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Design Capital Limited
設計都會有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1545)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

FINANCIAL HIGHLIGHTS

	For the six months ended		
	30 June 2026	30 June 2025	Change
	S$'000	*S$'000*	*%*
Revenue	**23,850**	23,202	2.8%
Gross profit	**7,974**	7,332	8.8%
Loss for the period	**(310)**	(2,263)	-86.3%
Loss per share attributable to Shareholders of the Company *(cents)*	**(0.02)**	(0.12)	-83.3%

The board of directors (the "**Board**" or "**Directors**" and each a "**Director**") of Design Capital Limited (the "**Company**", "**we**", "**us**" or "**our**") hereby announces the unaudited interim condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the six months ended 30 June 2026, together with the comparative figures for the corresponding period in 2025, as follows:

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

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
		(unaudited)	(unaudited)
	Notes	***S$'000***	*S$'000*
REVENUE	*6*	**23,850**	23,202
Cost of sales		**(15,876)**	(15,870)
Gross profit		**7,974**	7,332
Other income and gain, net		**676**	694
Selling and distribution expenses		**(5,002)**	(5,353)
Administrative expenses		**(3,604)**	(4,607)
Finance costs		**(300)**	(292)
LOSS BEFORE TAX	*7*	**(256)**	(2,226)
Income tax	*8*	**(54)**	(37)
LOSS FOR THE PERIOD		**(310)**	(2,263)

	Notes	Six months ended 30 June **2026** **(unaudited)** ***S$'000***	2025 (unaudited) *S$'000*
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**189**	(1,865)
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF INCOME TAX		**189**	(1,865)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(121)**	(4,128)
Loss for the period attributable to:			
Shareholders of the Company		**(495)**	(2,401)
Non-controlling interests		**185**	138
		(310)	(2,263)
Total comprehensive loss for the period attributable to:			
Shareholders of the Company		**(315)**	(4,181)
Non-controlling interests		**194**	53
		(121)	(4,128)
LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	*10*		
Basic and diluted *(cents)*		**(0.02)**	(0.12)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2026

	Notes	**30 June 2026 (unaudited) *S$'000***	31 December 2025 (audited) *S$'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*11*	**1,401**	1,734
Right-of-use assets	*12*	**8,906**	8,995
Deposits		**499**	481
Total non-current assets		**10,806**	11,210
CURRENT ASSETS			
Inventories	*13*	**17,101**	19,934
Contract assets		**546**	84
Trade receivables	*14*	**5,046**	5,225
Prepayments, deposits and other receivables		**2,712**	2,179
Cash and bank balances	*15*	**40,723**	37,543
Total current assets		**66,128**	64,965
CURRENT LIABILITIES			
Contract liabilities		**6,502**	5,958
Trade payables	*16*	**1,978**	1,517
Other payables and accruals	*17*	**3,170**	3,191
Borrowings		**6**	23
Lease liabilities		**3,333**	3,209
Income tax payables		**146**	160
Total current liabilities		**15,135**	14,058
NET CURRENT ASSETS		**50,993**	50,907
TOTAL ASSETS LESS CURRENT LIABILITIES		**61,799**	62,117

	Notes	30 June 2026 (unaudited) S$'000	31 December 2025 (audited) S$'000
NON-CURRENT LIABILITIES			
Provision for reinstatement costs		**745**	744
Lease liabilities		**8,015**	8,213
Deferred tax liabilities		**25**	25
Total non-current liabilities		**8,785**	8,982
NET ASSETS		**53,014**	53,135
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	*18*	**3,453**	3,453
Share premium		**8,656**	8,656
Reserves		**37,969**	38,284
		50,078	50,393
Non-controlling interests		**2,936**	2,742
TOTAL EQUITY		**53,014**	53,135

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
For the six months ended 30 June 2026

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 2026 have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

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 2025.

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 2025, except for the adoption of new standards effective as of 1 January 2026. 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 2026, but do not have a material 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 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 2025.

There have been no changes in the financial risk management policies of the Group since the financial year ended 31 December 2025.

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 before tax.

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

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

Six months ended 30 June 2026	Interior design *S$'000*	Furniture sales *S$'000*	U.S. furniture sales *S$'000*	Corporate *S$'000*	Total *S$'000*
Segment revenue:					
Segment revenue	**2,215**	**8,635**	**13,018**	**–**	**23,868**
Less: Inter-segment sales	**(1)**	**(17)**	**–**	**–**	**(18)**
Sales to external customers	**2,214**	**8,618**	**13,018**	**–**	**23,850**
Segment results	**577**	**(207)**	**131**	**(757)**	**(256)**
Segment assets	**4,537**	**22,548**	**37,461**	**12,388**	**76,934**
Segment liabilities	**1,524**	**11,076**	**10,839**	**481**	**23,920**
Other segment information:					
Interest income	**(15)**	**(43)**	**(243)**	**(206)**	**(507)**
Finance costs*	**–**	**103**	**196**	**1**	**300**
Depreciation	**5**	**232**	**83**	**56**	**376**
Provision/(reversal of provision) for write-down of inventories to net realisable value, net	**–**	**396**	**(59)**	**–**	**337**
Reversal of provision for expected credit losses of trade receivables, net	**–**	**(43)**	**(8)**	**–**	**(51)**
Capital expenditure**	**–**	**22**	**4**	**12**	**38**

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)
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

* Finance costs include the interest on lease liabilities.

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

The following table presents assets and liabilities information for the Group's operating segments as at 31 December 2025:

	Interior design *S$'000*	Furniture sales *S$'000*	U.S. furniture sales *S$'000*	Corporate *S$'000*	Total *S$'000*
Segment assets	3,674	22,816	37,163	12,522	76,175
Segment liabilities	1,060	10,737	10,688	555	23,040

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 2026 ***S$'000***	31 December 2025 *S$'000*
Singapore	**4,358**	4,210
U.S.	**5,949**	6,519
	10,307	10,729

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

6. REVENUE

Revenue from contracts with customers is recognised when or as control of the promised goods or services is transferred to customers at an amount that reflects the consideration to which the Group expects to be entitled, net of returns, trade discounts and goods and services tax.

Disaggregated revenue information

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

	Six months ended 30 June 2026			
Segments	**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	**–**	**8,618**	**13,018**	**21,636**
Service income — interior design	**2,214**	**–**	**–**	**2,214**
Total revenue from contracts with customers	**2,214**	**8,618**	**13,018**	**23,850**
Geographical markets				
Singapore	**2,214**	**8,618**	**–**	**10,832**
U.S.	**–**	**–**	**13,018**	**13,018**
Total revenue from contracts with customers	**2,214**	**8,618**	**13,018**	**23,850**
Timing of revenue recognition				
Goods transferred at a point in time	**–**	**5,100**	**13,018**	**18,118**
Goods and services transferred over time	**2,214**	**3,518**	**–**	**5,732**
Total revenue from contracts with customers	**2,214**	**8,618**	**13,018**	**23,850**

Segments	Interior design *S$'000*	Furniture sales *S$'000*	U.S. furniture sales *S$'000*	Total *S$'000*
	Six months ended 30 June 2025			
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

7. LOSS BEFORE TAX

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

	Six months ended 30 June	
	2026	2025
	S$'000	*S$'000*
Cost of goods sold	**14,803**	14,826
Cost of services provided	**1,073**	1,044
Depreciation	**376**	580
Depreciation of right-of-use assets	**1,725**	1,608
Expense relating to short-term leases	**5**	16
Variable lease payments	**813**	1,040
Employee benefit expense (excluding directors' fees):		
Salaries, allowances, benefits in kind and other costs	**2,968**	3,086
Mandatory national pension schemes	**315**	351
	3,283	3,437
Provision for write-down of inventories to net realisable value, net	**337**	425
(Reversal of provision)/provision for expected credit losses of trade receivables, net	**(51)**	111
Foreign exchange differences, net	**5**	732

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	
	2026	2025
	S$'000	*S$'000*
Current — Singapore:		
Charge for the period	**89**	74
Over-provision in respect of prior years	**(35)**	(37)
	54	37

9. DIVIDEND

The Board resolved not to declare any interim dividend for the period ended 30 June 2026 (30 June 2025: Nil).

10. LOSS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic loss per share amounts is based on the loss for the period attributable to shareholders of the Company of S$495,000 (30 June 2025: S$2,401,000), and the weighted average number of ordinary shares in issue of 2,000,000,000 (30 June 2025: 2,000,000,000) during the period.

No adjustment has been made to the basic loss per share amounts presented for the period ended 30 June 2026 and 2025 in respect of a dilution as the Company had no potentially dilutive ordinary shares in issue during each of these periods.

11. PROPERTY, PLANT AND EQUIPMENT

Additions and disposals

During the six months ended 30 June 2026, the Group acquired assets with a cost of approximately S$38,000 (30 June 2025: approximately S$11,000).

There were no assets disposed by the Group during the six months ended 30 June 2026 (30 June 2025: Nil).

12. RIGHT-OF-USE ASSETS

Additions

During the six months ended 30 June 2026, the Group entered into new leases and recognised right-of-use assets and lease liabilities of approximately S$1.6 million and approximately S$1.6 million respectively (30 June 2025: approximately S$0.8 million and approximately S$0.8 million respectively). The incremental borrowing rates used range from 5.25% to 7.00% (30 June 2025: 5.25% to 7.00%).

13. INVENTORIES

Group	**30 June 2026** ***S$'000***	31 December 2025 *S$'000*
Merchandised goods	**14,929**	17,353
Goods in transit	**2,172**	2,581
	17,101	19,934

14. TRADE RECEIVABLES

Group	**30 June 2026**	31 December 2025
	S$'000	*S$'000*
Trade receivables	**5,206**	5,436
Provision for expected credit losses *(Note (c))*	**(160)**	(211)
	5,046	5,225

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 2026**	31 December 2025
	S$'000	*S$'000*
Within 1 month	**3,235**	3,299
1 to 2 months	**890**	1,517
2 to 3 months	**695**	350
Over 3 months	**226**	59
	5,046	5,225

(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 2026** *S$'000*	31 December 2025 *S$'000*
At beginning of year	**211**	241
Reversal of provision for expected credit losses of trade receivables, net	**(51)**	(24)
Amount written off as uncollectible	**–**	(6)
At end of period/year	**160**	211

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 and 30 June 2026 are 75.83% and 41.56% respectively for those balances that have been past due for more than 3 months.

15. CASH AND BANK BALANCES

Group	**30 June 2026** *S$'000*	31 December 2025 *S$'000*
Cash and bank balances other than time deposits	**29,574**	29,486
Time deposits	**11,149**	8,057
Cash and bank balances	**40,723**	37,543

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

16. TRADE PAYABLES

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

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

Group	**30 June 2026** *S$'000*	31 December 2025 *S$'000*
Within 1 month	**1,600**	1,187
1 to 2 months	**135**	97
2 to 3 months	**2**	25
Over 3 months	**241**	208
	1,978	1,517

17. OTHER PAYABLES AND ACCRUALS

Group	**30 June 2026** *S$'000*	31 December 2025 *S$'000*
Accruals	**1,912**	2,344
Estimate of sales returns from customers	**959**	704
Other payables	**299**	143
	3,170	3,191

18. SHARE CAPITAL

	30 June 2026	31 December 2025
	HK$'000	*HK$'000*
Authorised:		
10,000,000,000 (31 December 2025: 10,000,000,000) ordinary shares of HK$0.01 each	**100,000**	100,000

	30 June 2026	31 December 2025
	S$'000	*S$'000*
Issued and fully paid:		
2,000,000,000 (31 December 2025: 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 2025 to 30 June 2026 is as follows:

	Number of shares in issue	**Issued capital**	**Share premium account**	**Total**
		S$'000	*S$'000*	*S$'000*
As at 1 January 2025, 31 December 2025 and 1 January 2026	2,000,000,000	3,453	8,656	12,109
As at 30 June 2026	**2,000,000,000**	**3,453**	**8,656**	**12,109**

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Headquartered in Singapore, Design Capital Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") is a longstanding furniture seller on third-party e-commerce platforms in the United States (the "**U.S.**"), a mid-to-high-end furniture retailer in Singapore and an integrated home design solutions provider mainly in Singapore. For the six months ended 30 June 2026, our revenue amounted to approximately S$23.9 million, representing an increase of approximately S$0.6 million or 2.8% from approximately S$23.2 million for the six months ended 30 June 2025. This increase was mainly attributable to the increase in revenue from the Group's furniture sales segment, which was partially offset by the decrease in revenue from the Group's interior design segment and U.S. furniture sales segment. The Group achieved a gross profit margin of approximately 33.4% for the six months ended 30 June 2026, as compared to approximately 31.6% for the six months ended 30 June 2025. The Group's loss decreased significantly from approximately S$2.3 million for the six months ended 30 June 2025 to approximately S$0.3 million for the six months ended 30 June 2026. The improvement is mainly due to higher revenue, better cost management and decrease in foreign exchange loss. 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 FY2025 annual report of the Company highlighted the challenges affecting the Group. Global uncertainties, intense competition, and the U.S.-Iran war are creating a tough operating environment. The geopolitical conflict has led to an increase in oil prices and dampened consumer sentiment. Higher oil prices will have an inflationary effect on global economies, resulting in governments potentially raising interest rates to fight inflation, affecting consumers affordability and purchasing power. Shipping and product costs are also expected to climb. All the above factors may potentially impact our operational performance for the second half of the 2026 financial year ("**FY2026**").

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 2026, revenue for this segment decreased from approximately S$15.1 million for the six months ended 30 June 2025 to approximately S$13.0 million. The decrease was mainly due to the effects of the U.S.-Iran war, global uncertainties, inflation and consumer affordability resulting in consumers prioritising staples over discretionary items such as furniture.

Furniture Sales

As at the date of this announcement, we operate five points of sale in Singapore, of which one is under the brand "Minotti by Marquis", one is under the brand "Marquis", one is under the brand "Fendi Casa Singapore" and two are under the brand "Lifestorey", offering furniture pieces with different styles to cater for the preferences of different customers in the market. The revenue from this segment increased by 50.8% from approximately S$5.7 million for the six months ended 30 June 2025 to approximately S$8.6 million for the six months ended 30 June 2026. The increase was mainly attributable to the delivery of the high-end residential furniture and the completion of projects. 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. Building on these capabilities, we will work towards achieving better performance in the second half of FY2026.

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 decreased by 7.2% from approximately S$2.4 million for the six months ended 30 June 2025 to approximately S$2.2 million for the six months ended 30 June 2026 as a result of slower project revenue recognition. Notwithstanding the decrease in revenue, this segment continues to contribute positively to the Group's profitability.

PROSPECTS

U.S. Furniture Sales

We anticipate continued challenges in the U.S. market during the second half of FY2026 as a result of elevated long-term interest rates and shifting U.S. trade policies. This macroeconomic strain is further compounded by the U.S.-Iran war, which have driven up global oil prices, fueled inflation, and increased both freight and purchasing costs. Collectively, these factors will also dampen consumer sentiment and their discretionary spending, which in turn may negatively impact our financial performance in the second half of FY2026. We will however continue to manage the business prudently and cautiously to deal with the global uncertainties and crises.

Furniture Sales

We anticipate that business conditions for the Singapore's luxury furniture market will remain soft and uncertain in the second half of FY2026, with consumers staying cautious on spending. In this environment, the Group will continue to stay focused 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 achieved a profit in the first half of FY2026. 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 FY2026.

FINANCIAL REVIEW

Overall financial review

The Group's revenue increased by approximately S$0.6 million or 2.8% from approximately S$23.2 million for the six months ended 30 June 2025 to approximately S$23.9 million for the six months ended 30 June 2026. This increase was mainly attributable to the increase in revenue from the Group's furniture sales segment, which was partially offset by the decrease in revenue from the Group's interior design segment and U.S. furniture sales segment.

The Group's gross profit margin increased from approximately 31.6% for the six months ended 30 June 2025 to approximately 33.4% for the six months ended 30 June 2026. This increase was due to the increase in revenue from the Group's 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 loss decreased significantly from approximately S$2.3 million for the six months ended 30 June 2025 to approximately S$0.3 million for the six months ended 30 June 2026. The improvement is mainly due to higher revenue, better cost management and decrease in foreign exchange loss.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Overall financial position

As at 30 June 2026, total borrowings of the Group amounted to approximately S$6,000, which were obligations under finance leases (31 December 2025: approximately S$23,000).

The Group had total cash and bank balances of approximately S$40.7 million as at 30 June 2026 (31 December 2025: approximately S$37.5 million), most of which were denominated in Singapore dollars, U.S. dollars and Hong Kong dollars. As at 30 June 2026, the cash and bank balances other than time deposits of the Group amounted to approximately S$29.6 million (31 December 2025: approximately S$29.5 million).

The Group recorded total current assets of approximately S$66.1 million as at 30 June 2026 (31 December 2025: approximately S$65.0 million) and total current liabilities of approximately S$15.1 million as at 30 June 2026 (31 December 2025: approximately S$14.1 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 4.4 as at 30 June 2026 (31 December 2025: approximately 4.6).

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 2026, the Board considered that the Group had sufficient working capital for its operations and future development plans.

Gearing ratio

As at 30 June 2026, the Group's gearing ratio which was calculated by dividing the total borrowings by total equity and multiplied by 100% was approximately 0.01% (31 December 2025: approximately 0.04%).

Contingent liabilities

As at 30 June 2026, the Group did not have any material contingent liabilities or guarantees (31 December 2025: Nil).

Capital commitment

As at 30 June 2026, the Group did not have any material capital commitment (31 December 2025: Nil).

Capital structure

As at 30 June 2026 and 31 December 2025, 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 2026, the Group's cash and bank balances were mostly denominated in Singapore dollars, U.S. dollars and Hong Kong dollars. The Group's sales are mainly in U.S. dollars and Singapore dollars. However, most of the purchases are settled in U.S. dollars and Euros. The Group is therefore susceptible to currency exchange rate fluctuation of U.S. dollars, Euros and Hong Kong dollars against Singapore dollars.

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

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2026, the Group had 93 full-time employees (30 June 2025: 104), of whom 68 are based in Singapore, 11 are based in the U.S. and 14 are based in Malaysia. For the period ended 30 June 2026, staff costs (excluding directors' fees) amounted to approximately S$3.3 million (30 June 2025: approximately S$3.4 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 2026, the Group did not have any material assets pledged or charged as security for its banking facilities (31 December 2025: Nil). The Group had an aggregate unutilised banking facilities of approximately S$3.4 million as at 30 June 2026 (31 December 2025: approximately S$3.4 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2026, 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 disposals of assets, subsidiaries, associates or joint ventures during the period ended 30 June 2026.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the period ended 30 June 2026 (30 June 2025: Nil).

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

During the period ended 30 June 2026, 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 2026, the Company did not hold any treasury shares.

EVENTS AFTER THE END OF THE REPORTING PERIOD

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

CORPORATE GOVERNANCE

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

The Board is of the view that the Company has complied with the then applicable code provisions as set out in the CG Code during the six months ended 30 June 2026, 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 of the Company (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 acknowledges the value of gender diversity within the Nomination Committee in enriching deliberations and promoting a wider range of perspectives. Although the

Company is currently unable to appoint a Director to the Nomination Committee specifically for the purpose of complying with code provision B.3.5 of the CG Code, it remains committed to reviewing opportunities to further enhance the Committee's composition. Notwithstanding the current absence of gender diversity in the committee, the Board considers that the Nomination Committee maintains an appropriate and sufficiently diverse mix of skills, professional backgrounds, experience and viewpoints. The members' extensive expertise in corporate governance, leadership development and succession planning enables the Nomination Committee to continue performing its responsibilities effectively.

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

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

MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

As at 30 June 2026, the Company, having made specific enquiry of all the Directors, is not aware of any incident of non-compliance of the Model Code and the Company's code of conduct regarding directors' securities transactions by the Directors.

REVIEW OF INTERIM RESULTS

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

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

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.designcapital.sg). The interim report for the six months ended 30 June 2026, 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, 27 August 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 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.