities	101	77	-	-
Lease liabilities	945	1,237	863	1,072
Current income tax liabilities	1	19	-	-
	13,654	20,093	8,713	10,593
Non-current liabilities:				
Amounts due to subsidiaries	-	-	50,122	50,384
Lease liabilities	25	825	-	811
Deferred income tax liabilities	9,660	8,709	-	-
	9,685	9,534	50,122	51,195
Total liabilities	23,339	29,627	58,835	61,788
NET ASSETS	41,114	50,437	7,836	12,835
<u>EQUITY</u>				
Share capital	49,040	49,040	49,040	49,040
Treasury shares	(16,035)	(16,035)	(16,035)	(16,035)
Fair value reserve	2,852	1,924	-	-
Other reserves	42,454	42,247	30,107	29,900
Accumulated losses	(37,576)	(27,132)	(55,276)	(50,070)
	40,735	50,044	7,836	12,835
Non-controlling interests	379	393	-	-
Total equity	41,114	50,437	7,836	12,835

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	Financial year ended 30 June	
	2025	2024
	US\$'000	US\$'000
Cash flows from operating activities:		
Net loss	(10,458)	(10,819)
Adjustments for:		
Income tax expense	79	98
Depreciation	1,244	1,436
Employee share-based expense	207	853
Loss on property and equipment written-off	1	-
Fair value gain on financial assets at FVPL	(16)	(71)
Currency translation loss (gain) loss	(914)	186
Interest income	(426)	(1,160)
Interest expense on lease liabilities	97	175
	<u>(10,186)</u>	<u>(9,302)</u>
Changes in working capital		
Trade receivables	(1,081)	(744)
Inventories	4,649	(2,706)
Other assets and receivables	757	(575)
Trade payables	(3,324)	476
Accrued liabilities and provisions	(2,829)	(741)
Contract liabilities	24	(56)
Cash used in operations	<u>(11,990)</u>	<u>(13,648)</u>
Interest received	441	1,332
Income tax refunded	13	17
Net cash used in operating activities	<u>(11,536)</u>	<u>(12,299)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(26)	(48)
Purchase of financial assets at FVOCI	(1,153)	-
Net cash used in investing activities	<u>(1,179)</u>	<u>(48)</u>
Cash flows from financing activities:		
Repayment of lease liabilities	(1,311)	(1,358)
Interest paid on lease liabilities	(97)	(175)
Net cash used in financing activities	<u>(1,408)</u>	<u>(1,533)</u>
Net decrease in cash and cash equivalents	(14,123)	(13,880)
Cash and cash equivalents at beginning of financial year	42,122	56,320
Effects of currency translation on cash and cash equivalents	1,840	(318)
Cash and cash equivalents at end of the financial year	<u>29,839</u>	<u>42,122</u>

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Statements of Changes in Equity of the Group

	Share Capital US\$'000	Treasury Shares US\$'000	Fair Value Reserve US\$'000	Other Reserves US\$'000	Retained Earnings (Accumulated Losses) US\$'000	Total US\$'000	Non- controlling Interests US\$'000	Total Equity US\$'000
FY2025								
Balance at 1 July 2024	49,040	(16,035)	1,924	42,247	(27,132)	50,044	393	50,437
Loss for the year	-	-	-	-	(10,444)	(10,444)	(14)	(10,458)
Other comprehensive income for the year	-	-	928	-	-	928	-	928
Total comprehensive income (loss) for the year	-	-	928	-	(10,444)	(9,516)	(14)	(9,530)
Employee share-based expense	-	-	-	207	-	207	-	207
Total transactions with owners, recognised directly in equity	-	-	-	207	-	207	-	207
Balance at 30 June 2025	49,040	(16,035)	2,852	42,454	(37,576)	40,735	379	41,114
FY2024								
Balance at 1 July 2023	49,040	(16,035)	1,599	42,586	(17,498)	59,692	386	60,078
(Loss) income for the year	-	-	-	-	(10,826)	(10,826)	7	(10,819)
Other comprehensive income for the year	-	-	325	-	-	325	-	325
Total comprehensive income (loss) for the year	-	-	325	-	(10,826)	(10,501)	7	(10,494)
Employee share-based expense	-	-	-	853	-	853	-	853
Transfer upon liquidation of subsidiary	-	-	-	(1,192)	1,192	-	-	-
Total transactions with owners, recognised directly in equity	-	-	-	(339)	1,192	853	-	853
Balance at 30 June 2024	49,040	(16,035)	1,924	42,247	(27,132)	50,044	393	50,437

Statements of Changes in Equity of the Company

	Share Capital US\$'000	Treasury Shares US\$'000	Other Reserves US\$'000	Accumulated Losses US\$'000	Total Equity US\$'000
FY2025					
Balance at 1 July 2024	49,040	(16,035)	29,900	(50,070)	12,835
Total comprehensive loss for the year	-	-	-	(5,206)	(5,206)
Employee share-based expense	-	-	207	-	207
Balance at 30 June 2025	49,040	(16,035)	30,107	(55,276)	7,836
FY2024					
Balance at 1 July 2023	49,040	(16,035)	29,047	(40,057)	21,995
Total comprehensive loss for the year	-	-	-	(10,013)	(10,013)
Employee share-based expense	-	-	853	-	853
Balance at 30 June 2024	49,040	(16,035)	29,900	(50,070)	12,835

CHANGES IN THE COMPANY'S SHARE CAPITAL

Issued and paid up capital

As at 30 June 2025, the Company's issued and paid up capital excluding treasury shares comprises 70,396,649 (30 June 2024: 70,396,649) ordinary shares.

As at 30 June 2025, the Company's issued and paid up share capital was US\$49.04 million (31 December 2024: US\$49.04 million).

Employee share options plan

The Company did not issue any treasury shares under the Creative Share Option Scheme (2019) in the second half year of FY2025 (second half year of FY2024: Nil).

As at 30 June 2025, there were 3,320,000 unissued ordinary shares under the options granted to eligible employees and directors (30 June 2024: 4,554,000).

Treasury shares

As at 30 June 2025, the Company held 4,603,351 (30 June 2024: 4,603,351) treasury shares against 70,396,649 (30 June 2024: 70,396,649) issued ordinary shares excluding treasury shares.

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

	Half year ended	
	30 June	
	2025	2024
Balance at beginning and end of period	<u>4,603,351</u>	<u>4,603,351</u>

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the period ended 31 December 2024.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period compared with the most recent audited financial statements as at 30 June 2024, except for the mandatory adoption of new standards effective as of 1 July 2024. The adoption of the new standards has no significant impact on the financial statements.

2. BREAKDOWN OF SALES

		GROUP		
		Financial year ended 30 June 2025 US\$'000	Financial year ended 30 June 2024 US\$'000	% change + / (-)
<u>First Half Year</u>				
(a)	Sales	37,384	31,793	18%
(b)	Net loss	(6,101)	(4,058)	50%
<u>Second Half Year</u>				
(a)	Sales	30,051	30,986	(3%)
(b)	Net loss	(4,357)	(6,761)	(36%)

3. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after accounting for:

	GROUP			
	Six months ended		Financial year ended	
	30 June 2025 US\$'000	30 June 2024 US\$'000	30 June 2025 US\$'000	30 June 2024 US\$'000
Grant income	27	9	34	277
Write-back (write-off/write-down) for inventory obsolescence	81	(40)	650	308
Depreciation	(541)	(723)	(1,244)	(1,436)
Fair value gain on financial assets at FVPL	5	71	16	71
Foreign exchange gain (loss)	947	(1,176)	920	(211)

4. INCOME TAX

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

	GROUP			
	Six months ended		Financial year ended	
	30 June		30 June	
	2025	2024	2025	2024
	US\$'000	US\$'000	US\$'000	US\$'000
Current income tax	(3)	(29)	31	13
Deferred income tax - under provision in prior financial years	(55)	(56)	(110)	(111)
	<u>(58)</u>	<u>(85)</u>	<u>(79)</u>	<u>(98)</u>

5. DIVIDENDS

No dividends have been recommended in the second half year of FY2025 and no dividends were recommended or declared for the same period last year.

6. NET ASSETS VALUE

	GROUP		COMPANY	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.58	0.72	0.11	0.18

7. FAIR VALUE MEASUREMENTS

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

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	US\$'000			Total
	Level 1	Level 2	Level 3	
Group				
30 June 2025				
Financial assets at FVPL	-	-	355	355
Financial assets at FVOCI	2,286	8,233	100	10,619
	<u>2,286</u>	<u>8,233</u>	<u>455</u>	<u>10,974</u>
30 June 2024				
Financial assets at FVPL	-	1,165	350	1,515
Financial assets at FVOCI	1,358	5,654	100	7,112
	<u>1,358</u>	<u>6,819</u>	<u>450</u>	<u>8,627</u>

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 determined by reference to the last transacted price are included in Level 2.

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

8. FINANCIAL INSTRUMENTS BY CATEGORY

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

	GROUP	
	30 June 2025 US\$'000	30 June 2024 US\$'000
Financial assets, at FVPL	355	1,515
Financial assets, at FVOCI	10,619	7,112
Financial assets, at amortised cost	35,355	46,907
Financial liabilities, at amortised cost	12,441	19,739

9. GROUP BORROWINGS

	GROUP	
	30 June 2025 US\$'000	30 June 2024 US\$'000
Amount repayable:		
<u>In one year or less, or on demand</u>		
Secured	945	1,237
Unsecured	-	-
	<u>945</u>	<u>1,237</u>
<u>After one year</u>		
Secured	25	825
Unsecured	-	-
	<u>25</u>	<u>825</u>
Total	<u>970</u>	<u>2,062</u>

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

10. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital US\$'000	Treasury shares US\$'000
Group and Company				
30 June 2025				
Beginning and end of period	<u>75,000</u>	<u>(4,603)</u>	<u>49,040</u>	<u>(16,035)</u>
30 June 2024				
Beginning and end of period	<u>75,000</u>	<u>(4,603)</u>	<u>49,040</u>	<u>(16,035)</u>

11. SEGMENTAL REPORTING

	ASIA PACIFIC US\$'000	THE AMERICAS US\$'000	EUROPE US\$'000	TOTAL US\$'000
GROUP				
2025				
Sales	24,235	17,998	25,202	67,435
(Loss) profit after total expenses	(11,864)	561	(544)	(11,847)
Interest income	424	2	-	426
Other income	34	-	-	34
Other 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
	ASIA PACIFIC US\$'000	THE AMERICAS US\$'000	EUROPE US\$'000	TOTAL US\$'000
GROUP				
2024				
Sales	22,274	17,485	23,020	62,779
(Loss) profit after total expenses	(10,933)	123	(1,113)	(11,923)
Interest income	1,158	2	-	1,160
Other income	277	-	-	277
Other (losses) gains, net	(178)	(14)	132	(60)
Interest expense on lease liabilities	(171)	(3)	(1)	(175)
(Loss) profit before income tax	(9,847)	108	(982)	(10,721)
Income tax expense	(28)	-	(70)	(98)
Net (loss) profit	(9,875)	108	(1,052)	(10,819)
Other segment items				
Additions to property and equipment	47	-	1	48
Additions to ROU assets	-	26	-	26
Depreciation	1,349	34	53	1,436
Fair value gain on financial assets at FVPL	71	-	-	71
Segment assets	62,017	7,566	10,481	80,064
Segment liabilities	16,681	1,124	11,822	29,627

Summary of net sales by country:

	GROUP	
	30 June 2025 US\$'000	30 June 2024 US\$'000
Singapore	16,830	15,771
United States of America	17,998	17,485
Ireland	25,202	23,020
Other countries	7,405	6,503
	67,435	62,779

Summary of net sales by product category:

	GROUP	
	30 June 2025 US\$'000	30 June 2024 US\$'000
Audio, speakers and headphones	63,229	59,360
Personal digital entertainment	4,206	3,416
Other products	-	3
	67,435	62,779

Summary of property and equipment by country:

	GROUP	
	30 June 2025 US\$'000	30 June 2024 US\$'000
Singapore	43	75
United States of America	1	-
Other countries	3	4
	47	79

Summary of ROU assets by country:

	GROUP	
	30 June 2025 US\$'000	30 June 2024 US\$'000
Singapore	828	1,784
Other countries	106	203
	934	1,987

OTHER INFORMATION

12. AUDIT

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

13. AUDITORS' REPORT

Not applicable.

14. REVIEW OF GROUP PERFORMANCE

CONSOLIDATED INCOME STATEMENT

Net Sales

Net sales for FY2025 increased by 7% compared to FY2024, mainly driven by the introduction of a range of new products. However, net sales for the second half year of FY2025 were broadly in line with the same period in FY2024.

Growth in revenue in FY2025 was across all regions. Net sales in Asia Pacific, the Americas and Europe regions increased by 9%, 3% and 10% respectively, compared to FY2024.

Gross Profit

Gross profit margin decreased to 28% for FY2025 and 29% for the second half year of FY2025, compared to 30% in both periods of FY2024. The lower gross profit margin was due mainly to the challenging business environment resulting from the U.S. tariffs, which has put pressure on margins.

Net Loss

Net loss in FY2025 was US\$10.5 million compared to US\$10.8 million in FY2024. Net loss in FY2025 includes employee severance payment of US\$3.1 million, interest income of US\$0.4 million and other gains (net) of US\$1.1 million. Excluding employee severance payment, net loss in FY2025 was US\$7.4 million. Net loss in FY2024 includes interest income of US\$1.2 million and grant income of US\$0.3 million.

Net loss for the second half year of FY2025 was US\$4.4 million compared to US\$6.8 million in the second half year of FY2024. Net loss for the second half year of FY2025 includes employee severance payment of US\$2.1 million, interest income of US\$0.2 million and other gains (net) of US\$1.0 million. Excluding employee severance payment, net loss for the second half year of FY2025 was US\$2.3 million. Net loss for the second half year of FY2024 includes interest income of US\$0.5 million and other losses (net) of US\$1.1 million.

Selling, general and administrative expenses for FY2025 and the second half year of FY2025 decreased by 1% and 9%, respectively, compared to FY2024 and the second half year of FY2024. Excluding the employee severance payment of US\$0.9 million in FY2025 and US\$0.7 million in the second half year of FY2025, selling, general and administrative expenses for FY2025 and the second half year of FY2025 decreased by 5% and 16%, respectively, compared to the same period in FY2024. The decrease was due mainly to lower payroll and related expenses in line with the lower headcounts after the restructuring exercises in the first half year and third quarter of FY2025.

Research and development expenses for FY2025 was comparable to FY2024. Research and development expenses for the second half year of FY2025 decreased by 5% compared to the second half year of FY2024. Excluding the employee severance payment of US\$2.0 million in FY2025 and US\$1.4 million in the second half year of FY2025, research and development expenses for FY2025 and the second half year of FY2025 decreased by 21% and 34%, respectively, compared to the same period in FY2024. The decrease was due mainly to lower payroll and related expenses in line with the lower headcounts after the restructuring exercises in the first half year and third quarter of FY2025.

Other gains (net) of US\$1.0 million in the second half year of FY2025 and US\$1.1 million in FY2025 and were due mainly to foreign exchange gain. Other losses (net) of US\$1.1 million in the second half year of FY2024 were due

mainly to exchange loss. For the full year of FY2024, other losses (net) were not material, as exchange loss in the second half year was largely offset by exchange gain in the first half year of FY2024.

The functional currency of the Company and its subsidiaries is predominantly the US dollar and accordingly, gains and losses resulting from the translation of monetary assets and liabilities denominated in currencies other than the US dollar are reflected in the determination of net income (loss). The exchange differences were due mainly to the cash and cash equivalent balances held by the Group. Other than US dollar, cash and cash equivalents were held mainly in Singapore dollar, Euro, British Pound and Japanese Yen. The exchange gain in the second half year of FY2025 and FY2024 was due to the appreciation of these currencies against US dollar. The exchange loss in the second half year of FY2024 was due to the depreciation of these currencies against US dollar. The exchange loss in FY2024 was due mainly to the depreciation of Japanese Yen and Euro against US dollar, offset largely by an appreciation of Singapore dollar against US dollar.

BALANCE SHEETS

The decrease in cash and cash equivalents in FY2025 was due mainly to net cash used in operating activities (see below). The increase in trade receivables was due mainly to higher sales to certain retail customers with credit terms in June 2025. The decrease in inventory balance was due mainly to higher purchases were made in the last quarter of FY2024 to buffer against supply chain disruptions. The decrease in other current assets was due mainly to higher prepaid balances for inventory as at 30 June 2024. The decrease in financial assets at FVPL was due mainly to a transfer to financial assets at FVOCI. The increase in financial assets at FVOCI was due mainly to the transfer from financial assets at FVPL and additional investments during FY2025. The decrease in right-of-use assets was primarily due to depreciation during the year. The decrease in trade payables was due mainly to lower inventory purchases towards the end of FY2025 compared to FY2024. The decrease in other creditors, accrued liabilities and provisions was due mainly to lower payroll related expenses accruals. The decrease in lease liabilities was due mainly to regular lease payments.

CONSOLIDATED STATEMENT OF CASH FLOWS

Net cash used in operating activities of US\$11.5 million in FY2025 was due mainly to operating loss for the financial year, decrease in trade payables and other creditors, accrued liabilities and provisions, offset partially by decrease in inventories. Net cash used in operating activities of US\$12.3 million in FY2024 was due mainly to operating loss for the financial year and increase in inventories.

Net cash used in investing activities was US\$1.2 million in FY2025 (FY2024: not material) due mainly to purchase of financial assets at FVOCI.

Net cash used in financing activities of US\$1.4 million in FY2025 (FY2024: US\$1.5 million) was due mainly to repayment of lease and interest on lease liabilities.

15. VARIANCE FROM PROSPECT STATEMENT

The Company has provided a financial update on the revenue and operating results for the second half year of FY2025 on 11 July 2025. There is no significant variance in the revenue and operating results of the Group in the second half year of FY2025 as compared to the financial update announced on 11 July 2025.

16. PROSPECTS

The global market environment remains challenging, marked by ongoing changes surrounding U.S. import tariffs on countries all over the world especially with the recent changes in such tariffs for many countries, and potential tariffs on semiconductor chips, as well as the risk of retaliatory measures. These developments may contribute to inflationary pressures and dampen consumer sentiment, although the full impact on the macroeconomic landscape remains difficult to ascertain.

Following the recent restructuring exercise, the Group is now leaner and better positioned with a more streamlined cost structure to manage ongoing external uncertainties. The Board and management remain committed on setting

strategic priorities and building new capabilities, while staying focused on the Group's core competencies to drive long-term, sustainable growth.

While external risks persist, the Group is cautiously optimistic and expects to see a steady improvement in revenue and operating performance in FY2026 and in the first half year of FY2026, supported by operational efficiencies and ongoing strategic initiatives.

17. INTERESTED PERSON TRANSACTIONS

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

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

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

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Sim Li Ern	46	A nephew of Mr. Sim Guan Huat, a Non-Executive Non-Independent Director of the Company, and Mr. Sim Wong Hoo, the late Chairman and CEO of the Company. He is also an Administrator of Mr. Sim Wong Hoo's estate, a substantial shareholder of the Company.	Executive Director with effect from 10 February 2025. Vice President, Sales & Marketing with effect from 10 February 2025. Responsible for leading the sales and marketing function of the Group.	Redesignated from Non-Executive and Non-Independent Director to Executive Director with effect from 10 February 2025.

BY ORDER OF THE BOARD

NG KEH LONG
COMPANY SECRETARY
22 August 2025