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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 ANNUAL RESULTS  
FOR THE YEAR ENDED 31 DECEMBER 2025**

<b>FINANCIAL HIGHLIGHTS</b>	<b>2025</b>	<b>2024</b>	<b>Change</b>
	<i>S\$'000</i>	<i>S\$'000</i>	<i>%</i>
Revenue	<b>51,136</b>	61,831	-17.3%
Gross profit	<b>16,257</b>	18,916	-14.1%
(Loss)/profit for the year	<b>(1,276)</b>	789	N.M.*
(Loss)/earnings per share attributable to shareholders of the Company ( <i>cents</i> )	<b>(0.09)</b>	0.02	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 audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024, as follows:

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

*For the financial year ended 31 December 2025*

	<i>Notes</i>	<b>2025</b> <i>S\$'000</i>	2024 <i>S\$'000</i>
<b>REVENUE</b>	4	<b>51,136</b>	61,831
Cost of sales		<u>(34,879)</u>	<u>(42,915)</u>
Gross profit		<b>16,257</b>	18,916
Other income and gain, net	5	<b>1,442</b>	1,683
Selling and distribution expenses		<b>(10,466)</b>	(11,508)
Administrative expenses		<b>(7,843)</b>	(6,945)
Finance costs	6	<u>(597)</u>	<u>(711)</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>	7	<b>(1,207)</b>	1,435
Income tax	8	<u>(69)</u>	<u>(646)</u>
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<u><b>(1,276)</b></u>	<u>789</u>
<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>(1,768)</u>	<u>784</u>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u><b>(1,768)</b></u>	<u>784</u>
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		<u><b>(3,044)</b></u>	<u>1,573</u>
(Loss)/profit for the year attributable to:			
Shareholders of the Company		<b>(1,726)</b>	321
Non-controlling interests		<u>450</u>	<u>468</u>
		<u><b>(1,276)</b></u>	<u>789</u>
Total comprehensive (loss)/income for the year attributable to:			
Shareholders of the Company		<b>(3,414)</b>	1,069
Non-controlling interests		<u>370</u>	<u>504</u>
		<u><b>(3,044)</b></u>	<u>1,573</u>
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY</b>			
	10		
Basic and diluted ( <i>cents</i> )		<u><b>(0.09)</b></u>	<u>0.02</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	<i>Notes</i>	<b>2025</b> <i>S\$'000</i>	2024 <i>S\$'000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	<i>11</i>	<b>1,734</b>	2,695
Right-of-use assets	<i>12</i>	<b>8,995</b>	9,892
Deposits		<b>481</b>	508
		<hr/>	<hr/>
Total non-current assets		<b>11,210</b>	13,095
<b>CURRENT ASSETS</b>			
Inventories		<b>19,934</b>	29,080
Contract assets		<b>84</b>	494
Trade receivables	<i>13</i>	<b>5,225</b>	5,543
Prepayments, deposits and other receivables		<b>2,179</b>	1,597
Cash and bank balances		<b>37,543</b>	31,679
		<hr/>	<hr/>
Total current assets		<b>64,965</b>	68,393
<b>CURRENT LIABILITIES</b>			
Contract liabilities		<b>5,958</b>	4,175
Trade payables	<i>14</i>	<b>1,517</b>	3,080
Other payables and accruals		<b>3,191</b>	4,593
Borrowings		<b>23</b>	38
Lease liabilities		<b>3,209</b>	3,069
Income tax payables		<b>160</b>	127
		<hr/>	<hr/>
Total current liabilities		<b>14,058</b>	15,082
<b>NET CURRENT ASSETS</b>			
		<hr/>	<hr/>
		<b>50,907</b>	53,311
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<hr/>	<hr/>
		<b>62,117</b>	66,406

	<i>Notes</i>	<b>2025</b> <i>S\$'000</i>	2024 <i>S\$'000</i>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings		–	32
Provision for reinstatement costs		<b>744</b>	750
Lease liabilities		<b>8,213</b>	9,447
Deferred tax liabilities		<b>25</b>	25
		<hr/>	<hr/>
Total non-current liabilities		<b>8,982</b>	10,254
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>53,135</b>	56,152
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	<i>15</i>	<b>3,453</b>	3,453
Share premium		<b>8,656</b>	8,656
Reserves		<b>38,284</b>	41,651
		<hr/>	<hr/>
		<b>50,393</b>	53,760
Non-controlling interests		<b>2,742</b>	2,392
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>53,135</b>	56,152
		<hr/> <hr/>	<hr/> <hr/>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the financial year ended 31 December 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 Company and its subsidiaries (collectively referred to as the “**Group**”) are 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

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”), which comprise all standards and interpretations approved by the International Accounting Standards Board (“**IASB**”) and the disclosures requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (“**SGD**” or “**S\$**”) and all values are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

### 2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that, in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2025. The adoption of these new standards did not have any material effect on the financial performance or position of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

## 3. 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 represent 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 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 financial statements.

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

**Year ended 31 December 2025**

	<b>Interior design S\$’000</b>	<b>Furniture sales S\$’000</b>	<b>U.S. furniture sales S\$’000</b>	<b>Corporate S\$’000</b>	<b>Total S\$’000</b>
<b>Segment revenue:</b>					
Segment revenue	4,781	14,916	31,630	39	51,366
Less: Inter-segment sales	–	(191)	–	(39)	(230)
	<u>4,781</u>	<u>14,725</u>	<u>31,630</u>	<u>–</u>	<u>51,136</u>
Sales to external customers	<u>4,781</u>	<u>14,725</u>	<u>31,630</u>	<u>–</u>	<u>51,136</u>
<b>Segment results</b>	<u>1,223</u>	<u>(1,095)</u>	<u>771</u>	<u>(2,106)</u>	<u>(1,207)</u>
<b>Segment assets</b>	<u>3,674</u>	<u>22,816</u>	<u>37,163</u>	<u>12,522</u>	<u>76,175</u>
<b>Segment liabilities</b>	<u>1,060</u>	<u>10,737</u>	<u>10,688</u>	<u>555</u>	<u>23,040</u>
<b>Other segment information:</b>					
Interest income	(37)	(118)	(357)	(554)	(1,066)
Finance costs*	1	147	446	3	597
Depreciation	17	709	204	127	1,057
Depreciation of right-of-use assets	5	2,167	1,098	3	3,273
Gain on disposal of property, plant and equipment, net	–	(2)	(18)	–	(20)
Loss on liquidation of subsidiary	–	–	–	47	47
Write-off of property, plant and equipment	–	–	3	–	3
Provision for write-down of inventories to net realisable value, net	–	568	214	–	782
(Reversal of provision)/provision for expected credit losses of trade receivables, net	–	(31)	7	–	(24)
Capital expenditure**	–	12	147	–	159

Year ended 31 December 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	5,287	17,293	39,398	90	62,068
Less: Inter-segment sales	—	(147)	—	(90)	(237)
Sales to external customers	<u>5,287</u>	<u>17,146</u>	<u>39,398</u>	<u>—</u>	<u>61,831</u>
<b>Segment results</b>	<u>1,150</u>	<u>64</u>	<u>1,099</u>	<u>(878)</u>	<u>1,435</u>
<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>
<b>Other segment information:</b>					
Interest income	(79)	(178)	(302)	(682)	(1,241)
Finance costs*	1	188	517	5	711
Depreciation	18	685	258	143	1,104
Depreciation of right-of-use assets	5	2,213	1,124	3	3,345
Gain on disposal of property, plant and equipment, net	—	(82)	—	—	(82)
Write-off of property, plant and equipment (Reversal of provision)/provision for write-down of inventories to net realisable value, net	(10)	183	188	—	361
Reversal of provision for expected credit losses of trade receivables, net	(69)	(111)	(5)	—	(185)
Write-off of other receivables	—	20	—	—	20
Capital expenditure**	<u>8</u>	<u>1,274</u>	<u>52</u>	<u>—</u>	<u>1,334</u>

\* Finance costs include the interest on lease liabilities.

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

### 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>2025</b>	2024
	<b>S\$'000</b>	S\$'000
Singapore	<b>4,210</b>	4,485
U.S.	<b>6,519</b>	8,102
	<b>10,729</b>	12,587

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

**4. 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	Year ended 31 December 2025			
	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	Total S\$'000
<b>Type of goods or service</b>				
Sale of goods	–	14,725	31,630	46,355
Service income — interior design	4,781	–	–	4,781
Total revenue from contracts with customers	<u>4,781</u>	<u>14,725</u>	<u>31,630</u>	<u>51,136</u>
<b>Geographical markets</b>				
Singapore	4,781	14,725	–	19,506
U.S.	–	–	31,630	31,630
Total revenue from contracts with customers	<u>4,781</u>	<u>14,725</u>	<u>31,630</u>	<u>51,136</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	–	8,119	31,630	39,749
Goods and services transferred over time	4,781	6,606	–	11,387
Total revenue from contracts with customers	<u>4,781</u>	<u>14,725</u>	<u>31,630</u>	<u>51,136</u>

Year ended 31 December 2024

<b>Segments</b>	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	–	17,146	39,398	56,544
Service income — interior design	5,287	–	–	5,287
Total revenue from contracts with customers	<u>5,287</u>	<u>17,146</u>	<u>39,398</u>	<u>61,831</u>
<b>Geographical markets</b>				
Singapore	5,287	17,146	–	22,433
U.S.	–	–	39,398	39,398
Total revenue from contracts with customers	<u>5,287</u>	<u>17,146</u>	<u>39,398</u>	<u>61,831</u>
<b>Timing of revenue recognition</b>				
Goods transferred at a point in time	–	9,192	39,398	48,590
Goods and services transferred over time	5,287	7,954	–	13,241
Total revenue from contracts with customers	<u>5,287</u>	<u>17,146</u>	<u>39,398</u>	<u>61,831</u>

**5. OTHER INCOME AND GAIN, NET**

An analysis of the Group's other income and gain, net for each of the reporting period is as follows:

	<b>2025</b> <i>S\$'000</i>	2024 <i>S\$'000</i>
Commission income	17	32
Interest income	1,066	1,241
Gain on disposal of property, plant and equipment, net	20	82
Miscellaneous income	<u>339</u>	<u>328</u>
Other income and gain, net	<u>1,442</u>	<u>1,683</u>

## 6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	2025 S\$'000	2024 S\$'000
Interest on borrowings	3	12
Interest on lease liabilities	594	699
	<u>597</u>	<u>711</u>

## 7. (LOSS)/PROFIT BEFORE TAX

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

	<i>Notes</i>	2025 S\$'000	2024 S\$'000
Audit fees:			
— Auditors of the Company		230	230
— Other auditors		3	2
Non-audit fees:			
— Auditors of the Company		6	6
Cost of inventories sold		32,660	40,193
Cost of services provided		2,219	2,722
Depreciation		1,057	1,104
Depreciation of right-of-use assets		3,273	3,345
Expense relating to short-term leases		30	24
Variable lease payments		1,910	2,369
Employee benefit expense (excluding directors' remuneration):			
Salaries, allowances, benefits in kind and other costs		5,472	6,026
Mandatory national pension schemes		603	680
		<u>6,075</u>	<u>6,706</u>
Gain on disposal of property, plant and equipment, net	5	(20)	(82)
Loss on liquidation of subsidiary		47	—
Write-off of property, plant and equipment		3	2
Provision for write-down of inventories to net realisable value, net		782	361
Reversal of provision for expected credit losses of trade receivables, net	13(c)	(24)	(185)
Write-off of other receivables		—	20
Foreign exchange differences, net		578	(450)
		<u>578</u>	<u>(450)</u>

## 8. INCOME TAX

Income tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income

	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
Current — Singapore:		
Charge for the year	<b>153</b>	209
Over-provision in respect of prior years	<b>(84)</b>	(31)
Current — U.S.:		
Under-provision in respect of prior years	–	25
Deferred tax:		
Over-provision in respect of prior years	–	443
	<u>–</u>	<u>443</u>
	<b>69</b>	646
	<u>69</u>	<u>646</u>

## 9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (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 year attributable to shareholders of the Company of a loss of S\$1,726,000 (2024: profit of S\$321,000), and the weighted average number of ordinary shares in issue of 2,000,000,000 (2024: 2,000,000,000) during the year.

No adjustment has been made to the basic (loss)/earnings per share amounts presented for the years ended 31 December 2025 and 2024 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during each of these years.

## 11. PROPERTY, PLANT AND EQUIPMENT

### Additions, Disposals and Write-offs

During the year ended 31 December 2025, the Group acquired assets with a cost of S\$159,000 (2024: S\$1,334,000).

Assets with a net book value of S\$7,000 (2024: Nil) were disposed by the Group during the year ended 31 December 2025, resulting in a net gain on disposal of S\$20,000 (2024: S\$82,000).

During the year ended 31 December 2025, the Group write-off assets with a net book value of S\$3,000 (2024: S\$2,000).

## 12. RIGHT-OF-USE ASSETS

### Additions

During the year ended 31 December 2025, the Group entered into new leases and recognises right-of-use assets and lease liabilities of S\$2.8 million and S\$2.8 million respectively (2024: S\$1.5 million and S\$1.5 million respectively). The incremental borrowing rate used was 5.25% to 7.00% (2024: 5.25% to 7.00%).

## 13. TRADE RECEIVABLES

	<b>Group</b>	
	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
Trade receivables	<b>5,436</b>	5,784
Provision for expected credit losses ( <i>Note (c)</i> )	<b>(211)</b>	(241)
	<b><u>5,225</u></b>	<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, based on the invoice date and net of provision for expected credit losses, is as follows:

	<b>Group</b>	
	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
Within 1 month	<b>3,299</b>	3,884
1 to 2 months	<b>1,517</b>	1,276
2 to 3 months	<b>350</b>	92
Over 3 months	<b>59</b>	291
	<u><b>5,225</b></u>	<u>5,543</u>

As part of the Group's credit risk management, the Group uses debtors' ageing by due date to assess the expected credit losses of its trade receivables because these trade receivables are due from a large number of customers which share common risk characteristics that are representative of the customers' ability to pay all amounts due in accordance with the contractual terms.

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

	<b>Group</b>	
	<b>2025</b>	2024
	<b>S\$'000</b>	S\$'000
As at 1 January	<b>241</b>	559
Reversal of provision for expected credit losses of trade receivables, net ( <i>Note 7</i> )	<b>(24)</b>	(185)
Amount written off as uncollectible	<b>(6)</b>	(133)
	<u><b>211</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 2025 is 75.83% (2024: 40.73%) for those balances that have been past due for more than 3 months.

#### 14. 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, based on the invoice date, is as follows:

	Group	
	2025 <i>S\$'000</i>	2024 <i>S\$'000</i>
Within 1 month	1,187	2,288
1 to 2 months	97	328
2 to 3 months	25	104
Over 3 months	208	360
	<u>1,517</u>	<u>3,080</u>

#### 15. SHARE CAPITAL

##### Company

	2025	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>100,000</u>	<u>100,000</u>
	2025	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>3,453</u>	<u>3,453</u>

A summary of movements in the Company's issued capital and share premium account from 1 January 2024 to 31 December 2025 is as follows:

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

\* 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, our 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 financial year ended 31 December 2025 (“FY2025”), our revenue amounted to approximately S\$51.1 million, representing a decrease of approximately 17.3% from approximately S\$61.8 million for the year ended 31 December 2024 (“FY2024”). This decrease was mainly attributable to the decrease in revenue from U.S. furniture sales segment, furniture sales segment and interior design segment. Notwithstanding the drop in revenue, the Group was able to achieve a higher gross profit margin of approximately 31.8% compared to 30.6% in FY2024. The Group maintains a healthy financial position 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.

#### U.S. Furniture Sales

For the year ended 31 December 2025, we mainly sold our products under the brands “Target Marketing Systems”, “TMS”, “Simple Living” and “Lifestorey” to furniture e-commerce platform customers in the U.S.. Our customers include major e-commerce sales platforms in the U.S. who in turn sell products to end-consumers. The revenue generated from the U.S. furniture sales segment amounted to approximately S\$31.6 million (2024: approximately S\$39.4 million), which represented a decrease of approximately 19.7% over 2024 and accounted for approximately 61.9% of the Group’s revenue. 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.

#### Furniture Sales

To cater to the preferences of our customers at different market segments, we offer a wide range of products with different styles and price levels and showcase them in our retail points of sale branded under “Marquis”, “Lifestorey” and “Fendi Casa Singapore” in Singapore. As at the date of this announcement, we operate five points of sale in Singapore, of which two are under the brand “Marquis”, one is under the brand “Fendi Casa Singapore” and two are under the brand “Lifestorey”. We also provide project-based furnishing services (the “**Special Projects**”) for individual and corporate customers in relation to sourcing and installation of furniture items for residential and commercial properties.

The revenue generated from furniture sales segment for the year ended 31 December 2025 amounted to approximately S\$14.7 million (2024: approximately S\$17.1 million). The decrease was mainly attributable to a slowdown in the high-end residential retail market segment. 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. The revenue derived from retail points of sale in Singapore decreased to approximately S\$8.1 million for the year ended 31 December 2025 (2024: approximately S\$9.2 million).

The revenue from Special Projects under our furniture sales segment decreased by approximately S\$1.3 million from approximately S\$8.0 million for the financial year ended 31 December 2024 to approximately S\$6.6 million for the financial year ended 31 December 2025 mainly due to delay in deliveries.

### **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 international design trends, and leveraging on our team’s design capability, our work has been well received by property developers and homeowners. The revenue generated from interior design and fitting-out services decreased by approximately S\$0.5 million from approximately S\$5.3 million for the year ended 31 December 2024 to approximately S\$4.8 million for the year ended 31 December 2025 as a result of a slowdown in the upmarket property market segment and slower job confirmations.

### **PROSPECTS**

Overall, the war in Iran has caused oil prices to spike up resulting in an inflationary effect on the global economy. This in turn has caused a general increase in interest rate and risk-off sentiment in equity and bond markets. This is likely to dampen consumer sentiments and affect both our Singapore and U.S. business. Furthermore, if the war persists and oil prices remain elevated for a prolong period of time, the cost of replenishing our stock and freight rates will increase, resulting in a negative impact on profitability.

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

We anticipate the operating environment for the U.S. e-commerce furniture market to remain challenging in 2026. Elevated long term interest rates and potential changes in the U.S. trade policies, including the imposition or adjustment of tariffs, may affect global economic

conditions. Such factors could impact consumer sentiment and discretionary spending, which may in turn impact demand for our furniture, and hence may affect the Group's financial performance for the financial year ending 31 December 2026 ("FY2026"). With that in mind, we will continue to manage the business prudently and cautiously in FY2026 to navigate global uncertainties and crises.

### **Furniture Sales**

Looking ahead to FY2026, we anticipate business conditions for the Singapore's luxury furniture market will remain uncertain, with consumers staying cautious on spending. In this environment, the Group will continue to stay focus on the luxury market while seeking to consolidate and to maintain its market position. 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 continues to be profitable in FY2025 and with the projects currently on hand 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 in FY2026.

## **FINANCIAL REVIEW**

### **Revenue**

The Group's revenue decreased by approximately 17.3% from approximately S\$61.8 million for the financial year ended 31 December 2024 to approximately S\$51.1 million for the financial year ended 31 December 2025. This decrease was mainly attributable to the decrease in revenue from U.S. furniture sales segment, furniture sales segment and interior design segment as a result of trade tensions and geopolitical uncertainty.

The Group's gross profit margin increased from approximately 30.6% for the year ended 31 December 2024 to 31.8% for the year ended 31 December 2025.

### **Selling and Distribution Expenses**

The Group's selling and distribution expenses decreased by approximately S\$1.0 million or 9.1% from approximately S\$11.5 million for the year ended 31 December 2024 to approximately S\$10.5 million for the year ended 31 December 2025. This was primarily due to the decrease in advertising expenses, warehouse rental, staff remuneration and sales commission.

## **Administrative Expenses**

The Group's administrative expenses increased by approximately S\$0.9 million or 12.9% from approximately S\$6.9 million for the year ended 31 December 2024 to approximately S\$7.8 million for the year ended 31 December 2025. This was mainly due to the increase in provision for write-down of inventory and foreign exchange differences, which is partially offset by the decrease in staff cost, depreciation and depreciation of right-of-use assets.

## **Finance Costs**

The Group's finance costs decreased by approximately 16.0% from approximately S\$0.7 million for the year ended 31 December 2024 to approximately S\$0.6 million for the year ended 31 December 2025. This was mainly due to the decrease in interest on lease liabilities of approximately S\$0.1 million.

## **Other Income and Gain**

The Group's net other income and gain decreased by approximately S\$0.2 million or 14.3% from approximately S\$1.7 million for the year ended 31 December 2024 to approximately S\$1.4 million for the year ended 31 December 2025. The decrease in the net other income and gain was primarily due to the decrease in interest income.

## **Income Tax Expense**

The Group's income tax expense decreased by approximately S\$0.6 million as compared to the year ended 31 December 2024. The decrease in income tax expense was primarily due to the decrease in income tax charged in Singapore as a result of a drop in profit, utilisation of the Group tax relief by the Singapore companies and decrease in deferred tax.

## **(Loss)/profit**

The Group's result for the year decreased from a profit of approximately S\$0.8 million for the year ended 31 December 2024 to a loss of approximately S\$1.3 million for the year ended 31 December 2025. This is mainly attributable to the decrease in revenue.

## **Other comprehensive (loss)/income**

In FY2025, the Group recorded other comprehensive loss of approximately S\$1.8 million arising from the translation of net assets of the U.S. and Malaysia subsidiaries into Singapore dollars. This is a non-cash accounting effect under International Accounting Standard (“IAS”) 21 and does not affect operating profit, earnings before interest, taxes, depreciation and amortisation (“EBITDA”) or cash flows of the Group. The cumulative translation differences remain in equity (exchange fluctuation reserve) and are reclassified to profit or loss only upon disposal of the relevant foreign operations.

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

### **Overall Financial Position**

The Group had total cash and bank balances of approximately S\$37.5 million as at 31 December 2025 (2024: approximately S\$31.7 million), most of which were denominated in Hong Kong dollars, Singapore dollars and U.S. dollars. As at 31 December 2025, the cash and bank balances other than time deposits of the Group amounted to approximately S\$29.5 million (2024: approximately S\$31.1 million).

The Group recorded total current assets of approximately S\$65.0 million as at 31 December 2025 (2024: approximately S\$68.4 million) and total current liabilities of approximately S\$14.1 million as at 31 December 2025 (2024: approximately S\$15.1 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 4.6 as at 31 December 2025 (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 31 December 2025, the Board considered that the Group has sufficient working capital for its operations and future development plans.

## **Gearing Ratio**

As at 31 December 2025, the Group's gearing ratio which was calculated by dividing the total debt (borrowings) by total equity and multiplied by 100% was approximately 0.04% (2024: approximately 0.12%).

## **Contingent Liabilities**

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

## **Capital Commitment**

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

## **Capital Structure**

As at 31 December 2025 and 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. For the year ended 31 December 2025, the Group's cash and bank balances 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 31 December 2025, we had 95 full-time employees (2024: 104), of whom 68 are based in Singapore, 13 are based in the U.S. and 14 are based in Malaysia.

For the year ended 31 December 2025, staff costs (including directors emoluments) amounted to approximately S\$7.0 million (2024: approximately S\$7.6 million).

The Group remunerates its employees with competitive salaries, allowances and performance-based bonus based on their individual performance, contribution to the Group's 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 year ended 31 December 2025 (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 31 December 2025, the Group had an aggregate unutilised banking facilities of approximately S\$3.4 million (2024: approximately S\$3.0 million).

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

As at 31 December 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 financial year ended 31 December 2025.

#### **FINAL DIVIDEND**

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

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

During the year ended 31 December 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 31 December 2025, the Company did not hold any treasury shares.

## **EVENTS AFTER THE REPORTING PERIOD**

Subsequent to 31 December 2025 and up to the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that have occurred.

## **CORPORATE GOVERNANCE**

The Board is committed to maintaining high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Company and its subsidiaries (the "**Group**") to safeguard the interests of shareholders, enhance corporate value, formulate its business strategies and policies, and enhance its transparency and accountability.

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 of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") as the basis of the Company's corporate governance practices.

The Company has also in place a corporate governance framework and has established a set of policies and procedures based on the CG Code contained in Appendix C1 to the Listing Rules. Such policies and procedures provide the infrastructure for enhancing the Board's ability to implement governance and exercise proper oversight on business conduct and affairs of the Company.

The Board is of the view that the Company has complied with the then applicable code provisions as set out in the CG Code during the Reporting Period, save for code provisions B.3.5 and C.2.1 of the CG Code.

Under code provision B.3.5 of the CG Code, an issuer should appoint at least one director of a different gender to its nomination committee. The Nomination Committee consists of five members, namely Mr. Goon Eu Jin Terence, executive Director, Mr. Kho Chuan Thye Patrick, non-executive Director, and Mr. Lim Boon Cheng, Mr. Ng Chee Kwong, Colin, and Mr. Hwang Kin Soon Ignatius, independent non-executive Directors. Mr. Goon Eu Jin Terence is the chairman of the Nomination Committee. Therefore, the Nomination Committee is currently composed of Directors of a single gender. The Company will either re-designate existing Directors or appoint new Director(s) to the Nomination Committee to comply with this code provision.

Under code provision C.2.1 of the CG Code, the roles of chairman and 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, 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.

Specific enquiry has been made of all the directors of the Company (the "**Directors**") and the Directors have confirmed that they have complied with the Model Code throughout the Reporting Period.

The Company has also established written guidelines (the "**Employees Written Guidelines**") no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

## **ANNUAL GENERAL MEETING**

The annual general meeting (the “AGM”) of the Company will be held on 18 June 2026. A circular containing the information required by the Listing Rules, together with the notice convening the AGM, will be published on the Company’s website and the Stock Exchange’s website and, if necessary, dispatched to the shareholders of the Company in accordance with the requirements of the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both dates inclusive, during which period no transfer of its shares will be registered. The record date will be Thursday, 18 June 2026. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Friday, 12 June 2026.

## **AUDIT COMMITTEE**

During the financial year ended 31 December 2025, the Audit Committee consists of five members, namely Mr. Kho Chuan Thye Patrick and Mr. Lim Sooi Kheng Patrick, non-executive Directors, and Mr. Lim Boon Cheng, Mr. Ng Chee Kwong, Colin and Mr. Hwang Kin Soon Ignatius, independent non-executive Directors. Mr. Lim Boon Cheng is the chairman of the Audit Committee.

The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2025.

## **SCOPE OF WORK OF THE COMPANY’S AUDITOR ON THE FINANCIAL RESULTS ANNOUNCEMENT**

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in the preliminary announcement have been agreed by the Company’s auditor, Ernst & Young LLP (“EY”), to the amounts set out in the Group’s consolidated financial statements for the year. The work performed by EY in this respect did not constitute an assurance engagement and consequently no assurance has been expressed by EY on the preliminary announcement.

## **PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT**

This 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 annual report of the Company for the year ended 31 December 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, 18 March 2026

*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, Lim Sooi Kheng Patrick and Dillon Kho Tse Kai as non-executive Directors, and Lim Boon Cheng, Ng Chee Kwong, Colin and Hwang Kin Soon Ignatius as independent non-executive Directors.*