CREATIVE TECHNOLOGY LTD

FIRST HALF YEAR ENDED 31 DECEMBER 2025
FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

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UNAUDITED RESULTS FOR THE FIRST HALF YEAR ENDED 31 DECEMBER 2025

CONDENSED INTERIM CONSOLIDATED INCOME STATEMENT

	GROUP		
	Half year ended 31 December		
	2025 US$'000	2024 US$'000	% change + / (-)
Sales, net	34,162	37,384	(9)
Cost of goods sold	(23,985)	(27,159)	(12)
Gross profit	**10,177**	**10,225**	(0)
Expenses:			
Selling, general and administrative	(9,329)	(11,585)	(19)
Research and development	(2,368)	(4,985)	(52)
Total expenses	**(11,697)**	**(16,570)**	(29)
Interest income	179	221	(19)
Other income	7	7	-
Other gains, net	108	96	13
Interest expense on lease liabilities	(29)	(59)	(51)
Loss before income tax	**(1,255)**	**(6,080)**	(79)
Income tax credit (expense)	12	(21)	n.m.
Net loss	**(1,243)**	**(6,101)**	(80)
Attributable to:			
Equity holders of the Company	(1,235)	(6,069)	(80)
Non-controlling interests	(8)	(32)	(75)
Loss per share attributable to equity holders of the Company			
- Basic (US$ per share)	(0.02)	(0.09)	(78)
- Diluted (US$ per share)	(0.02)	(0.09)	(78)

n.m. - not meaningful

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		
	Half year ended 31 December		
	2025 US$'000	2024 US$'000	% change + / (-)
Net loss	(1,243)	(6,101)	(80)
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	126	139	(9)
Total comprehensive loss for the period	(1,117)	(5,962)	(81)
Attributable to:			
Shareholders of the Company	(1,109)	(5,930)	(81)
Non-controlling interests	(8)	(32)	(75)
Total comprehensive loss for the period	(1,117)	(5,962)	(81)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	31 December 2025 US$'000	30 June 2025 US$'000	31 December 2025 US$'000	30 June 2025 US$'000
ASSETS				
Current assets:				
Cash and cash equivalents	32,609	29,839	25,521	23,421
Trade receivables	5,422	4,829	20	9
Amounts due from subsidiaries	-	-	14,579	17,178
Inventories	12,400	16,490	-	8
Other current assets	1,735	1,306	638	183
	52,166	**52,464**	**40,758**	**40,799**
Non-current assets:				
Financial assets at fair value through profit or loss (FVPL)	439	355	-	-
Financial assets at fair value through other comprehensive income (FVOCI)	10,745	10,619	-	-
Amounts due from subsidiaries	-	-	4,189	9,355
Investments in subsidiaries	-	-	15,967	15,667
Property and equipment	33	47	12	23
Right-of-use assets (ROU)	2,506	934	2,317	827
Other non-current assets	31	34	-	-
	13,754	**11,989**	**22,485**	**25,872**
Total assets	**65,920**	**64,453**	**63,243**	**66,671**
LIABILITIES				
Current liabilities:				
Trade payables	4,484	3,734	4	40
Amounts due to subsidiaries	-	-	81	5,148
Other creditors, accrued liabilities and provisions	9,731	8,873	2,826	2,662
Contract liabilities	53	101	-	-
Lease liabilities	568	945	458	863
Current income tax liabilities	-	1	-	-
	14,836	**13,654**	**3,369**	**8,713**
Non-current liabilities:				
Amounts due to subsidiaries	-	-	50,182	50,122
Lease liabilities	1,383	25	1,310	-
Deferred income tax liabilities	9,729	9,660	-	-
	11,112	**9,685**	**51,492**	**50,122**
Total liabilities	**25,948**	**23,339**	**54,861**	**58,835**
NET ASSETS	**39,972**	**41,114**	**8,382**	**7,836**
EQUITY				
Share capital	49,040	49,040	49,040	49,040
Treasury shares	(16,035)	(16,035)	(16,035)	(16,035)
Fair value reserve	2,978	2,852	-	-
Other reserves	42,429	42,454	30,082	30,107
Accumulated losses	(38,811)	(37,576)	(54,705)	(55,276)
	39,601	40,735	8,382	7,836
Non-controlling interests	371	379	-	-
Total equity	**39,972**	**41,114**	**8,382**	**7,836**

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	Half year ended 31 December	
	2025	2024
	US$'000	US$'000
Cash flows from operating activities:		
Net loss	(1,243)	(6,101)
Adjustments for:		
Income tax (credit) expense	(12)	21
Depreciation	518	703
Employee share-based expenses	(25)	292
Loss on property and equipment written-off	-	1
Fair value gain on financial assets at FVPL	(84)	(11)
Gain on disposal of financial assets at FVPL	(119)	-
Currency translation loss (gain)	333	(122)
Interest income	(179)	(221)
Interest expense on lease liabilities	29	59
	(782)	(5,379)
Changes in working capital, net of effects from acquisition and disposal of subsidiaries		
Trade receivables	(593)	(1,985)
Inventories	4,090	2,840
Other assets and receivables	(328)	418
Trade payables	750	(3,200)
Accrued liabilities and provisions	575	280
Contract liabilities	(48)	-
Cash provided by (used in) operations	3,664	(7,026)
Interest received	200	240
Income tax refunded	70	14
Net cash provided by (used in) operating activities	**3,934**	**(6,772)**
Cash flows from investing activities:		
Purchase of property and equipment	(10)	(20)
Purchase of financial assets at FVOCI	-	(1,403)
Net cash used in investing activities	**(10)**	**(1,423)**
Cash flows from financing activities:		
Principal payment of lease liabilities	(799)	(856)
Interest paid on lease liabilities	(29)	(59)
Net cash used in financing activities	**(828)**	**(915)**
Net increase (decrease) in cash and cash equivalents	**3,096**	**(9,110)**
Cash and cash equivalents at beginning of financial year	29,839	42,122
Effects of currency translation on cash and cash equivalents	(326)	(88)
Cash and cash equivalents at end of the period	**32,609**	**32,924**

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	Accumulated Losses US$'000	Total US$'000	Non-controlling Interests US$'000	Total Equity US$'000
FY2026								
Balance at 1 July 2025	49,040	(16,035)	2,852	42,454	(37,576)	40,735	379	41,114
Loss for the period	-	-	-	-	(1,235)	(1,235)	(8)	(1,243)
Other comprehensive income for the period	-	-	126	-	-	126	-	126
Total comprehensive income (loss) for the period	-	-	126	-	(1,235)	(1,109)	(8)	(1,117)
Employee share-based expense	-	-	-	(25)	-	(25)	-	(25)
Total transactions with owners, recognised directly in equity	-	-	-	(25)	-	(25)	-	(25)
Balance at 31 December 2025	**49,040**	**(16,035)**	**2,978**	**42,429**	**(38,811)**	**39,601**	**371**	**39,972**
FY2025								
Balance at 1 July 2024	49,040	(16,035)	1,924	42,247	(27,132)	50,044	393	50,437
Loss for the period	-	-	-	-	(6,069)	(6,069)	(32)	(6,101)
Other comprehensive income for the period	-	-	139	-	-	139	-	139
Total comprehensive loss for the period	-	-	139	-	(6,069)	(5,930)	(32)	(5,962)
Employee share-based expense	-	-	-	292	-	292	-	292
Total transactions with owners, recognised directly in equity	-	-	-	292	-	292	-	292
Balance at 31 December 2024	**49,040**	**(16,035)**	**2,063**	**42,539**	**(33,201)**	**44,406**	**361**	**44,767**

Statements of Changes in Equity of the Company

	Share Capital US$'000	Treasury Shares US$'000	Other Reserves US$'000	Accumulated Losses US$'000	Total Equity US$'000
FY2026					
Balance at 1 July 2025	49,040	(16,035)	30,107	(55,276)	7,836
Total comprehensive income for the period	-	-	-	571	571
Employee share-based expense	-	-	(25)	-	(25)
Balance at 31 December 2025	**49,040**	**(16,035)**	**30,082**	**(54,705)**	**8,382**
FY2025					
Balance at 1 July 2024	49,040	(16,035)	29,900	(50,070)	12,835
Total comprehensive loss for the period	-	-	-	(616)	(616)
Employee share-based expense	-	-	292	-	292
Balance at 31 December 2024	**49,040**	**(16,035)**	**30,192**	**(50,686)**	**12,511**

CHANGES IN THE COMPANY'S SHARE CAPITAL

Issued and paid up capital

As at 31 December 2025, the Company's issued and paid up capital excluding treasury shares comprises 70,396,649 (30 June 2025: 70,396,649) ordinary shares.

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

Employee share options plan

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

As at 31 December 2025, there were 2,422,000 unissued ordinary shares under the options granted to eligible employees and directors (31 December 2024: 4,065,000).

Treasury shares

As at 31 December 2025, the Company held 4,603,351 (31 December 2024: 4,603,351) treasury shares against 70,396,649 (31 December 2024: 70,396,649) issued ordinary shares excluding treasury shares.

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

	Half year ended 31 December	
	2025	**2024**
Balance at beginning of period	4,603,351	4,603,351
Issued for employee share options plan	-	-
Balance at end of period	4,603,351	4,603,351

SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The condensed interim financial statements for the six months ended 31 December 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 annual financial statements for the year ended 30 June 2025.

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

2. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after accounting for:

	GROUP	
	Six months ended 31 December	
	2025	2024
	US$'000	US$'000
Grant income	7	7
(Write-off/write-down) write-back for inventory obsolescence	(248)	569
Depreciation	(518)	(703)
Fair value gain on financial assets at FVPL	84	11
Gain on disposal of financial assets at FVPL	119	-
Foreign exchange loss	(360)	(27)

3. INCOME TAX

Tax expense attributable to profit is made up of:

	GROUP	
	Six months ended 31 December	
	2025	2024
	US$'000	US$'000
Current income tax	71	34
Deferred income tax - under provision in prior financial years	(59)	(55)
	12	(21)

4. DIVIDENDS

No dividends were recommended in the first half year of FY2026 and no dividends were recommended or declared for the same period last year.

5. NET ASSETS VALUE

	GROUP		COMPANY	
	31 December 2025 US$	30 June 2025 US$	31 December 2025 US$	30 June 2025 US$
Net asset value per ordinary share	0.57	0.58	0.12	0.11

6. 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				
31 December 2025				
Financial assets at FVPL	-	-	439	439
Financial assets at FVOCI	2,203	8,442	100	10,745
	2,203	8,442	539	11,184
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

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.

7. FINANCIAL INSTRUMENTS BY CATEGORY

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

	GROUP	
	31 December 2025 US$'000	30 June 2025 US$'000
Financial assets, at FVPL	439	355
Financial assets, at FVOCI	10,745	10,619
Financial assets, at amortised cost	39,155	35,355
Financial liabilities, at amortised cost	14,929	12,441

8. GROUP BORROWINGS

	GROUP	
	31 December 2025 US$'000	30 June 2025 US$'000
Amount repayable:		
In one year or less, or on demand		
Secured	568	945
Unsecured	-	-
	568	945
After one year		
Secured	1,383	25
Unsecured	-	-
	1,383	25
Total	1,951	970

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

9. 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				
31 December 2025				
Beginning and end of period	75,000	(4,603)	49,040	(16,035)
30 June 2025				
Beginning and end of period	75,000	(4,603)	49,040	(16,035)

10. SEGMENTAL REPORTING

	ASIA PACIFIC US$'000	THE AMERICAS US$'000	EUROPE US$'000	TOTAL US$'000
GROUP				
1 July 2025 to 31 December 2025				
Sales	10,703	9,480	13,979	34,162
(Loss) profit after total expenses	(4,931)	1,479	1,932	(1,520)
Interest income	179	-	-	179
Other income	7	-	-	7
Other gains (losses), net	154	(5)	(41)	108
Interest expense on lease liabilities	(28)	(1)	-	(29)
(Loss) profit before income tax	(4,619)	1,473	1,891	(1,255)
Income tax (expense) credit	-	(5)	17	12
Net (loss) profit	(4,619)	1,468	1,908	(1,243)
Other segment items				
Additions to property and equipment	10	-	-	10
Additions to ROU assets	1,976	-	-	1,976
Depreciation	(511)	(7)	-	(518)
Fair value gain on financial assets at FVPL	84	-	-	84
Segment assets	51,396	5,431	9,093	65,920
Segment liabilities	11,409	1,104	13,435	25,948

	ASIA PACIFIC US$'000	THE AMERICAS US$'000	EUROPE US$'000	TOTAL US$'000
GROUP				
1 July 2024 to 31 December 2024				
Sales	13,447	9,646	14,291	37,384
(Loss) profit after total expenses	(8,135)	729	1,061	(6,345)
Interest income	220	1	-	221
Other income	7	-	-	7
Other gains (losses), net	203	(11)	(96)	96
Interest expense on lease liabilities	(58)	-	(1)	(59)
(Loss) profit before income tax	(7,763)	719	964	(6,080)
Income tax expense	-	(6)	(15)	(21)
Net (loss) profit	(7,763)	713	949	(6,101)
Other segment items				
Additions to property and equipment	19	1	-	20
Depreciation	(663)	(14)	(26)	(703)
Fair value gain on financial assets at FVPL	11	-	-	11
Segment assets	52,288	7,209	11,080	70,577
Segment liabilities	12,542	1,308	11,960	25,810

Summary of net sales by country:

	GROUP	
	31 December 2025 US$'000	**31 December 2024 US$'000**
Singapore	6,762	9,659
United States of America	9,480	9,646
Ireland	13,979	14,291
Other countries	3,941	3,788
	34,162	37,384

Summary of net sales by product category:

	GROUP	
	31 December 2025 US$'000	**31 December 2024 US$'000**
Audio, speakers and headphones	31,516	35,034
Personal digital entertainment	2,646	2,349
Other products	-	1
	34,162	37,384

Summary of property and equipment by country:

	GROUP	
	31 December 2025 US$'000	**31 December 2024 US$'000**
Singapore	30	64
United States of America	1	1
Other countries	2	3
	33	68

Summary of ROU assets by country:

	GROUP	
	31 December 2025 US$'000	**31 December 2024 US$'000**
Singapore	2,317	1,241
Other countries	189	207
	2,506	1,448

11. EVENTS OCCURRING AFTER BALANCE SHEET DATE

The Group completed the divestment of certain assets and equity participation in a newly incorporated entity, Zeica Labs Pte Ltd ("Zeica") in January 2026. For accounting purpose, Zeica being an associated company, the Group will recognise gain on divestment of assets based on the net assets value of Zeica at the transaction completion date. In the second half year of FY2026, the Group expects to recognise a gain on divestment of assets of about US$0.9 million in the income statement.

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 the first half year of FY2026 decreased by 9% compared to the first half year of FY2025 due mainly to the impact of trade and geo-political tensions and the strategic efforts taken by the Group to streamline its products offerings and focus on improving gross profit margin.

Gross Profit

Gross profit margin for the first half year of FY2026 was 30% compared to 27% in the same period of FY2025. The improvement in the first half year of FY2026 was due to favorable product mix with focused sales of higher margin products. Gross profit margin in the first half year of FY2025 was adversely affected by price reduction for certain of the Group's products, US$0.1 million employee severance charges and a higher proportion of retail sales which typically yields a lower margin compared to online sales.

Net Loss

Net loss for the first half year of FY2026 has reduced to US$1.2 million, compared to US$6.1 million in the first half year of FY2025. Net loss for the first half year of FY2026 was mainly attributable to lower payroll and related expenses following the restructuring exercise undertaken in FY2025, which resulted in a more streamlined and efficient cost structure. Net loss for the first half year of FY2026 includes interest income of US$0.2 million and other gains (net) of US$0.1 million. Net loss for the first half year of FY2025 includes employee severance charges of US$0.9 million, interest income of US$0.2 million and other gains (net) of US$0.1 million.

Selling, general and administrative expenses in the first half year of FY2026 decreased by 19% compared to the first half year of FY2025. The decrease was due mainly to lower payroll and related expenses in line with the lower headcounts after the restructuring exercise in FY2025.

Research and development expenses in the first half year of FY2026 decreased by 52% compared to the first half year of FY2025. The decrease was due mainly to lower payroll and related expenses in line with the lower headcounts after the restructuring exercise in FY2025 to optimise research and development focus.

Other gains (net) of US$0.1 million for the first half year of FY2026 include gain on sale of intellectual property assets of US$0.2 million, fair value gain and gain on disposal of financial assets at FVPL of US$0.2 million, offset partially by foreign exchange loss. Other gains (net) for the first half year of FY2025 comprised individually immaterial items that collectively amounted to US$0.1 million.

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

BALANCE SHEETS

The increase in cash and cash equivalents was due mainly to net cash provided by operating activities (see below). The increase in trade receivables and decrease in inventories was due mainly to higher level of sales towards the end of the first half year of FY2026 and greater focus on inventory optimisation initiatives to improve inventory turnover. The increase in other current assets was due mainly to rental deposit paid in connection with a new office lease capitalised as right-of-use assets and renovation deposit relating to the said new office premises. The increase in right-of-use assets was primarily attributable to the new office lease. The Company expects to relocate to the new premises in the last quarter of FY2026. The increase in trade payables was due mainly to purchases towards the end of the first half year of FY2026. The increase in other creditors, accrued liabilities and provisions was due mainly to marketing-related expenses provisions. The increase in lease liabilities was due mainly to the new office lease.

CONSOLIDATED STATEMENT OF CASH FLOWS

Positive net cash provided by operating activities of US$3.9 million in the first half year of FY2026 was due mainly to a decrease in inventory, which was offset partially by the operating loss for the period. Net cash used in operating activities of US$6.8 million in the first half year of FY2025 was due mainly to the operating loss for the period, increases in trade receivables and decreases in trade payables, offset partially by decreases in inventories in each period.

Net cash used in investing activities in the first half year of FY2026 was not material (first half year of FY2025: US$1.4 million).

Net cash used in financing activities of US$0.8 million in the first half year of FY2026 (first half year of FY2025: US$0.9 million) was due mainly to payment of lease and interest on lease liabilities.

15. VARIANCE FROM PROSPECT STATEMENT

There is no significant variance in operating performance of the Group from the previous prospect statement.

16. PROSPECTS

Market conditions for the Group's products remain challenging with the adverse macroeconomic environment arising from the uncertain U.S. trade policies and on-going geopolitical tensions that led to cautious consumer demand.

For the next half year, revenue is expected to be lower, in line with the Group's historical seasonal sales trend. The Group expects to report an operating loss for the period.

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).

BY ORDER OF THE BOARD

NG KEH LONG
COMPANY SECRETARY
12 February 2026

CONFIRMATION BY THE BOARD

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 31 December 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

_____	_____
Sim Li Ern	Lai Su Fang Cynthia
Chairman	Director