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**Design Capital Limited**  
**設計都會有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1545)**

**ANNOUNCEMENT OF INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025**

<b>FINANCIAL HIGHLIGHTS</b>			
	<b>For the six months ended</b>		
	<b>30 June 2025</b>	30 June 2024	<b>Change</b>
	<i>S\$'000</i>	<i>S\$'000</i>	<i>%</i>
Revenue	<b>23,202</b>	31,459	-26.2%
Gross profit	<b>7,332</b>	9,180	-20.1%
(Loss)/profit for the period	<b>(2,263)</b>	239	N.M.*
(Loss)/earnings per share attributable to Shareholders of the Company (cents)	<b>(0.12)</b>	0.01	N.M.*

\* *Not Meaningful*

The board of directors (the “**Board**” or “**Directors**” and each a “**Director**”) of Design Capital Limited (the “**Company**”, “**we**”, “**us**” or “**our**”) hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the six months ended 30 June 2025, together with the comparative figures for the corresponding period in 2024, as follows:

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**

*For the six months ended 30 June 2025*

	<i>Notes</i>	<b>Six months ended 30 June</b>	
		<b>2025</b> <b>(unaudited)</b> <i>S\$'000</i>	<b>2024</b> <b>(unaudited)</b> <i>S\$'000</i>
<b>REVENUE</b>	6	<b>23,202</b>	31,459
Cost of sales		<u><b>(15,870)</b></u>	<u>(22,279)</u>
Gross profit		<b>7,332</b>	9,180
Other income and gain, net		<b>694</b>	930
Selling and distribution expenses		<b>(5,353)</b>	(5,919)
Administrative expenses		<b>(4,607)</b>	(3,427)
Finance costs		<u><b>(292)</b></u>	<u>(380)</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>	7	<b>(2,226)</b>	384
Income tax	8	<u><b>(37)</b></u>	<u>(145)</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<u><u><b>(2,263)</b></u></u>	<u><u>239</u></u>

	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>(unaudited)</b>	(unaudited)
<i>Notes</i>	<b>S\$'000</b>	S\$'000
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>		
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	<u>(1,865)</u>	<u>872</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD, NET OF INCOME TAX</b>	<u>(1,865)</u>	<u>872</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD</b>	<u><u>(4,128)</u></u>	<u><u>1,111</u></u>
(Loss)/profit for the period attributable to:		
Shareholders of the Company	(2,401)	253
Non-controlling interests	<u>138</u>	<u>(14)</u>
	<u><u>(2,263)</u></u>	<u><u>239</u></u>
Total comprehensive (loss)/income for the period attributable to:		
Shareholders of the Company	(4,181)	1,085
Non-controlling interests	<u>53</u>	<u>26</u>
	<u><u>(4,128)</u></u>	<u><u>1,111</u></u>
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>		
	<i>10</i>	
Basic and diluted ( <i>cents</i> )	<u><u>(0.12)</u></u>	<u><u>0.01</u></u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		<b>30 June</b>	31 December
		<b>2025</b>	2024
		<b>(unaudited)</b>	(audited)
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	<b>2,069</b>	2,695
Right-of-use assets	<i>12</i>	<b>8,629</b>	9,892
Deposits		<b>480</b>	508
		<hr/>	<hr/>
Total non-current assets		<b>11,178</b>	13,095
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories	<i>13</i>	<b>24,840</b>	29,080
Contract assets		<b>302</b>	494
Trade receivables	<i>14</i>	<b>4,842</b>	5,543
Prepayments, deposits and other receivables		<b>2,220</b>	1,597
Income tax recoverable		<b>33</b>	–
Cash and cash equivalents	<i>15</i>	<b>30,552</b>	31,679
		<hr/>	<hr/>
Total current assets		<b>62,789</b>	68,393
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Contract liabilities		<b>5,448</b>	4,175
Trade payables	<i>16</i>	<b>1,609</b>	3,080
Other payables and accruals	<i>17</i>	<b>3,011</b>	4,593
Borrowings		<b>39</b>	38
Lease liabilities		<b>2,710</b>	3,069
Income tax payables		<b>–</b>	127
		<hr/>	<hr/>
Total current liabilities		<b>12,817</b>	15,082
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>49,972</b>	53,311
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>61,150</b>	66,406
		<hr/>	<hr/>

		<b>30 June</b>	31 December
		<b>2025</b>	2024
		<b>(unaudited)</b>	(audited)
	<i>Notes</i>	<i>S\$'000</i>	<i>S\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		<b>12</b>	32
Provision for reinstatement costs		<b>744</b>	750
Lease liabilities		<b>8,345</b>	9,447
Deferred tax liabilities		<b>25</b>	25
		<hr/>	<hr/>
Total non-current liabilities		<b>9,126</b>	10,254
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>52,024</b>	56,152
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	18	<b>3,453</b>	3,453
Share premium		<b>8,656</b>	8,656
Reserves		<b>37,470</b>	41,651
		<hr/>	<hr/>
		<b>49,579</b>	53,760
Non-controlling interests		<b>2,445</b>	2,392
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>52,024</b>	56,152
		<hr/> <hr/>	<hr/> <hr/>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the six months ended 30 June 2025*

### 1. CORPORATE INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands on 29 March 2018. The registered office of the Company is located at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The Group is principally engaged in (i) interior design, (ii) furniture sales which include both furniture sales and project sales, and (iii) U.S. furniture sales.

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

#### **Basis of preparation**

The interim condensed consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2024.

The unaudited interim condensed consolidated financial statements are presented in Singapore dollars (“**SGD**” or “**S\$**”) and all values are rounded to the nearest thousand (“**S\$’000**”), unless otherwise stated.

#### **New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The amendments and interpretations apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Group.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

In preparing these unaudited interim condensed consolidated financial statements, the significant judgements made by the management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2024.

#### **4. FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to credit risk, foreign currency risk, liquidity risk and capital risk.

The unaudited interim condensed consolidated financial statements do not include all the financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2024.

There have been no changes in the financial risk management policies of the Group since the financial year ended 31 December 2024.

#### **5. SEGMENT INFORMATION**

Management has determined the operating segments based on the reports reviewed by the executive directors that are used to make strategic decisions, allocate resources, and assess performance. For management purposes, the Group is organised into business units based on their products and services and has four reportable operating segments as follows:

- (a) the "interior design" business, which provides interior design and fitting-out services for homes, offices and commercial projects, supplies and installs custom-made furniture;
- (b) the "furniture sales" business, which includes both furniture sales and project sales, operates furniture retail shops in Singapore and supplies furniture to individuals and corporate customers;
- (c) the "U.S. furniture sales" business, which represents online sales of furniture in the U.S. market; and
- (d) the "corporate" operations, which comprise the corporate services and investment holding activities of the Group.

The revenue from external parties reported to the executive directors is measured in a manner consistent with that in the interim condensed consolidated statement of profit or loss and other comprehensive income.

Segment performance is evaluated based on reportable segment results, which is measured consistently with the Group's (loss)/profit before tax.

Segment assets and liabilities are measured in a manner consistent with those of the interim condensed consolidated financial statements.

Intersegment sales and transfers are transacted at prices mutually agreed by the relevant parties.

Six months ended 30 June 2025	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	Corporate S\$'000	Total S\$'000
<b>Segment revenue:</b>					
Segment revenue	2,386	5,763	15,100	39	23,288
Less: Inter-segment sales	—	(47)	—	(39)	(86)
	<u>2,386</u>	<u>5,716</u>	<u>15,100</u>	<u>—</u>	<u>23,202</u>
Sales to external customers					
	<u>2,386</u>	<u>5,716</u>	<u>15,100</u>	<u>—</u>	<u>23,202</u>
<b>Segment results</b>	<u>656</u>	<u>(1,397)</u>	<u>(19)</u>	<u>(1,466)</u>	<u>(2,226)</u>
<b>Segment assets</b>	<u>2,877</u>	<u>21,231</u>	<u>36,627</u>	<u>13,232</u>	<u>73,967</u>
<b>Segment liabilities</b>	<u>686</u>	<u>9,687</u>	<u>10,896</u>	<u>674</u>	<u>21,943</u>
<b>Other segment information:</b>					
Interest income	(21)	(71)	(150)	(294)	(536)
Finance costs**	1	56	233	2	292
Depreciation	9	375	127	69	580
Provision for write-down of inventories to net realisable value, net	—	425	—	—	425
Provision for expected credit losses of trade receivables, net	—	111	—	—	111
Capital expenditure*	—	8	3	—	11
	<u>—</u>	<u>8</u>	<u>3</u>	<u>—</u>	<u>11</u>

Six months ended 30 June 2024	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	Corporate S\$'000	Total S\$'000
<b>Segment revenue:</b>					
Segment revenue	1,476	8,048	22,031	–	31,555
Less: Inter-segment sales	–	(96)	–	–	(96)
	<u>1,476</u>	<u>7,952</u>	<u>22,031</u>	<u>–</u>	<u>31,459</u>
<b>Segment results</b>	<u>17</u>	<u>(182)</u>	<u>839</u>	<u>(290)</u>	<u>384</u>
<b>Other segment information:</b>					
Interest income	(50)	(87)	(93)	(334)	(564)
Finance costs**	1	109	268	2	380
Depreciation	9	279	130	72	490
(Reversal of provision)/provision for write-down of inventories to net realisable value, net	(8)	139	–	–	131
Reversal of provision for expected credit losses of trade receivables, net	(69)	(101)	(3)	–	(173)
Provision for expected credit losses of other receivables, net	–	20	–	–	20
Write-off of property, plant and equipment	–	2	–	–	2
Gain on disposal of property, plant and equipment	–	(82)	–	–	(82)
Capital expenditure*	<u>2</u>	<u>1,377</u>	<u>46</u>	<u>–</u>	<u>1,425</u>

\* Capital expenditure consists of additions of property, plant and equipment.

\*\* Finance costs include the interest on lease liabilities.

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2024:

	Interior design <i>S\$'000</i>	Furniture sales <i>S\$'000</i>	U.S. furniture sales <i>S\$'000</i>	Corporate <i>S\$'000</i>	Total <i>S\$'000</i>
<b>Segment assets</b>	<u>2,756</u>	<u>21,712</u>	<u>42,134</u>	<u>14,886</u>	<u>81,488</u>
<b>Segment liabilities</b>	<u>1,023</u>	<u>9,066</u>	<u>14,382</u>	<u>865</u>	<u>25,336</u>

#### **Geographical information**

The Group's operating segments operate in two main geographical areas:

- (i) Singapore — The operations in this area are principally interior design and furniture sales which include both furniture sales and project sales.
- (ii) U.S. — The operations in this area are principally U.S. furniture sales.

#### **Non-current assets**

	<b>30 June 2025 <i>S\$'000</i></b>	31 December 2024 <i>S\$'000</i>
Singapore	<b>3,758</b>	4,485
U.S.	<b>6,940</b>	8,102
	<u><b>10,698</b></u>	<u>12,587</u>

The non-current assets information above is based on the location of the assets, excluding financial assets.

## 6. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts, net of goods and services tax; and the value of services rendered, net of goods and services tax.

### Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

Segments	Six months ended 30 June 2025			Total S\$'000
	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	
<b>Type of goods or service</b>				
Sale of goods	–	5,716	15,100	20,816
Service income — interior design	2,386	–	–	2,386
Total revenue from contracts with customers	<u>2,386</u>	<u>5,716</u>	<u>15,100</u>	<u>23,202</u>
<b>Geographical markets</b>				
Singapore	2,386	5,716	–	8,102
U.S.	–	–	15,100	15,100
Total revenue from contracts with customers	<u>2,386</u>	<u>5,716</u>	<u>15,100</u>	<u>23,202</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	–	3,697	15,100	18,797
Goods and services transferred over time	2,386	2,019	–	4,405
Total revenue from contracts with customers	<u>2,386</u>	<u>5,716</u>	<u>15,100</u>	<u>23,202</u>

Six months ended 30 June 2024

Segments	Interior design <i>S\$'000</i>	Furniture sales <i>S\$'000</i>	U.S. furniture sales <i>S\$'000</i>	Total <i>S\$'000</i>
<b>Type of goods or service</b>				
Sale of goods	–	7,952	22,031	29,983
Service income — interior design	1,476	–	–	1,476
Total revenue from contracts with customers	<u>1,476</u>	<u>7,952</u>	<u>22,031</u>	<u>31,459</u>
<b>Geographical markets</b>				
Singapore	1,476	7,952	–	9,428
U.S.	–	–	22,031	22,031
Total revenue from contracts with customers	<u>1,476</u>	<u>7,952</u>	<u>22,031</u>	<u>31,459</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	–	4,717	22,031	26,748
Goods and services transferred over time	1,476	3,235	–	4,711
Total revenue from contracts with customers	<u>1,476</u>	<u>7,952</u>	<u>22,031</u>	<u>31,459</u>

## 7. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging/(crediting):

	Six months ended 30 June	
	2025 S\$'000	2024 S\$'000
Cost of goods sold	14,826	21,496
Cost of services provided	1,044	783
Depreciation	580	490
Amortisation of right-of-use assets	1,608	1,728
Expense relating to short-term leases	16	7
Variable lease payments	1,040	1,337
	<u>          </u>	<u>          </u>
Employee benefit expense (excluding directors' fees):		
Salaries, allowances, benefits in kind and other costs	3,086	3,334
Mandatory national pension schemes	351	390
	<u>          </u>	<u>          </u>
	3,437	3,724
	<u>          </u>	<u>          </u>
Write-off of property, plant and equipment	–	2
Gain on disposal of property, plant and equipment	–	(82)
Provision for write-down of inventories to net realisable value, net	425	131
Provision/(reversal of provision) for expected credit losses of trade receivables, net	111	(173)
Provision for expected credit losses of other receivables, net	–	20
Foreign exchange differences, net	732	(339)
	<u>          </u>	<u>          </u>

## 8. INCOME TAX

The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six months ended 30 June	
	2025 S\$'000	2024 S\$'000
Current — Singapore:		
Charge for the period	74	145
Over-provision in respect of prior years	(37)	–
	<u>          </u>	<u>          </u>
	37	145
	<u>          </u>	<u>          </u>

## 9. DIVIDEND

The Board resolved not to declare any interim dividend for the period ended 30 June 2025 (30 June 2024: Nil).

## 10. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic (loss)/earnings per share amounts is based on the (loss)/profit for the period attributable to shareholders of the Company of a loss of S\$2,401,000 (30 June 2024: profit of S\$253,000), and the weighted average number of ordinary shares in issue of 2,000,000,000 (30 June 2024: 2,000,000,000) during the period.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the period ended 30 June 2025 and 2024 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during each of these period.

## 11. PROPERTY, PLANT AND EQUIPMENT

### Additions, disposals and write-offs

During the six months ended 30 June 2025, the Group acquired assets with a cost of approximately S\$11,000 (30 June 2024: approximately S\$1,425,000).

There were no assets disposed by the Group during the six months ended 30 June 2025 (30 June 2024: assets with a net book value of Nil were disposed by the Group for an amount of approximately S\$82,000, resulting in a net gain on disposal of approximately S\$82,000).

There were no assets written-off by the Group during the six months ended 30 June 2025 (30 June 2024: approximately S\$2,000).

## 12. RIGHT-OF-USE ASSETS

### Additions

During the six months ended 30 June 2025, the Group entered into new leases and recognised right-of-use assets and lease liabilities of approximately S\$0.8 million and approximately S\$0.8 million respectively (30 June 2024: approximately S\$1.0 million and approximately S\$1.0 million respectively). The weighted average incremental borrowing rates used range from 5.25% to 7.00% (30 June 2024: 5.25% to 7.00%).

## 13. INVENTORIES

	<b>30 June 2025 S\$'000</b>	31 December 2024 S\$'000
Group		
Merchandised goods	<b>23,032</b>	25,226
Goods in transit	<b>1,808</b>	3,854
	<b>24,840</b>	29,080

## 14. TRADE RECEIVABLES

	<b>30 June</b>	31 December
Group	<b>2025</b>	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Trade receivables	<b>5,188</b>	5,784
Provision for expected credit losses ( <i>Note (c)</i> )	<b>(346)</b>	(241)
	<u><b>4,842</b></u>	<u>5,543</u>

### *Notes:*

- (a) For the U.S. furniture sales segment, the credit terms granted to customers generally range from 30 to 60 days.

For the project sales under the furniture sales segment, and the interior design segment, invoices are payable on presentation. Upfront deposits will be collected prior to the delivery of furniture or the commencement of work for both furniture sales and interior design segments.

For furniture sales under the furniture sales segment, the sales term is cash on delivery.

The Group seeks to maintain strict control over all its outstanding receivables and has a credit control in place to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances, and these balances are non-interest bearing.

- (b) An ageing analysis of the trade receivables as at the end of each of the reporting period/year, based on the invoice date and net of provision for expected credit losses, is as follows:

	<b>30 June</b>	31 December
Group	<b>2025</b>	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Within 1 month	<b>3,473</b>	3,884
1 to 2 months	<b>934</b>	1,276
2 to 3 months	<b>330</b>	92
Over 3 months	<b>105</b>	291
	<u><b>4,842</b></u>	<u>5,543</u>

- (c) The movements in the Group's provision for expected credit losses of trade receivables during the reporting period/year are as follows:

	<b>30 June</b>	31 December
Group	<b>2025</b>	2024
	<i>S\$'000</i>	<i>S\$'000</i>
At beginning of year	<b>241</b>	559
Provision/(reversal of provision) for expected credit losses	<b>111</b>	(185)
Amount written off as uncollectible	<b>(6)</b>	(133)
	<u><b>346</b></u>	<u>241</u>
At end of period/year	<u><b>346</b></u>	<u>241</u>

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2024 and 30 June 2025 are 40.73% and 76.84% respectively for those balances that have been past due for more than 3 months.

## 15. CASH AND CASH EQUIVALENTS

	<b>30 June</b>	31 December
Group	<b>2025</b>	2024
	<i>S\$'000</i>	<i>S\$'000</i>
Cash and bank balances other than time deposits	<b>28,243</b>	31,079
Time deposits	<b>2,309</b>	600
	<u><b>30,552</b></u>	<u>31,679</u>
Cash and cash equivalents	<u><b>30,552</b></u>	<u>31,679</u>

Cash at banks earn interests at floating rates based on daily bank deposit rates. Time deposits are made for varying periods of more than 3 months to 12 months, depending on the immediate cash requirements of the Group, and earn interests at the respective time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

## 16. TRADE PAYABLES

The Group's trade payables are unsecured, non-interest bearing, and are normally settled on average terms of 30 to 60 days.

An ageing analysis of the trade payables as at the end of each of the reporting period/year, based on the invoice date, is as follows:

Group	<b>30 June 2025 S\$'000</b>	31 December 2024 S\$'000
Within 1 month	<b>955</b>	2,288
1 to 2 months	<b>284</b>	328
2 to 3 months	<b>35</b>	104
Over 3 months	<b>335</b>	360
	<hr/>	<hr/>
	<b>1,609</b>	3,080
	<hr/> <hr/>	<hr/> <hr/>

## 17. OTHER PAYABLES AND ACCRUALS

Group	<b>30 June 2025 S\$'000</b>	31 December 2024 S\$'000
Accruals	<b>2,109</b>	3,421
Estimate of sales returns from customers	<b>463</b>	740
Other payables	<b>439</b>	432
	<hr/>	<hr/>
	<b>3,011</b>	4,593
	<hr/> <hr/>	<hr/> <hr/>

## 18. SHARE CAPITAL

	<b>30 June 2025</b>	31 December 2024
	<i>HK\$'000</i>	<i>HK\$'000</i>
Authorised:		
10,000,000,000 (31 December 2024: 10,000,000,000) ordinary shares of HK\$0.01 each	<u><b>100,000</b></u>	<u>100,000</u>
	<b>30 June 2025</b>	31 December 2024
	<i>S\$'000</i>	<i>S\$'000</i>
Issued and fully paid:		
2,000,000,000 (31 December 2024: 2,000,000,000) ordinary shares of HK\$0.01 each	<u><b>3,453</b></u>	<u>3,453</u>

A summary of movements in the Company's issued capital and share premium account from 1 January 2024 to 30 June 2025 is as follows:

	<b>Number of shares in issue</b>	<b>Issued capital</b>	<b>Share premium account</b>	<b>Total</b>
		<i>S\$'000</i>	<i>S\$'000</i>	<i>S\$'000</i>
As at 1 January 2024	2,000,000,000	3,453	9,977	13,430
Final dividend*	<u>–</u>	<u>–</u>	<u>(1,321)</u>	<u>(1,321)</u>
<b>As at 31 December 2024, 1 January 2025 and 30 June 2025</b>	<u><b>2,000,000,000</b></u>	<u><b>3,453</b></u>	<u><b>8,656</b></u>	<u><b>12,109</b></u>

\* On 27 March 2024, the Board recommended the payment of a final dividend of HK0.38 cents per Share (the “**2023 Final Dividend**”) for the year ended 31 December 2023. Shareholders approval for the 2023 Final Dividend was obtained on 20 June 2024. The 2023 Final Dividend was paid entirely out of the share premium account pursuant to the Articles of Association of the Company and in accordance with the Companies Act of the Cayman Islands.

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

Headquartered in Singapore, Design Capital Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) is a longstanding furniture seller on third-party e-commerce platforms in the United States (the “**U.S.**”), a mid-to-high-end furniture retailer in Singapore and an integrated home design solutions provider mainly in Singapore. For the six months ended 30 June 2025, our revenue amounted to approximately S\$23.2 million, representing a decrease of approximately S\$8.3 million or 26.2% from approximately S\$31.5 million for the six months ended 30 June 2024. This decrease was mainly attributable to the decrease in revenue from both the Group’s U.S. furniture sales segment and furniture sales segment, which was partially offset by the increase in revenue from the Group’s interior design segment. Notwithstanding the decrease in revenue, the Group was able to achieve a gross profit margin of approximately 31.6% for the six months ended 30 June 2025, as compared to approximately 29.2% for the six months ended 30 June 2024. The Group maintains a healthy financial and cash position to enable it to tide over this challenging period of time and allow the Group to seek new business activities that will benefit its shareholders.

The Chairman’s statement contained in the FY2024 annual report of the Company had also highlighted the challenges affecting the Group, such as the changes in U.S. global trade policies, geopolitical tensions, and the effect of new tariffs on inflation that cause uncertainties in the global economy together with prolonged high interest rates, which have continued to affect consumer spending and demand for furniture in the U.S. and Singapore.

#### U.S. Furniture Sales

We have been sourcing quality furniture pieces which are trendy and easy-to-assemble for marketing and selling under our brands “Target Marketing Systems”, “TMS”, “Simple Living” and “Lifestorey” in the U.S. since 2005. These products are sold at affordable prices in the U.S.. Our customers include major e-commerce sales platforms in the U.S. who in turn sell products to end consumers. During the six months ended 30 June 2025, revenue for this segment decreased from approximately S\$22.0 million for the six months ended 30 June 2024 to approximately S\$15.1 million. The decrease was mainly attributable to lower housing transaction turnover in the U.S. as interest rates remain high and consumers continue prioritising staples over discretionary items such as furniture, as well as a slowdown in orders from one of the key customers due to a shift in their market focus.

## **Furniture Sales**

As at the date of this announcement, we operate five points of sale in Singapore, of which one is under the brand “Minotti by Marquis”, one is under the brand “Marquis”, one is under the brand “Fendi Casa Singapore” and two are under the brand “Lifestorey”, offering furniture pieces with different styles to cater for the preferences of different customers in the market. The revenue from this segment decreased by 28.1% from approximately S\$8.0 million for the six months ended 30 June 2024 to approximately S\$5.7 million for the six months ended 30 June 2025. The decrease was mainly attributable to a slowdown in the high-end residential market segment and a general business and economic slowdown affecting local consumer sentiments. Despite that, we will continue to focus on our strengths in curating existing brands and new products and expand our range of selection to provide our customers with unique designs and solutions. With this core strength, we will work towards achieving better performance in the second half of the 2025 financial year (“FY2025”).

## **Interior Design**

We started in 1981 as an interior design solutions provider which is currently marketed under the brand “SuMisura”. We have developed strong interior design and furniture sourcing capabilities. By focusing on design solutions and home furnishing ideas, and leveraging on our designer team’s acute sense of aesthetics, our work has been well received by property developers and homeowners. Revenue for this segment increased by 61.7% from approximately S\$1.5 million for the six months ended 30 June 2024 to approximately S\$2.4 million for the six months ended 30 June 2025 as a result of an increase in the number of projects awarded to us in Singapore as well as overseas consultancy projects.

## **PROSPECTS**

### **U.S. Furniture Sales**

We anticipate continued challenges in the U.S. market during the second half of FY2025 as a result of uncertainty in U.S. trade and tariff policies. The tariff war has not only affected consumer sentiments but has also created an inflationary impact on goods in general, which prompted the U.S. Federal Reserve to maintain higher interest rates for an extended period. These high interest rates have slowed down property sales transactions and reduced discretionary spending, thereby decreasing the overall demand for our products, which in turn may negatively impact our financial performance in the second half of FY2025. We will however continue to manage the business prudently and cautiously to deal with the global uncertainties and crises.

## **Furniture Sales**

High-end furniture sales have been adversely affected by a slowdown in the high-end luxury property market. While we continue to operate in an uncertain environment, we will stay firm on our focus on the luxury market and will consolidate our market position. With this, we aim to preserve our brand's exclusive edge while balancing exclusivity with accessibility. The Group will continue to reach out to its customers through active digital and physical marketing campaigns and marketing events to engage its customers.

## **Interior Design**

Our interior design segment achieved a profit in the first half of FY2025. With our current project pipeline and our loyal customer base, together with our strengths in design, reputation and positive track record, we anticipate that this business segment will contribute positively to the Group's performance in the second half of FY2025.

## **FINANCIAL REVIEW**

### **Overall financial review**

The Group's revenue decreased by approximately S\$8.3 million or 26.2% from approximately S\$31.5 million for the six months ended 30 June 2024 to approximately S\$23.2 million for the six months ended 30 June 2025. This decrease was mainly attributable to the decrease in revenue from both the Group's U.S. furniture sales segment and furniture sales segment, which was partially offset by the increase in revenue from the Group's interior design segment.

The Group's gross profit margin increased from approximately 29.2% for the six months ended 30 June 2024 to approximately 31.6% for the six months ended 30 June 2025. This improvement was due to the increase in margin from the Group's interior design segment and furniture sales segment, and also the decrease in proportion of revenue from the Group's U.S. furniture sales segment which has a lower gross profit margin.

The Group's profit decreased from approximately S\$0.2 million for the six months ended 30 June 2024 to a loss of approximately S\$2.3 million for the six months ended 30 June 2025. The decrease is mainly due to the decrease in overall Group's revenue and the increase in administrative expenses as a result of foreign exchange losses amounting to approximately S\$0.7 million.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

### **Overall financial position**

As at 30 June 2025, total borrowings of the Group amounted to approximately S\$51,000, which were obligations under finance leases (31 December 2024: approximately S\$70,000).

The Group had total cash and cash equivalents of approximately S\$30.6 million as at 30 June 2025 (31 December 2024: approximately S\$31.7 million), most of which were denominated in Hong Kong dollars, Singapore dollars and U.S. dollars. As at 30 June 2025, the cash and bank balances other than time deposits of the Group amounted to approximately S\$28.2 million (31 December 2024: approximately S\$31.1 million).

The Group recorded total current assets of approximately S\$62.8 million as at 30 June 2025 (31 December 2024: approximately S\$68.4 million) and total current liabilities of approximately S\$12.8 million as at 30 June 2025 (31 December 2024: approximately S\$15.1 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 4.9 as at 30 June 2025 (31 December 2024: approximately 4.5).

The Group's operations are financed principally by revenue generated from its business operations, available cash and bank balances as well as bank borrowings, the interest rates applied to which were primarily subject to fixed rate terms.

The Group's funding and treasury objective is primarily to maintain sufficient cash flow to meet operational expenses, service debt obligations, and support capital expenditures and other financial commitments as they arise from time to time.

In view of the Group's financial position as at 30 June 2025, the Board considered that the Group had sufficient working capital for its operations and future development plans.

### **Gearing ratio**

As at 30 June 2025, the Group's gearing ratio which was calculated by dividing the total borrowings by total equity and multiplied by 100% was approximately 0.1% (31 December 2024: approximately 0.1%).

## **Contingent liabilities**

As at 30 June 2025, the Group did not have any material contingent liabilities or guarantees (31 December 2024: Nil).

## **Capital commitment**

As at 30 June 2025, the Group did not have any material capital commitment (31 December 2024: Nil).

## **Capital structure**

As at 30 June 2025 and 31 December 2024, the capital structure of the Company comprised mainly issued share capital and reserves.

## **Foreign currency risk**

The Group's reporting currency is Singapore dollars. As at 30 June 2025, the Group's cash and cash equivalents were mostly denominated in Hong Kong dollars, Singapore dollars and U.S. dollars. The Group's sales are mainly in U.S. dollars and Singapore dollars. However, most of the purchases are settled in U.S. dollars and Euros. The Group is therefore susceptible to currency exchange rate fluctuation of U.S. dollars, Euros and Hong Kong dollars against Singapore dollars.

The Group has not entered into any agreements to hedge the exchange rate exposure relating to any foreign currencies and there is no assurance that the Group will be able to enter into such agreements on commercially viable terms in the future.

## **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2025, the Group had 104 full-time employees (30 June 2024: 112), of whom 73 are based in Singapore, 13 are based in the U.S. and 18 are based in Malaysia. For the period ended 30 June 2025, staff costs (excluding directors' fees) amounted to approximately S\$3.4 million (30 June 2024: approximately S\$3.7 million).

The Group remunerates its employees with competitive salaries, allowances and performance-based bonus based on their individual performance, contribution to the Group performance and relevant work experience. Apart from those, the Group also participates in the mandatory national pension schemes applicable to the respective countries where it operates. At the end of the reporting period, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years.

The Group also provides internal training programme to our employees from time to time. The training programme includes industry trend in furnishing and interior design, product knowledge, sales technique, retail management, customer service and product display so as to increase our employees' sense of belonging to the Group and enhance effectiveness in operation.

### **CHARGES ON GROUP'S ASSETS**

As at 30 June 2025, the Group had an aggregate unutilised banking facilities of approximately S\$3.0 million (31 December 2024: approximately S\$3.0 million).

### **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

As at 30 June 2025, the Group did not have other plans for material investments and capital assets.

### **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS**

Save as otherwise provided in this announcement, the Group did not have any significant investments, material acquisitions or disposal of assets, subsidiaries, associates or joint ventures during the period ended 30 June 2025.

### **INTERIM DIVIDEND**

The Board resolved not to declare any interim dividend for the period ended 30 June 2025 (30 June 2024: Nil).

### **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the period ended 30 June 2025, there were no purchase, sale or redemption of the Company's listed securities (including treasury shares) by the Company or any of its subsidiaries. As at 30 June 2025, the Company did not hold any treasury shares.

### **EVENTS AFTER THE END OF THE REPORTING PERIOD**

There was no material subsequent event after the end of the reporting period and up to the date of this announcement.

## **CORPORATE GOVERNANCE**

The Company has adopted the principles and code provisions of the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) as the basis of the Company’s corporate governance practices.

The Board is of the view that the Company has complied with the applicable code provisions as set out in the CG Code during the six months ended 30 June 2025, save for code provision C.2.1 of the CG Code.

Under code provision C.2.1 of the CG Code, the roles of the chairman and the chief executive officer should be separated and should not be performed by the same individual. However, having considered the nature and extent of the Group’s operations, Mr. Goon Eu Jin Terence’s extensive experience in the industry and familiarity with the operations of the Group, the Board believes that it is in the best interest of the Group to have Mr. Goon Eu Jin Terence taking up both roles and this will not impair the balance of power and authority of the Board, which currently comprises a majority of non-executive Directors and independent non-executive Directors who will bring independent judgement. Besides, all major decisions are made in consultation with members of the Board and relevant Board committees to safeguard sufficient balance of powers and authorities.

The Company will continue to review regularly its corporate governance policies and compliance with the CG Code to ensure operations are in line with the good corporate governance practices as set out in the CG Code and aligned with the latest developments.

## **MODEL CODE FOR SECURITIES TRANSACTIONS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

The Company has also established written guidelines no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

As at 30 June 2025, the Company, having made specific enquiry of all the Directors, is not aware of any incident of non-compliance of the Model Code and the Company’s code of conduct regarding directors’ securities transactions by the Directors.

## **REVIEW OF INTERIM RESULTS**

The audit committee of the Company (the “**Audit Committee**”) consists of five members, namely Mr. Kho Chuan Thye Patrick and Mr. Lim Sooi Kheng Patrick as non-executive Directors, and Mr. Lim Boon Cheng, Mr. Ng Chee Kwong, Colin and Mr. Hwang Kin Soon Ignatius as independent non-executive Directors. Mr. Lim Boon Cheng is the chairman of the Audit Committee.

The unaudited financial information in this announcement has not been audited or reviewed by the auditor of the Company, but this announcement has been reviewed by the Audit Committee of the Company.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.designcapital.sg](http://www.designcapital.sg)). The interim report for the six months ended 30 June 2025, if necessary, will be dispatched to shareholders of the Company and available on the same websites in due course.

By order of the Board  
**Design Capital Limited**  
**Goon Eu Jin Terence**  
*Chairman and Executive Director*

Hong Kong, 22 August 2025

*As at the date of this announcement, the Board comprises Goon Eu Jin Terence, Wee Ai Quey and Ong Ciu Hwa as executive Directors, Kho Chuan Thye Patrick and Lim Sooi Kheng Patrick as non-executive Directors, and Lim Boon Cheng, Ng Chee Kwong, Colin and Hwang Kin Soon Ignatius as independent non-executive Directors.*