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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 2024**

FINANCIAL HIGHLIGHTS	2024	2023	Change
	<i>S\$'000</i>	<i>S\$'000</i>	<i>%</i>
Revenue	61,831	89,506	-30.9%
Gross profit	18,916	27,611	-31.5%
Profit for the year	789	3,882	-79.7%
Earnings per share attributable to shareholders of the Company (<i>cents</i>)	0.02	0.14	-85.7%

The board of directors (the “**Board**” or “**Directors**” and each a “**Director**”) of Design Capital Limited (the “**Company**”, “**we**”, “**us**” or “**our**”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023, as follows:

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

For the financial year ended 31 December 2024

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
REVENUE	4	61,831	89,506
Cost of sales		<u>(42,915)</u>	<u>(61,895)</u>
Gross profit		18,916	27,611
Other income and gain, net	5	1,683	1,151
Selling and distribution expenses		(11,508)	(13,797)
Administrative expenses		(6,945)	(9,513)
Finance costs	6	<u>(711)</u>	<u>(756)</u>
PROFIT BEFORE TAX	7	1,435	4,696
Income tax	8	<u>(646)</u>	<u>(814)</u>
PROFIT FOR THE YEAR		<u>789</u>	<u>3,882</u>
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		<u>784</u>	<u>(582)</u>
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF INCOME TAX		<u>784</u>	<u>(582)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,573</u>	<u>3,300</u>
Profit for the year attributable to:			
Shareholders of the Company		321	2,892
Non-controlling interests		<u>468</u>	<u>990</u>
		<u>789</u>	<u>3,882</u>
Total comprehensive income for the year attributable to:			
Shareholders of the Company		1,069	2,336
Non-controlling interests		<u>504</u>	<u>964</u>
		<u>1,573</u>	<u>3,300</u>
EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY			
	10		
Basic and diluted (<i>cents</i>)		<u>0.02</u>	<u>0.14</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	<i>Notes</i>	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment	<i>11</i>	2,695	2,435
Right-of-use assets	<i>12</i>	9,892	11,514
Deposits		508	488
Deferred tax assets		–	436
		<hr/>	<hr/>
Total non-current assets		13,095	14,873
CURRENT ASSETS			
Inventories		29,080	33,171
Contract assets		494	408
Trade receivables	<i>13</i>	5,543	8,189
Prepayments, deposits and other receivables		1,597	1,926
Cash and cash equivalents		31,679	28,350
		<hr/>	<hr/>
Total current assets		68,393	72,044
CURRENT LIABILITIES			
Contract liabilities		4,175	6,107
Trade payables	<i>14</i>	3,080	2,845
Other payables and accruals		4,593	6,185
Borrowings		38	48
Lease liabilities		3,069	3,100
Income tax payables		127	558
		<hr/>	<hr/>
Total current liabilities		15,082	18,843
NET CURRENT ASSETS		<hr/> 53,311 <hr/>	<hr/> 53,201 <hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<hr/> 66,406 <hr/>	<hr/> 68,074 <hr/>

	<i>Notes</i>	2024 S\$'000	2023 S\$'000
NON-CURRENT LIABILITIES			
Borrowings		32	80
Provision for reinstatement costs		750	522
Lease liabilities		9,447	10,897
Deferred tax liabilities		25	25
		<hr/>	<hr/>
Total non-current liabilities		10,254	11,524
		<hr/>	<hr/>
NET ASSETS		56,152	56,550
		<hr/> <hr/>	<hr/> <hr/>
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	<i>15</i>	3,453	3,453
Share premium		8,656	9,977
Reserves		41,651	40,582
		<hr/>	<hr/>
		53,760	54,012
Non-controlling interests		2,392	2,538
		<hr/>	<hr/>
TOTAL EQUITY		56,152	56,550
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the financial year ended 31 December 2024

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 2024. 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 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 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 statements of profit or loss and other comprehensive income.

Segment performance is evaluated based on reportable segment profit, which is measured consistently with the Group’s 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 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	5,287	17,293	39,398	90	62,068
Less: Inter-segment sales	–	(147)	–	(90)	(237)
	<u>5,287</u>	<u>17,146</u>	<u>39,398</u>	<u>–</u>	<u>61,831</u>
Sales to external customers					
	<u>5,287</u>	<u>17,146</u>	<u>39,398</u>	<u>–</u>	<u>61,831</u>
Segment results	<u>1,150</u>	<u>64</u>	<u>1,099</u>	<u>(878)</u>	<u>1,435</u>
Segment assets	<u>2,756</u>	<u>21,712</u>	<u>42,134</u>	<u>14,886</u>	<u>81,488</u>
Segment liabilities	<u>1,023</u>	<u>9,066</u>	<u>14,382</u>	<u>865</u>	<u>25,336</u>
Other segment information:					
Interest income	(79)	(178)	(302)	(682)	(1,241)
Finance costs**	1	188	517	5	711
Depreciation	18	685	258	143	1,104
Amortisation 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	–	2	–	–	2
	(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>

Year ended 31 December 2023

	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	Corporate S\$'000	Total S\$'000
Segment revenue:					
Segment revenue	8,605	24,760	56,401	45	89,811
Less: Inter-segment sales	(20)	(240)	–	(45)	(305)
	<u>8,585</u>	<u>24,520</u>	<u>56,401</u>	<u>–</u>	<u>89,506</u>
Segment results	<u>2,925</u>	<u>2,987</u>	<u>847</u>	<u>(2,063)</u>	<u>4,696</u>
Segment assets	<u>4,484</u>	<u>23,113</u>	<u>42,207</u>	<u>17,113</u>	<u>86,917</u>
Segment liabilities	<u>2,034</u>	<u>11,597</u>	<u>15,473</u>	<u>1,263</u>	<u>30,367</u>
Other segment information:					
Interest income	(79)	(221)	(85)	(353)	(738)
Finance costs**	2	179	572	3	756
Depreciation	46	491	269	115	921
Amortisation of right-of-use assets	5	2,104	1,128	3	3,240
Gain on disposal of property, plant and equipment, net	–	–	(141)	–	(141)
Write-off of property, plant and equipment	–	61	–	–	61
Provision for write-down of inventories to net realisable value, net	–	58	550	–	608
Provision/(reversal of provision) for expected credit losses of trade receivables, net	60	124	(34)	–	150
Provision for expected credit losses of other receivables, net	–	10	–	–	10
Capital expenditure*	<u>35</u>	<u>247</u>	<u>526</u>	<u>555</u>	<u>1,363</u>

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

** Finance costs include the interest on lease liabilities.

Geographical information

The Group's operating segments operate in three 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.
- (iii) Malaysia — The operations in this area are principally interior design.

Non-current assets

	2024 S\$'000	2023 S\$'000
Singapore	4,485	4,790
U.S.	8,102	9,159
	<u>12,587</u>	<u>13,949</u>

The non-current assets information above is based on the location of the assets, excluding financial assets and deferred tax 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:

	Year ended 31 December 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	–	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>
Geographical markets				
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>
Timing of revenue recognition				
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>

Year ended 31 December 2023

Segments	Interior design <i>S\$'000</i>	Furniture sales <i>S\$'000</i>	U.S. furniture sales <i>S\$'000</i>	Total <i>S\$'000</i>
Type of goods or service				
Sale of goods	–	24,520	56,401	80,921
Service income — interior design	8,585	–	–	8,585
Total revenue from contracts with customers	8,585	24,520	56,401	89,506
Geographical markets				
Singapore	8,578	24,520	–	33,098
U.S.	–	–	56,401	56,401
Malaysia	7	–	–	7
Total revenue from contracts with customers	8,585	24,520	56,401	89,506
Timing of revenue recognition				
Goods transferred at a point in time	–	14,926	56,401	71,327
Goods and services transferred over time	8,585	9,594	–	18,179
Total revenue from contracts with customers	8,585	24,520	56,401	89,506

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:

	2024 <i>S\$'000</i>	2023 <i>S\$'000</i>
Commission income	32	28
Interest income	1,241	738
Gain on disposal of property, plant and equipment, net	82	141
Miscellaneous income	328	244
Other income and gain, net	1,683	1,151

6. FINANCE COSTS

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

	2024 S\$'000	2023 S\$'000
Interest on borrowings	12	6
Interest on lease liabilities	699	750
	<u>711</u>	<u>756</u>

7. PROFIT BEFORE TAX

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

	2024 S\$'000	2023 S\$'000
	<i>Notes</i>	
Audit fees:		
— Auditors of the Company	230	230
— Other auditors	2	4
Non-audit fees:		
— Auditors of the Company	6	5
Cost of inventories sold	40,193	57,907
Cost of services provided	2,722	3,988
Depreciation	1,104	921
Amortisation of right-of-use assets	3,345	3,240
Expense relating to short-term leases	24	10
Variable lease payments	2,369	3,552
	<u>6,026</u>	<u>6,834</u>
Employee benefit expense (excluding directors' remuneration):		
Salaries, allowances, benefits in kind and other costs	6,026	6,834
Mandatory national pension schemes	680	760
	<u>6,706</u>	<u>7,594</u>
Gain on disposal of property, plant and equipment, net	(82)	(141)
Write-off of property, plant and equipment	2	61
Provision for write-down of inventories to net realisable value, net	361	608
(Reversal of provision)/provision for expected credit losses of trade receivables, net	13(c) (185)	150
Provision for expected credit losses of other receivables, net	—	10
Write-off of other receivables	20	—
Foreign exchange differences, net	(450)	358
	<u>(450)</u>	<u>358</u>

8. INCOME TAX

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

	2024	2023
	S\$'000	S\$'000
Current — Singapore:		
Charge for the year	209	842
Over-provision in respect of prior years	(31)	(142)
Current — U.S.:		
Under-provision in respect of prior years	25	114
Deferred tax:		
Over-provision in respect of prior years	443	—
	646	814

9. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: final dividend of HK0.38 cents per ordinary share).

10. EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to shareholders of the Company of S\$321,000 (2023: S\$2,892,000), and the weighted average number of ordinary shares in issue of 2,000,000,000 (2023: 2,000,000,000) during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2024 and 2023 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 2024, the Group acquired assets with a cost of S\$1,334,000 (2023: S\$1,363,000, of which S\$100,000 was purchased under hire purchase).

Assets with a net book value of Nil (2023: S\$127,000) were disposed by the Group during the year ended 31 December 2024, resulting in a net gain on disposal of S\$82,000 (2023: S\$141,000).

During the year ended 31 December 2024, the Group write-off assets with a net book value of S\$2,000 (2023: S\$61,000).

12. RIGHT-OF-USE ASSETS

Additions

During the year ended 31 December 2024, the Group entered into new leases and recognises right-of-use assets and lease liabilities of S\$1.5 million and S\$1.5 million respectively (2023: S\$1.6 million and S\$1.6 million respectively). The incremental borrowing rate used was 5.25% to 7.00% (2023: 5.25% to 7.00%).

13. TRADE RECEIVABLES

	Group	
	2024	2023
	S\$'000	S\$'000
Trade receivables	5,784	8,748
Provision for expected credit losses (<i>Note (c)</i>)	(241)	(559)
	<u>5,543</u>	<u>8,189</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:

	Group	
	2024	2023
	S\$'000	S\$'000
Within 1 month	3,884	5,598
1 to 2 months	1,276	2,501
2 to 3 months	92	79
Over 3 months	291	11
	<u>5,543</u>	<u>8,189</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:

	Group	
	2024	2023
	S\$'000	S\$'000
As at 1 January	559	463
(Reversal of provision)/provision for expected credit losses (<i>Note 7</i>)	(185)	150
Amount written off as uncollectible	(133)	(54)
	<u>241</u>	<u>559</u>

The Group applies the simplified approach to providing for expected credit losses prescribed by *IFRS 9 Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2024 is 40.73% (2023: 98.53%) 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	
	2024 S\$'000	2023 S\$'000
Within 1 month	2,288	1,853
1 to 2 months	328	650
2 to 3 months	104	133
Over 3 months	360	209
	<u>3,080</u>	<u>2,845</u>

15. SHARE CAPITAL

Company

	2024	2023
	HK\$'000	HK\$'000
Authorised:		
10,000,000,000 (31 December 2023: 10,000,000,000) ordinary shares of HK\$0.01 each	<u>100,000</u>	<u>100,000</u>
	2024	2023
	S\$'000	S\$'000
Issued and fully paid:		
2,000,000,000 (31 December 2023: 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 2023 to 31 December 2024 is as follows:

	Number of shares in issue	Issued capital S\$'000	Share premium account S\$'000	Total S\$'000
As at 1 January 2023	2,000,000,000	3,453	11,283	14,736
Final dividend*	—	—	(1,306)	(1,306)
As at 31 December 2023 and 1 January 2024	2,000,000,000	3,453	9,977	13,430
Final dividend**	—	—	(1,321)	(1,321)
As at 31 December 2024	<u>2,000,000,000</u>	<u>3,453</u>	<u>8,656</u>	<u>12,109</u>

* On 28 March 2023, the Board recommended the payment of a final dividend of HK0.38 cents per Share (the “**2022 Final Dividend**”) for the year ended 31 December 2022. Shareholders approval for the 2022 Final Dividend was obtained on 21 June 2023. The 2022 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.

** 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 2024 (“FY2024”), our revenue amounted to approximately S\$61.8 million, representing a decrease of approximately 30.9% from approximately S\$89.5 million for the year ended 31 December 2023 (“FY2023”). 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 maintain its gross profit margin of approximately 30.6% and manage its cost prudently, enabling it to make a profit. 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 2024, 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\$39.4 million (2023: approximately S\$56.4 million), which represented a decrease of approximately 30.1% over 2023 and accounted for approximately 63.7% 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 and slow down in orders from one of the key customers due to a shift in their market focus.

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 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 2024 amounted to approximately S\$17.1 million (2023: approximately S\$24.5 million). The decrease was mainly attributable to a slow down in the high-end residential 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 points of sale in Singapore decreased to approximately S\$9.2 million for the year ended 31 December 2024 (2023: approximately S\$14.9 million).

The revenue from Special Projects under our furniture sales segment decreased by approximately S\$1.6 million from approximately S\$9.6 million for the financial year ended 31 December 2023 to approximately S\$8.0 million for the financial year ended 31 December 2024 mainly due to two large projects being recognised in FY2023.

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\$3.3 million from approximately S\$8.6 million for the year ended 31 December 2023 to approximately S\$5.3 million for the year ended 31 December 2024 as a result of a slow down in the upmarket property market segment and slower job confirmations.

PROSPECTS

U.S. Furniture Sales

We anticipate a challenging year for the U.S. market as interest rates remain high and changes to the U.S. trade policies, such as tariffs might have a significant impact on the global economy, and this will subsequently impact consumer sentiment and demand which in turn may negatively impact our financial performance for the year ended 31 December 2025 (“FY2025”). We will continue to manage the business prudently and cautiously in FY2025 to navigate global uncertainties and crises.

Furniture Sales

While we continue to operate in an environment with many uncertainties, 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 continues to be profitable in FY2024 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 FY2025.

FINANCIAL REVIEW

Revenue

The Group's revenue decreased by approximately 30.9% from approximately S\$89.5 million for the financial year ended 31 December 2023 to approximately S\$61.8 million for the financial year ended 31 December 2024. 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 lower economic growth, trade tensions and geopolitical uncertainty.

The Group's gross profit margin remained stable at approximately 30.8% and 30.6% for the year ended 31 December 2023 and 2024 respectively.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately S\$2.3 million or 16.6% from approximately S\$13.8 million for the year ended 31 December 2023 to approximately S\$11.5 million for the year ended 31 December 2024. This was primarily due to the decrease in warehouse rental, staff remuneration and sales commission.

Administrative Expenses

The Group's administrative expenses decreased by approximately S\$2.6 million or 27.0% from approximately S\$9.5 million for the year ended 31 December 2023 to approximately S\$6.9 million for the year ended 31 December 2024. This was mainly due to the decrease in staff cost, provision for expected credit loss of trade receivable, provision for write-down of inventory and foreign exchange differences.

Finance Costs

The Group's finance costs decreased by approximately 6.0% from approximately S\$0.8 million for the year ended 31 December 2023 to approximately S\$0.7 million for the year ended 31 December 2024. 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 increased by approximately S\$0.5 million or 46.2% from approximately S\$1.2 million for the year ended 31 December 2023 to approximately S\$1.7 million for the year ended 31 December 2024. The increase in the net other income and gain was primarily due to the increase in interest income.

Income Tax Expense

The Group's income tax expense decreased by approximately S\$0.2 million as compared to the year ended 31 December 2023. 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 was partially offset by the write-off of deferred tax assets in the U.S. furniture sales segment.

Profit

The Group's profit for the year decreased by approximately 79.7% from approximately S\$3.9 million for the year ended 31 December 2023 to approximately S\$0.8 million for the year ended 31 December 2024. This is mainly attributable to the decrease in revenue.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Overall Financial Position

The Group had total cash and cash equivalents of approximately S\$31.7 million as at 31 December 2024 (2023: approximately S\$28.4 million), most of which were denominated in Hong Kong dollars, Singapore dollars and U.S. dollars. As at 31 December 2024, the cash and bank balances other than time deposits of the Group amounted to approximately S\$31.1 million (2023: approximately S\$15.9 million).

The Group recorded total current assets of approximately S\$68.4 million as at 31 December 2024 (2023: approximately S\$72.0 million) and total current liabilities of approximately S\$15.1 million as at 31 December 2024 (2023: approximately S\$18.8 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 4.5 as at 31 December 2024 (2023: approximately 3.8).

The Group's operations are financed principally by revenue generated from its business operations, available cash and bank balances as well as bank borrowings.

In view of the Group's financial position as at 31 December 2024, the Board considered that the Group has sufficient working capital for its operations and future development plans.

Gearing Ratio

As at 31 December 2024, the Group's gearing ratio which was calculated by dividing the total debt (borrowings) by total equity and multiplied by 100% was approximately 0.1% (2023: approximately 0.2%).

Contingent Liabilities

As at 31 December 2024, the Group did not have any material contingent liabilities or guarantees (2023: Nil).

Capital Commitment

As at 31 December 2024, the Group did not have any material capital commitment (2023: Nil).

Capital Structure

As at 31 December 2024 and 2023, 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 2024, the Group's cash and cash equivalents were mostly denominated in Hong Kong dollars, Singapore dollars and U.S. dollars. The Group's sales are mainly in U.S. dollars and Singapore dollars. However, most of the purchases are settled in U.S. dollars and Euros. The Group is therefore susceptible to currency exchange rate fluctuation of U.S. dollars, Euros and Hong Kong dollars against Singapore dollars.

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

EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2024, we had 104 (2023: 123) full-time employees, of whom 72 are based in Singapore, 13 are based in the U.S. and 19 are based in Malaysia.

For the year ended 31 December 2024, staff costs (including directors emoluments) amounted to approximately S\$7.6 million (2023: approximately S\$8.8 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 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 2024, the Group had aggregate unutilised banking facilities of approximately S\$3.0 million (2023: approximately S\$2.2 million).

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

As at 31 December 2024, the Group does not have other plans for material investments and capital assets.

SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITION AND DISPOSALS

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 2024.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: final dividend of HK0.38 cents per ordinary share).

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

During the year ended 31 December 2024, there were no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2024 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 year ended 31 December 2024 (the “**Reporting Period**”), save for code provision C.2.1 of the CG Code.

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.

COMPLIANCE WITH THE LISTING RULES

According to Rules 3.10(1) and 3.10A of the Listing Rules, the Board must include at least three independent non-executive Directors and the Company must appoint independent non-executive Directors representing at least one-third of the Board, respectively. In addition, Rule 3.21 of the Listing Rules requires, among others, an audit committee to comprise a minimum of three members and that the committee must be chaired by an independent non-executive

director. Rule 3.25 of the Listing Rules provides that the remuneration committee must be chaired by an independent non-executive director and comprise a majority of independent non-executive directors. Rule 3.27A of the Listing Rules provides that the nomination committee must be chaired by the chairman of the Board or an independent non-executive director and comprise a majority of independent non-executive directors.

Mr. Wee Kang Keng resigned as an independent non-executive Director with effect from 3 January 2024 due to his other work commitments. As such, the Board included only two independent non-executive Directors and each of the Audit Committee, Remuneration Committee and Nomination Committee did not meet the composition requirement under Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules. Following the appointment of Mr. Hwang Kin Soon Ignatius as an independent non-executive Director, a member of each of the Audit Committee, Remuneration Committee and Nomination Committee with effect from 2 April 2024, the Company has fully complied with the requirements under Rules 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules. For details, please refer to the announcement of the Company dated 2 April 2024.

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 16 June 2025. 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 Wednesday, 11 June 2025 to Monday, 16 June 2025, both dates inclusive, during which period no transfer of its shares will be registered. 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 Tuesday, 10 June 2025.

AUDIT COMMITTEE

During the financial year ended 31 December 2024, 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. Mr. Wee Kang Keng resigned on 3 January 2024 and Mr. Hwang Kin Soon Ignatius was appointed as a member of the Audit Committee on 2 April 2024. The remaining composition of the Audit Committee remained unchanged.

The Audit Committee has reviewed the annual results of the Company for the year ended 31 December 2024.

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 2024 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) and the Company (www.designcapital.sg). The annual report of the Company for the year ended 31 December 2024, 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 March 2025

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