

DESIGN CAPITAL LIMITED

設計都會有限公司



INTERIM REPORT 2025

INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY
STOCK CODE 1545



DESIGN CAPITAL LIMITED / INTERIM REPORT 2025

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CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. Goon Eu Jin Terence (阮友仁先生)
(Chairman and Chief Executive Officer)
Ms. Wee Ai Quey
Ms. Ong Ciu Hwa (王秋華女士)

NON-EXECUTIVE DIRECTORS

Mr. Kho Chuan Thye Patrick (高泉泰先生)
Mr. Lim Sooi Kheng Patrick (林瑞慶先生)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Boon Cheng (林文正先生)
Mr. Ng Chee Kwong, Colin (吳志光先生)
Mr. Hwang Kin Soon Ignatius (黃勤順先生)

AUDIT COMMITTEE

Mr. Lim Boon Cheng (林文正先生) (Chairman)
Mr. Ng Chee Kwong, Colin (吳志光先生)
Mr. Lim Sooi Kheng Patrick (林瑞慶先生)
Mr. Kho Chuan Thye Patrick (高泉泰先生)
Mr. Hwang Kin Soon Ignatius (黃勤順先生)

REMUNERATION COMMITTEE

Mr. Ng Chee Kwong, Colin (吳志光先生) (Chairman)
Mr. Lim Boon Cheng (林文正先生)
Mr. Lim Sooi Kheng Patrick (林瑞慶先生)
Mr. Goon Eu Jin Terence (阮友仁先生)
Mr. Hwang Kin Soon Ignatius (黃勤順先生)

NOMINATION COMMITTEE

Mr. Goon Eu Jin Terence (阮友仁先生) (Chairman)
Mr. Lim Boon Cheng (林文正先生)
Mr. Ng Chee Kwong, Colin (吳志光先生)
Mr. Kho Chuan Thye Patrick (高泉泰先生)
Mr. Hwang Kin Soon Ignatius (黃勤順先生)

COMPANY SECRETARY

Ms. Yu Hong Yee (余康怡女士)

AUTHORISED REPRESENTATIVES

Mr. Goon Eu Jin Terence (阮友仁先生)
Ms. Yu Hong Yee (余康怡女士)

AUDITOR

Ernst & Young LLP, Singapore
Recognised Public Interest Entity Auditor

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Cricket Square, Hutchins Drive, PO Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

130 Joo Seng Road #07-05
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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

43/F, One Taikoo Place,
979 King's Road, Quarry Bay,
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, PO Box 2681,
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Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

HONG KONG LEGAL ADVISERS

Stephenson Harwood
43/F, One Taikoo Place,
979 King's Road, Quarry Bay,
Hong Kong

PRINCIPAL BANKERS

Malayan Banking Bhd

STOCK CODE

1545

COMPANY'S WEBSITE

www.designcapital.sg

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 report, 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 of directors of the Company (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.

MANAGEMENT DISCUSSION AND ANALYSIS

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 report, 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 report.

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

For the six months ended 30 June 2025

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

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

For the six months ended 30 June 2025

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (unaudited) S\$'000	31 December 2024 (audited) S\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	2,069	2,695
Right-of-use assets	12	8,629	9,892
Deposits		480	508
Total non-current assets		11,178	13,095
CURRENT ASSETS			
Inventories	13	24,840	29,080
Contract assets		302	494
Trade receivables	14	4,842	5,543
Prepayments, deposits and other receivables		2,220	1,597
Income tax recoverable		33	–
Cash and cash equivalents	15	30,552	31,679
Total current assets		62,789	68,393
CURRENT LIABILITIES			
Contract liabilities		5,448	4,175
Trade payables	16	1,609	3,080
Other payables and accruals	17	3,011	4,593
Borrowings		39	38
Lease liabilities		2,710	3,069
Income tax payables		–	127
Total current liabilities		12,817	15,082
NET CURRENT ASSETS		49,972	53,311
TOTAL ASSETS LESS CURRENT LIABILITIES		61,150	66,406
NON-CURRENT LIABILITIES			
Borrowings		12	32
Provision for reinstatement costs		744	750
Lease liabilities		8,345	9,447
Deferred tax liabilities		25	25
Total non-current liabilities		9,126	10,254
NET ASSETS		52,024	56,152

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	30 June 2025 (unaudited) S\$'000	31 December 2024 (audited) S\$'000
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	18	3,453	3,453
Share premium		8,656	8,656
Reserves		37,470	41,651
		49,579	53,760
Non-controlling interests		2,445	2,392
TOTAL EQUITY		52,024	56,152

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Six months ended 30 June 2025

	Attributable to shareholders of the Company						Non-controlling interests	Total equity
	Issued capital	Share premium	Capital reserve	Exchange fluctuation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2025	3,453	8,656	2,264	483	38,904	53,760	2,392	56,152
(Loss)/profit for the period	-	-	-	-	(2,401)	(2,401)	138	(2,263)
Other comprehensive loss for the period:								
Exchange differences on translation of foreign operations	-	-	-	(1,780)	-	(1,780)	(85)	(1,865)
Total comprehensive (loss)/income for the period	-	-	-	(1,780)	(2,401)	(4,181)	53	(4,128)
At 30 June 2025 (unaudited)	3,453	8,656	2,264*	(1,297)*	36,503*	49,579	2,445	52,024

* The reserves accounts comprise the consolidated reserves of S\$37,470,000 in the interim condensed consolidated statement of financial position as at 30 June 2025.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

Six months ended 30 June 2024

	Attributable to shareholders of the Company						Non-controlling interests	Total equity
	Issued capital	Share premium account	Capital reserve	Exchange fluctuation reserve	Retained profits	Total		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	3,453	9,977	2,264	(265)	38,583	54,012	2,538	56,550
Profit/(loss) for the period	–	–	–	–	253	253	(14)	239
Other comprehensive income for the period:								
Exchange differences on translation of foreign operations	–	–	–	832	–	832	40	872
Total comprehensive income for the period	–	–	–	832	253	1,085	26	1,111
Dividends	–	(1,321)	–	–	–	(1,321)	(610)	(1,931)
At 30 June 2024 (unaudited)	3,453	8,656	2,264	567	38,836	53,776	1,954	55,730

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (unaudited) S\$'000	2024 (unaudited) S\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		(2,226)	384
Adjustments for:			
Interest income		(536)	(564)
Finance costs		292	380
Depreciation	7	580	490
Amortisation of right-of-use assets	7	1,608	1,728
Provision for write-down of inventories to net realisable value, net	7	425	131
Provision/(reversal of provision) for expected credit losses of trade receivables, net	7	111	(173)
Provision for expected credit losses of other receivables, net	7	–	20
Gain on disposal of property, plant and equipment	7	–	(82)
Write-off of property, plant and equipment	7	–	2
		254	2,316
Decrease in inventories		2,462	6,155
Decrease in contract assets		192	28
Decrease in trade receivables		342	2,191
Increase in prepayments, deposits and other receivables		(686)	(357)
Increase in contract liabilities		1,273	92
Decrease in trade payables		(1,400)	(364)
Decrease in other payables and accruals		(1,421)	(620)
Cash generated from operations		1,016	9,441
Income taxes paid		(206)	(434)
Net cash flows generated from operating activities		810	9,007
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		558	636
Purchase of property, plant and equipment	19(a)	(11)	(1,170)
Proceeds from disposal of property, plant and equipment		–	82
Decrease in time deposits with maturity of more than three months when acquired		600	10,900
Increase in time deposits with maturity of more than three months when acquired		(2,309)	(831)
Net cash flows (used in)/generated from investing activities		(1,162)	9,617

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		Six months ended 30 June	
	Notes	2025 (unaudited) S\$'000	2024 (unaudited) S\$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	19(b)	(19)	(40)
Payment of principal portion of lease liabilities	19(b)	(1,655)	(1,598)
Interest paid		(292)	(380)
Net cash flows used in financing activities		(1,966)	(2,018)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of period		31,079	15,875
Effect of foreign exchange rate changes, net		(518)	56
CASH AND CASH EQUIVALENTS AT END OF PERIOD		28,243	32,537
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances other than time deposits		28,243	32,537
Time deposits		2,309	2,406
Cash and cash equivalents as stated in the consolidated statements of financial position		30,552	34,943
Less: Time deposits with maturity of more than three months when acquired		(2,309)	(2,406)
Cash and cash equivalents as stated in the consolidated statements of cash flows		28,243	32,537

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. SEGMENT INFORMATION *(Continued)*

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
Segment revenue:					
Segment revenue	2,386	5,763	15,100	39	23,288
Less: Inter-segment sales	–	(47)	–	(39)	(86)
Sales to external customers	2,386	5,716	15,100	–	23,202
Segment results	656	(1,397)	(19)	(1,466)	(2,226)
Segment assets	2,877	21,231	36,627	13,232	73,967
Segment liabilities	686	9,687	10,896	674	21,943
Other segment information:					
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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. SEGMENT INFORMATION *(Continued)*

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
Segment revenue:					
Segment revenue	1,476	8,048	22,031	–	31,555
Less: Inter-segment sales	–	(96)	–	–	(96)
Sales to external customers	1,476	7,952	22,031	–	31,459
Segment results	17	(182)	839	(290)	384
Other segment information:					
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*	2	1,377	46	–	1,425

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

** Finance costs include the interest on lease liabilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

5. SEGMENT INFORMATION *(Continued)*

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

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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			
	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	Total S\$'000
Type of goods or service				
Sale of goods	–	5,716	15,100	20,816
Service income — interior design	2,386	–	–	2,386
Total revenue from contracts with customers	2,386	5,716	15,100	23,202
Geographical markets				
Singapore	2,386	5,716	–	8,102
U.S.	–	–	15,100	15,100
Total revenue from contracts with customers	2,386	5,716	15,100	23,202
Timing of revenue recognition				
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	2,386	5,716	15,100	23,202

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

6. REVENUE (Continued)

Disaggregated revenue information (Continued)

Segments	Six months ended 30 June 2024			Total S\$'000
	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	
Type of goods or service				
Sale of goods	–	7,952	22,031	29,983
Service income — interior design	1,476	–	–	1,476
Total revenue from contracts with customers	1,476	7,952	22,031	31,459
Geographical markets				
Singapore	1,476	7,952	–	9,428
U.S.	–	–	22,031	22,031
Total revenue from contracts with customers	1,476	7,952	22,031	31,459
Timing of revenue recognition				
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	1,476	7,952	22,031	31,459

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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
Employee benefit expense (excluding directors' fees):		
Salaries, allowances, benefits in kind and other costs	3,086	3,334
Mandatory national pension schemes	351	390
	3,437	3,724
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)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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)	—
	37	145

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE RECEIVABLES

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

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:

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

14. TRADE RECEIVABLES *(Continued)*

Notes: *(Continued)*

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

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

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

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

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

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:

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

17. OTHER PAYABLES AND ACCRUALS

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

18. SHARE CAPITAL

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Authorised:		
10,000,000,000 (31 December 2024: 10,000,000,000) ordinary shares of HK\$0.01 each	100,000	100,000

	30 June 2025 S\$'000	31 December 2024 S\$'000
Issued and fully paid:		
2,000,000,000 (31 December 2024: 2,000,000,000) ordinary shares of HK\$0.01 each	3,453	3,453

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:

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

- * 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2025

19. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

- (a) The additions in property, plant and equipment during the reporting periods were made by means of:

	Six months ended 30 June	
	2025 S\$'000	2024 S\$'000
Additions of property, plant and equipment	11	1,425
Less: Provision for reinstatement costs	–	(255)
Cash invested in property, plant and equipment	11	1,170

- (b) Reconciliation of assets and liabilities arising from financing activities during the reporting periods are as follows:

	As at 1 January 2025 S\$'000	Changes from financing cash flows S\$'000	New leases S\$'000	Others S\$'000	As at 30 June 2025 S\$'000
Borrowings	70	(19)	–	–	51
Lease liabilities	12,516	(1,655)	775	(581)	11,055

	As at 1 January 2024 S\$'000	Changes from financing cash flows S\$'000	New leases S\$'000	Others S\$'000	As at 30 June 2024 S\$'000
Borrowings	128	(40)	–	–	88
Lease liabilities	13,997	(1,598)	990	302	13,691

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the directors and chief executive of the Company in the ordinary shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have taken under such provisions of the SFO); or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") contained in the Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), were as follows:

Name of director	Nature of interests	Number of Shares held	Position	Approximate percentage of the total issued Shares (Note 3)
Mr. Goon Eu Jin Terence	Interest in a controlled corporation (Note 1)	900,000,000	Long	45%
Ms. Wee Ai Quey	Interest in a controlled corporation (Note 1)	900,000,000	Long	45%
Mr. Kho Chuan Thye Patrick	Beneficial owner (Note 2)	300,000,000	Long	15%

Notes:

1. Nobel Design International Limited beneficially owned 900,000,000 Shares. It is an investment holding company incorporated in the British Virgin Islands and is held as to 67% by Mr. Goon Eu Jin Terence and 33% by Ms. Wee Ai Quey. By virtue of the SFO, both Mr. Goon Eu Jin Terence and Ms. Wee Ai Quey are deemed to be interested in the shares held by Nobel Design International Limited.
2. Mr. Kho Chuan Thye Patrick, a non-executive Director, directly holds 300,000,000 Shares, representing 15% of the total issued Shares.
3. As at 30 June 2025, the total number of issued Shares was 2,000,000,000.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executive of the Company had or were deemed to have any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 30 June 2025, other than interests of the Directors or chief executive of the Company as disclosed under the heading "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above, the following persons (not being a Director or the chief executive officer of the Company) had interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register to be kept by the Company under Section 336 of the SFO:

Name	Capacity/ Nature of interests	Position	Number of Shares held	Approximate percentage of the total issued Shares (Note 7)
Nobel Design International Limited (Note 1)	Beneficial owner	Long	900,000,000	45%
Ms. Beh Pur-Lin Elaine (Notes 1 and 2)	Interest of spouse	Long	900,000,000	45%
Mr. Tan Thiam Siew (Notes 1 and 3)	Interest of spouse	Long	900,000,000	45%
Southern Cross Holdings Pte Ltd (Note 4)	Beneficial owner	Long	300,000,000	15%
Ms. Yuen Woon Siew Marilyn (Notes 4 and 5)	Interest of spouse	Long	300,000,000	15%
Ms. Sng Su Ying Marian (Note 6)	Interest of spouse	Long	300,000,000	15%
Lian Huat Group Pte. Ltd. (Note 4)	Interest in a controlled corporation	Long	300,000,000	15%
Lian Keng Enterprises Pte. Ltd. (Note 4)	Interest in a controlled corporation	Long	300,000,000	15%
Mr. Kho Choon Keng (Note 4)	Interest in a controlled corporation	Long	300,000,000	15%

Notes:

1. Nobel Design International Limited is an investment holding company incorporated in the British Virgin Islands and is held as to 67% by Mr. Goon Eu Jin Terence and 33% by Ms. Wee Ai Quey. By virtue of the SFO, both Mr. Goon Eu Jin Terence and Ms. Wee Ai Quey are deemed to be interested in the Shares held by Nobel Design International Limited.
2. Ms. Beh Pur-Lin Elaine is the spouse of Mr. Goon Eu Jin Terence and is therefore deemed to be interested in the Shares in which Mr. Goon Eu Jin Terence is deemed to have interest under the SFO.

OTHER INFORMATION

3. Mr. Tan Thiam Siew is the spouse of Ms. Wee Ai Quey and is therefore deemed to be interested in the Shares in which Ms. Wee Ai Quey is deemed to have interest under the SFO.
4. Southern Cross Holdings Pte Ltd is an investment holding company incorporated in Singapore and is held as to 100% by Lian Huat Group Pte. Ltd., a wholly-owned subsidiary of Lian Keng Enterprises Pte. Ltd., which is 100% held by Mr. Kho Choon Keng. By virtue of the SFO, Mr. Kho Choon Keng is deemed to be interested in the shares held by Southern Cross Holdings Pte Ltd.
5. Ms. Yuen Woon Siew Marilyn is the spouse of Mr. Kho Choon Keng and is therefore deemed to be interested in the Shares in which Mr. Kho Choon Keng is deemed to have interest under the SFO.
6. Ms. Sng Su Ying Marian is the spouse of Mr. Kho Chuan Thye Patrick and is therefore deemed to be interested in the Shares in which Mr. Kho Chuan Thye Patrick is interested under the SFO.
7. As at 30 June 2025, the total number of issued Shares of the Company was 2,000,000,000.

Save as disclosed above, as at 30 June 2025, the Directors were not aware of any other person who had interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGE IN DIRECTORS' INFORMATION

There were no changes in the information of the Directors notified to the Company as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTOR'S RIGHTS TO ACQUIRE SECURITIES

Apart from as disclosed under the heading "Share Option Scheme" below, at no time since incorporation of the Company were rights to acquire benefits by means of acquisition of shares in or debentures of the Company or of any other body corporate granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or was the Company, its holding company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouses or children under 18 years of age to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

On 28 March 2019, the Company adopted a share option scheme (the "**Share Option Scheme**") whereby the Board can grant options for the subscription of the Shares to the directors and employees of the Group and those other persons that the Board considers that they will contribute or have contributed to the Group as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group.

No options have been granted under the Share Option Scheme since its adoption and up to the date of this report, and the outstanding options at the beginning and at the end of the six months ended 30 June 2025 remained at 200,000,000 Shares, equivalent to 10% of the issued Shares of the Company.

COMPETING INTERESTS

Up to the date of this report, none of the Directors, the Controlling Shareholders or their respective associates (as defined in the Listing Rules) had any interests (other than their interests in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

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 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 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.

OTHER INFORMATION

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 report has not been audited or reviewed by the auditor of the Company, but this report has been reviewed by the Audit Committee of the Company.

BY ORDER OF THE BOARD

Design Capital Limited

Goon Eu Jin Terence

Chairman and Executive Director

22 August 2025