DESIGN CAPITAL LIMITED
設計都會有限公司

ANNUAL REPORT 2025

INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY
STOCK CODE 1545

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

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

NON-EXECUTIVE DIRECTORS

Mr. Kho Chuan Thye Patrick (高泉泰先生)
Mr. Lim Sooi Kheng Patrick (林瑞慶先生)
Mr. Dillon Kho Tse Kai
(appointed on 1 October 2025)

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

COMPANY SECRETARY

Ms. Yu Hong Yee (余康怡女士)

AUTHORISED REPRESENTATIVES

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

AUDITOR

Ernst & Young LLP,
Public Accountants and Chartered Accountants
in Singapore
Recognised Public Interest Entity Auditor under the
Financial Reporting Council Ordinance (Cap. 588)

REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

PRINCIPAL PLACE OF BUSINESS AND HEADQUARTERS IN SINGAPORE

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Singapore 368357

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive, PO Box 2681,
Grand Cayman KY1–1111, Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISERS

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

PRINCIPAL BANKERS

Malayan Banking Bhd

STOCK CODE

1545

COMPANY'S WEBSITE

www.designcapital.sg

To our Shareholders,

On behalf of the board of directors (the "**Directors**" or the "**Board**") of Design Capital Limited (the "**Company**"), I hereby present to our shareholders the annual results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2025 ("**FY2025**").

FY2025 has been another challenging year for the upmarket furniture business in Singapore and the e-commerce furniture segment in the United States ("**U.S.**"), amid softer discretionary spending, cost pressures, and changing consumer purchasing behaviour. As a result, the Group made a loss for FY2025. Nevertheless, we remained focused on managing our costs, streamlining operational processes, and navigating the challenging operating environment.

FINANCIAL RESULTS

In FY2025, the total revenue of the Group was approximately S$51.1 million, representing a decrease of approximately 17.3% from the year ended 31 December 2024 ("**FY2024**"). Our result decreased from a profit of approximately S$0.8 million in FY2024 to a loss of approximately S$1.3 million in FY2025. We continue with our strategy to reduce excess inventory and improve cash flow. Our inventory decreased from approximately S$29.1 million in FY2024 to approximately S$19.9 million in FY2025 and cash and bank balances increased from approximately S$31.7 million in FY2024 to approximately S$37.5 million in FY2025.

Our U.S. furniture sales segment generated revenue of approximately S$31.6 million which represented a decrease of approximately 19.7% over FY2024 and accounted for approximately 61.9% of the Group's revenue. We believe the decrease was mainly attributable to change in consumer spending trends, lower housing transaction turnover in the U.S. and high interest rates that adversely affected consumer sentiment and discretionary spending. The U.S. business was also adversely affected by a change in marketing strategy of one of its key customers. Nevertheless the U.S. business continues to contribute positively to the Group.

In FY2025, our interior design segment generated revenue of approximately S$4.8 million which represented a decrease of approximately 9.6% over FY2024 as a result of a slow down in the upmarket property market segment and slower job confirmations. As for our furniture sales segment, we will continue to focus on our core strengths in curating existing brands and new products and expand our range of selection to provide our customers with unique designs and solutions. With this, we aim to remain competitive and profitable and position ourselves to capture demand when market conditions for this segment improve.

CHALLENGES AHEAD

While the furniture markets in the U.S. and Singapore remain challenging, we will continue to manage the business prudently and cautiously for the financial year ending 31 December 2026 to deal with global uncertainties, crises and competition. The war in Iran and Middle East conflict has led to an increase in oil prices and dampened consumer sentiments. Higher oil prices will have an inflationary effect on global economies and also result in higher interest rates as government try to rein in inflation. Our goods will potentially cost more to purchase while freight cost may rise, adversely impacting our operational performance.

We will continue to monitor the situation closely, prudently manage our stock and cost and continue to look for opportunities to grow our business.

APPRECIATION

I would like to thank our loyal shareholders. I also continue to be grateful for the support of my colleagues, my fellow directors, and business partners for their hard work and commitment.

Goon Eu Jin Terence
Chairman

18 March 2026

CORPORATE GOVERNANCE PRACTICES

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 2025 (the "**Reporting Period**"), save for code provisions B.3.5 and C.2.1 of the CG Code, details of which are explained in the relevant paragraphs of this report.

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.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and takes decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether the Director is spending sufficient time performing them.

Board Composition

In the Reporting Period, the Board had nine Directors, consisting of three executive Directors, three non-executive Directors and three independent non-executive Directors. The details of the Board composition are as follows:

Executive Directors

Mr. Goon Eu Jin Terence *(Chairman and Chief Executive Officer)*
Ms. Wee Ai Quey *(Chief Operation Officer)*
Ms. Ong Ciu Hwa *(Finance Director)*

Non-executive Directors

Mr. Kho Chuan Thye Patrick
Mr. Lim Sooi Kheng Patrick
Mr. Dillon Kho Tse Kai (appointed on 1 October 2025)

Independent non-executive Directors

Mr. Lim Boon Cheng
Mr. Ng Chee Kwong, Colin
Mr. Hwang Kin Soon Ignatius

The biographical information of the Directors are set out in the section headed "Biographical details of Directors and Senior Management" on pages 24 to 28 of this annual report. Save and except that Mr. Dillon Kho Tse Kai is the half-nephew of Mr. Kho Chuan Thye Patrick, none of the other members of the Board is related to one another.

Board Meetings

Regular Board meetings should be held at least four times a year involving active participation, either in person or through electronic means of communication, of a majority of Directors.

During the Reporting Period, four Board meetings were held and most Directors attended the Board meetings. Subsequent to the Reporting Period, one Board meeting was held in March 2026 to review the annual results and recommend final dividend (if any), for the year ended 31 December 2025.

Apart from regular Board meetings, the Chairman will at least annually hold meetings with the independent non-executive Directors without the presence of other Directors.

Chairman and Chief Executive Officer

The office of Chairman and Chief Executive Officer of the Company are held by Mr. Goon Eu Jin Terence.

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.

Independent non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise, save as disclosed otherwise in this report.

The Company has received written confirmation from each of the independent non-executive Directors in respect of their independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

Appointment and Re-election of Directors

Code provision B.2.2 of the CG Code stipulates that all directors, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each of the Directors is engaged on a service contract (for executive Director) or a letter of appointment (for non-executive Director and independent non-executive Director), for a term of three years and is subject to retirement by rotation and re-election pursuant to the provisions of the Company's Articles of Association ("**Articles of Association**").

Under the Articles of Association, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. The Articles of Association also provides that any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following general meeting of the Company after his/her appointment and be subject to re-election at such meeting.

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company; and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgement on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expense for discharging their duties to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management. The delegation arrangements are reviewed periodically to ensure that they remain appropriate to the Company's needs.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for Directors would be arranged and reading material on relevant topics would be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expense.

The training records of the Directors for the Reporting Period and up to the date of this report are summarised as follows:

Directors	Type of Training [Note]
Executive Directors	
Mr. Goon Eu Jin Terence	A & B
Ms. Wee Ai Quey	A & B
Ms. Ong Ciu Hwa	A & B
Non-executive Directors	
Mr. Kho Chuan Thye Patrick	B
Mr. Lim Sooi Kheng Patrick	B
Mr. Dillon Kho Tse Kai (appointed on 1 October 2025)	A
Independent non-executive Directors	
Mr. Lim Boon Cheng	A & B
Mr. Ng Chee Kwong, Colin	B
Mr. Hwang Kin Soon Ignatius	B

Note:

TYPES OF TRAINING

A: Attending training sessions, including but not limited to, briefings, seminars, conferences and workshops

B: Reading relevant news alerts, newspapers, journals, magazines and relevant publications

Director's confirmation

Mr. Dillon Kho Tse Kai obtained the legal advice referred to under Rule 3.09D of the Listing Rules and confirmed that he understood his obligations as a Director of the Company on 25 September 2025.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee. These committees assist the Board in discharging its duties and overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request.

The list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2.

Audit Committee

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 terms of reference of the Audit Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Audit Committee are to assist the Board by providing an independent view on the effectiveness of the financial reporting process, internal control and risk management system of the Group, to oversee the audit process, to develop and review the Group's policies and to perform other duties and responsibilities as assigned by the Board. The Audit Committee, if necessary, may seek independent professional opinions when discharging their duties at the fees and expenses of the Company.

During the Reporting Period, the Audit Committee held two meetings to review the interim and annual financial results and reports and significant issues on the financial reporting, financial and accounting policies and practices, operational and compliance controls, the effectiveness of the risk management and internal control systems and internal audit function, the appointment of external auditors and engagement of non-audit services and relevant scope of works, and the arrangements for employees to raise concerns about possible improprieties.

The Audit Committee had met the external auditors without the presence of the executive Directors during the Reporting Period. There is no disagreement between the Board and the Audit Committee regarding the re-appointment of external auditors.

Remuneration Committee

The Remuneration Committee consists of five members, namely Mr. Goon Eu Jin Terence, executive Director, Mr. Lim Sooi Kheng 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. Ng Chee Kwong, Colin is the chairman of the Remuneration Committee.

The terms of reference of the Remuneration Committee are of no less exacting terms than those set out in the CG Code. The primary duties of the Remuneration Committee are to make recommendations to the Board on the terms of service contracts, remuneration packages and remuneration policies relating to the Directors and senior management pursuant to code provision E.1.2(c)(ii) of the CG Code, review performance-based remuneration, and ensure that none of the Directors or any of their associates determine their own remuneration.

The Remuneration Committee met once during the Reporting Period to review and make recommendations to the Board on the remuneration policy and the remuneration packages including the terms of service contracts of the executive Directors, to review and adopt the performance incentive scheme for the executive Directors, and to review and, if thought appropriate, approve the matters relating to the Share Option Scheme (as defined under the heading "Share Option Scheme" below).

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.

Code provision B.3.5 of the CG Code requires that an issuer should appoint at least one director of a different gender to its nomination committee. 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.

The terms of reference of the Nomination Committee are of no less exacting terms than those set out in the CG Code prior to its changes which took effect on 1 July 2025. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board annually, make recommendations to the Board of any changes that may better complement the Group's corporate strategy, identify individuals suitably qualified as potential board members, assess the independence of the independent non-executive Directors and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's Board Diversity Policy. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

During the Reporting Period, the Nomination Committee held three meetings to review the structure, size and composition of the Board and the independence of the independent non-executive Directors and to consider the qualifications of the retiring Directors standing for election at the Annual General Meeting and to review insurance for directors and officers. The Nomination Committee considered an appropriate balance of diversity perspectives of the Board is maintained.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the objective and approach to achieve and maintain diversity of the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance its operating results and quality of its performance.

The particulars of the Board Diversity Policy of the Company are set out as follows:

- With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

- When determining the composition of the Board, board diversity will be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of services ("**Diversity Perspectives**").

- All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

- Selection of candidates will be based on a range of Diversity Perspectives and the ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at 31 December 2025, the Board had two female members, constituting 22% of the Board. The Board targets to maintain at least the current level of female representation, with the ultimate goal of achieving gender parity. The Board will continue to take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. In considering the Board's succession, the Nomination Committee would engage independent professional search firm(s) to help identify potential candidates suitably qualified to join the Board, as and when appropriate. The Board considered that the Company's Board Diversity Policy was consistently implemented.

The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under Diversity Perspectives, and monitor the implementation of the Board Diversity Policy.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness. The Nomination Committee will discuss any revisions that are or may be required, and recommend any such revisions to the Board for their consideration and approval.

Diversity in the Workforce

As of 31 December 2025, we had 95 (2024: 104) full-time employees including senior management. Among which, 31 were male and 64 were female. All three members of senior management are female. The Board considers that the gender diversity in the workforce and senior management has been satisfactorily maintained. The Group is determined to maintain gender diversity and equality in terms of the whole workforce and will also ensure that there is gender diversity when recruiting staff and is committed to provide career development opportunities for all staff. The Board expects that the aforementioned goals are achievable with suitable effort in incubating a gender diversity culture, which the Group has been advocating for.

Board Independence

Independent non-executive Directors provide impartial judgement and constructive counter-proposals to the Board, which enhance the effectiveness and decision-making of the Board. The independence of non-executive Directors is assessed from their appointments and is reviewed every year. There would also be times where the circumstances would warrant reconsideration of the independence of these non-executive Directors. The Nomination Committee will review the profiles of the candidates and consider their educational background, professional qualification and the capability to commit time to their role. The Nomination Committee will also consider, among other selection criteria, the composition and the skill matrix of the existing Board. The Company reviewed and considered that existing mechanisms are effective to ensure that the Board receives independent views and input.

Nomination Policy

(1) The Company has adopted a Nomination Policy which sets out the key selection criteria and principles of the Nomination Committee in making recommendations to the Board on the appointment of Directors of the Company and succession planning for Directors.

(2) The Nomination Policy sets out the factors for assessing the suitability of a proposed candidate to the Board or re-appointment of any existing member(s) of the Board including but not limited to the following:

    (a) Reputation for integrity;

    (b) Accomplishment, experience and reputation;

    (c) Commitment in respect of sufficient time, interest and attention to the Company's business;

    (d) Diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience;

    (e) The ability to assist and support management and make significant contributions to the Company's success;

    (f) Compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an independent non-executive director; and

    (g) Any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

(3) The Nomination Committee may nominate candidates or invite nominations of candidates from Board members (if any), and shall undertake adequate due diligence in respect of the proposed candidate(s) and make recommendations for the Board's consideration and approval.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the code provision A.2.1 of the CG Code.

During the Reporting Period, the Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

ATTENDANCE RECORDS OF DIRECTORS

The Company held four Board meetings, two Audit Committee meetings, one Remuneration Committee meeting, three Nomination Committee meetings and one annual general meeting (the "**AGM**"). The attendance record of each Director at the Board and Board committee meetings and the general meeting the Company held during the Reporting Period is set out in the table below:

	Attendance/Number of Meetings				
Name of Director	**Board**	**Audit Committee**	**Remuneration Committee**	**Nomination Committee**	**AGM**
Mr. Goon Eu Jin Terence	4/4	–	1/1	3/3	1/1
Ms. Wee Ai Quey	4/4	–	–	–	1/1
Ms. Ong Ciu Hwa	4/4	–	–	–	1/1
Mr. Kho Chuan Thye Patrick	4/4	2/2	–	3/3	1/1
Mr. Lim Sooi Kheng Patrick	4/4	2/2	1/1	–	1/1
Mr. Dillon Kho Tse Kai*	1/4	–	–	–	–
Mr. Lim Boon Cheng	4/4	2/2	1/1	3/3	1/1
Mr. Ng Chee Kwong, Colin	4/4	2/2	1/1	3/3	1/1
Mr. Hwang Kin Soon Ignatius	3/4	2/2	0/1	2/3	1/1

* Mr. Dillon Kho Tse Kai was appointed on 1 October 2025.

Apart from regular Board meetings, the Chairman also held two meetings with the independent non-executive Directors during the year ended 31 December 2025.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. The Audit Committee is tasked to assist the Board in doing so. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group's risk management policies are in place to address various potential risks the Group may face in relation to its operations, including operational risks, credit risks and market risks. The risk management measures for some of the more particular risks include:

(1) The Directors regularly monitor the economic, policy, social and market conditions in countries where the Group has business presence including the U.S., Singapore and Malaysia and adjust the pricing and promotion strategies of the Group;

(2) To minimise operational risks, the Group has adopted a stringent quality control policy under which the quality control team will perform inspection for products, visit suppliers' factories to conduct surprise checks on the quality and manufacture process, to communicate with suppliers and to monitor the performance of the shipping agents regularly to prevent the risk of delay in delivery of products or supply of defective products; and

(3) The Directors recognise the importance in improving the credit policy under which the credit terms and procedures in recovering trade receivables have been established.

The Group has also established a set of internal control measures to facilitate the effective operation of the business.

All departments conducted internal control assessment regularly to identify risks that potentially impact the business of the Group and various aspects including key operational and financial processes, regulatory compliance and information security. Self-evaluation has been conducted annually to confirm that control policies are properly complied with by each department.

The management, in coordination with department heads, assessed the likelihood of risk occurrence, provide treatment plans, and monitor the risk management progress, and reported to the Audit Committee and the Board on all findings and the effectiveness of the systems.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Company has engaged an external professional firm for providing the internal audit function and performing independent review of the adequacy and effectiveness of the risk management and internal control systems. The internal audit function examined key issues in relation to the accounting practices and all material controls and provided its findings and recommendations for improvement to the Audit Committee.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings, reviewed the risk management and internal control systems, including the financial, operational and compliance controls for the Reporting Period, and considered that such systems are effective and adequate. The annual review also covered the financial reporting and internal audit function and staff qualifications, experiences and relevant resources.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Control procedures have been implemented to ensure that unauthorised access and use of inside information are strictly prohibited.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors have acknowledged their responsibility for preparing the financial statements of the Company for the year ended 31 December 2025.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report to the Shareholders of the Company on pages 40 to 44.

REMUNERATION OF SENIOR MANAGEMENT

The remuneration paid to the members of senior management by bands during the year is set out below:

Remuneration Bands	Number of Individuals
HK$500,001 to HK$1,000,000	2
HK$1,500,001 to HK$2,000,000	1

AUDITORS' REMUNERATION

The statement of the external auditors of the Company about their reporting responsibilities for the Company's financial statements for the year ended 31 December 2025 is set out in the section headed "Independent Auditor's Report to the Shareholders of the Company" in this annual report.

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2025 amounted to approximately S$233,000 and S$6,000 respectively.

An analysis of the remuneration paid to the external auditors of the Company, Ernst & Young LLP, Singapore, and other external auditors in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Service Category	Fees Paid/Payable
	S$'000
Audit Services	
Ernst & Young LLP, Singapore	230
Other external auditors	3
Non-audit Services	
Ernst & Young LLP, Singapore — tax services	6
	239

COMPANY SECRETARY

Ms. Yu Hong Yee ("**Ms. Yu**") was appointed as the company secretary of the Company with effect from 27 September 2024 following the resignation of Ms. Chung Hei Man Michelle. Ms. Yu is a partner of Stephenson Harwood and has been admitted as a solicitor of the High Court of Hong Kong since 2005.

All Directors have access to the advice and services of the company secretary on corporate governance and board practices and matters. Ms. Ong Ciu Hwa, executive Director, has been designated as the primary contact person at the Company who would work and communicate with Ms. Yu on the Company's corporate governance and secretarial and administrative matters.

For the year ended 31 December 2025, Ms. Yu has undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

Convening an Extraordinary General Meeting

Under Article 58 of the Articles of Association, any one or more shareholders holding at the date of the deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company may at all times have the right, by a written requisition to the Board or the company secretary of the Company, to require the convening of an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within 2 months after the deposit of such requisition. If, within 21 days of such deposit, the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

The Board is not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Articles of Association and the Companies Law of the Cayman Islands. Shareholders who wish to put forward proposals at general meetings may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: 43/F, One Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong (For the attention of the Company Secretary)

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has not made any changes to its memorandum of association and articles of association ("**Memorandum and Articles of Association**") during the Reporting Period. The second amended and restated Memorandum and Articles of Association is available on the Company's website and the Stock Exchange's website.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with shareholders and in particular, in accordance with the Company's shareholders' communication policies (the "**Shareholders' Communication Policy**"), through annual general meetings and other general meetings, publication of financial reports, returns, announcements and circulars on a timely basis via the Company's and the Stock Exchange's websites, and the availability of the latest information of the Group on the Company's website. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries. The Board reviewed the Company's shareholders and investors engagement and communication activities conducted during the Reporting Period and was satisfied with the implementation and effectiveness of the Shareholders' Communication Policy.

Policies relating to Shareholders

The Company has in place a Shareholders' Communication Policy to ensure that shareholders' views and concerns are appropriately addressed. The policy is regularly reviewed to ensure its effectiveness.

The Company considers stable and sustainable returns to the shareholders of the Company as its goal. As such, the Company has adopted a dividend policy as set forth below:

1. In deciding whether to propose a dividend and in recommending or declaring dividends, the Board shall have absolute discretion to recommend any dividends taking into account, *inter alia*:

   - the results of actual and future operations and earnings of the Group;
   - the Group's development plan;
   - the Group's capital requirements and surplus, cash flows and general financial condition;
   - applicable laws and regulations; and
   - any other factors that the Board deems appropriate.

2. The Directors may recommend distribution to the shareholders based on the distributable net profit attributable to the equity shareholders of the Company in any financial year, whether as interim and/or final dividends.

3. Declaration of the dividend by the Company is also subject to any restrictions under the Laws of the Cayman Islands, the Memorandum and Articles of Association (as amended from time to time) and any applicable laws, rules and regulations (including but not limited to the Listing Rules from time to time).

4. Dividends shall be paid in Hong Kong dollars.

FINANCIAL HIGHLIGHTS

Summary of the results of the Group for the financial year ended 31 December 2025 is as follows:

- Total revenue was approximately S$51.1 million (2024: approximately S$61.8 million), representing a decrease of approximately 17.3% over 2024.
- Gross profit was approximately S$16.3 million (2024: approximately S$18.9 million), representing a decrease of approximately 14.1% over 2024.
- Loss for the year attributable to shareholders of the Company was approximately S$1.7 million (2024: profit of approximately S$0.3 million).
- 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).
- The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

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 report, 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.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

Market Risks

As the Group is in the retail business, we are exposed to market risks relating to changes in the economic, policy and social conditions in countries where we have business presence including the U.S., Singapore and Malaysia. Any downturn in the economy locally or globally can adversely affect the demand for the Group's products. The Directors regularly monitor the market conditions and adjust our pricing and promotion strategies.

Operational Risks

As the Group's products are mostly sourced from other countries, the Group is under the risk of delay in delivery of products or supply of defective products which may affect our sales. The Group adopted a stringent quality control policy under which the quality control team will perform inspection of products upon delivery to the warehouses or third party order fulfilment centres. The Group's senior management will visit the suppliers' factories from time to time to conduct surprise checks on the quality and manufacture process of the Group's products. In view of this, the Group maintains regular communication with our suppliers in order to keep the Group updated as to any possibility of delay in delivery and the Group also monitors the performance of the shipping agents it engages. The Directors also regularly monitor our sales data and inventory level and in general, the Group maintains an inventory level which the Group's Directors expect to be sufficient for the operation for at least three months and the Group will adjust the inventory level if necessary. While freight availability and associate freight cost has been challenging, the Group continues to mitigate this risk by working with several freight forwarders to ensure we get the most competitive quote and service.

Credit Risks

The Group's credit risks during the year ended 31 December 2025 mainly originated from trade receivables from our U.S. customers. The Group's Directors recognise the importance in improving the credit policy under which it has established credit terms and procedures in recovering trade receivables.

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 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 report, 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).

EXECUTIVE DIRECTORS

Mr. Goon Eu Jin Terence (阮友仁先生) ("**Mr. Goon**"), aged 61, was appointed as our Director, chairman and chief executive officer on 29 March 2018 and re-designated as our executive Director on 13 April 2018. He is the chairman of our Nomination Committee and a member of the Remuneration Committee. Mr. Goon is primarily in charge of the Group's overall corporate strategy, business development and operation of the Group, including our operation in the U.S.. Mr. Goon has over 30 years of experience in the interior design and furniture industry. Mr. Goon joined the Group on 1 September 1994 as a general manager (directorate level) and became a director in May 1995. He assumed the role of Group's chief executive officer and managing director of Nobel Design Holdings Pte Ltd (the former holding company of the operating subsidiaries of the Group) from March 2010 to August 2017.

Mr. Goon was awarded the degree of bachelor of accountancy from the National University of Singapore in June 1989.

Mr. Goon was also an executive director of Nobel Design Holdings Pte Ltd (then SGX: 547) a lifestyle furnishing company, from its listing on the Stock Exchange Dealing and Automation Quotation System ("**SESDAQ**") (now known as Catalist) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 25 November 1996 until its delisting from the Main Board of SGX-ST on 29 August 2017. Mr. Goon remains as a director of Nobel Design Holdings Pte Ltd after its delisting from the SGX-ST.

Ms. Wee Ai Quey ("**Ms. Wee**"), aged 68, was appointed as our Director and chief operation officer on 29 March 2018, and re-designated as our executive Director on 13 April 2018. Ms. Wee is primarily in charge of the Group's marketing and operation. Ms. Wee has over 40 years of experience in the interior design and furniture industry. She joined the Group since 13 December 1982 as a director of Nobel Design Holdings Pte Ltd (the former holding company of the operating subsidiaries of the Group).

Ms. Wee graduated with an Industrial Technician Certificate in Furniture Design & Production from the Baharuddin Vocational Institute in Singapore in 1976, and subsequently obtained a Technician Certificate in Architectural Draughtsmanship from Singapore Polytechnic in 1980.

Ms. Wee was also an executive director of Nobel Design Holdings Pte Ltd (then SGX: 547) a lifestyle furnishing company, from its listing on the SESDAQ (now known as Catalist) of the SGX-ST on 25 November 1996 until its delisting from the Main Board of SGX-ST on 29 August 2017. Ms. Wee remains as a director of Nobel Design Holdings Pte Ltd after its delisting from the SGX-ST.

Ms. Ong Ciu Hwa (王秋華女士) ("**Ms. Ong**"), aged 54, was appointed as our Director on 29 March 2018 and re-designated as our executive Director on 13 April 2018. Ms. Ong is also our finance director. Ms. Ong is primarily in charge of the Group's financial reporting and accounting functions, taxation, banking, and administration matters. Ms. Ong has over 20 years of experience in accounting and finance. Ms. Ong joined the Group in 8 July 2004 as finance manager.

Ms. Ong assumed the role of an executive director of Nobel Design Holdings Pte Ltd (the former holding company of the operating subsidiaries of the Group, then SGX: 547), a lifestyle furnishing company, from July 2011 until its delisting from the Main Board of SGX-ST on 29 August 2017. Ms. Ong ceased to be a director of Nobel Design Holdings Pte Ltd on 31 August 2017. Ms. Ong has been re-designated as group finance director of Nobel Design Holdings Pte Ltd since September 2017.

Ms. Ong was awarded a national vocational qualification in accounting Level IV by the Association of Accounting Technicians in June 1993 and was admitted as a graduate of the Association of Chartered Certified Accountants ("**ACCA**") by ACCA and the Institute of Certified Public Accountants of Singapore (now known as the Institute of Singapore Chartered Accountants) in January 1997. Ms. Ong was admitted as a member of ACCA in June 1997 and was admitted as a fellow of ACCA in June 2002. She was qualified as a chartered accountant of Singapore and was admitted as a member of the Institute of Singapore Chartered Accountants in July 2013. She also holds a master of science in professional accountancy from the University of London.

NON-EXECUTIVE DIRECTORS

Mr. Kho Chuan Thye Patrick (高泉泰先生) ("**Mr. Kho**"), aged 58, was appointed as a Director on 29 March 2018 and re-designated as a non-executive Director of our Company on 13 April 2018. He is a member of each of our Audit Committee and Nomination Committee. Mr. Kho is responsible for supervising the corporate development and strategic planning of the Group. Mr. Kho has nearly 30 years of experience in the property and hospitality industries.

Mr. Kho was admitted as a chartered financial analyst in April 1999. He obtained the degree of bachelor of arts and master of arts from the University of Cambridge in the United Kingdom in June 1988 and March 1992, respectively.

Mr. Kho was a director of Nobel Design Holdings Pte Ltd (the former holding company of the operating subsidiaries of the Group, then SGX: 547), a lifestyle furnishing company, from 1 April 2012 to 21 June 2012. He was again appointed as a director of Nobel Design Holdings Pte Ltd on 31 August 2017 after its delisting from the Main Board of the SGX-ST on 29 August 2017.

Mr. Lim Sooi Kheng Patrick (林瑞慶先生) ("**Mr. Patrick Lim**"), aged 59, was appointed as a Director on 29 March 2018 and re-designated as a non-executive Director of our Company on 13 April 2018. He is a member of each of our Audit Committee and Remuneration Committee. Mr. Patrick Lim is responsible for supervising the corporate development and strategic planning of the Group. Mr. Patrick Lim has over 20 years of experience in auditing, accounting and finance management.

Mr. Patrick Lim joined Arc Corporation Pte Ltd and its subsidiaries as their group financial controller since June 2025. Between September 2014 and May 2025, Mr. Patrick Lim was employed at Lian Huat Management Services Pte Ltd as a group financial controller for Lian Keng Enterprises Pte. Ltd. and its subsidiaries. Between February 2001 and May 2014, Mr. Patrick Lim was a senior manager at Boardroom Business Solutions Pte. Ltd., a company that principally engages in accounting, finance and payroll services. Mr. Patrick Lim began his career at Ernst & Young LLP, Singapore, an international accounting firm, from October 1992 to October 1997 where his last position was assistant manager.

Mr. Patrick Lim was appointed as a director of Nobel Design Holdings Pte Ltd (the former holding company of the operating subsidiaries of the Group) on 3 October 2017 after its delisting from the Main Board of the SGX-ST on 29 August 2017.

On 29 September 2025, Mr. Patrick Lim was appointed as the Lead Independent Director of Leong Guan Holdings Limited, a company listed on the Singapore Exchange.

Mr. Patrick Lim graduated from Curtin University of Technology in Australia in August 1992 with the degree of bachelor of business, majoring in accounting. He was admitted as a certified practising accountant of the Australian Society of Certified Practising Accountants in October 1998.

Mr. Dillon Kho Tse Kai ("**Mr. Dillon**"), aged 27, was appointed as a non-executive Director of our Company on 1 October 2025.

Mr. Dillon has been a Group Executive Director of Lian Huat Group Pte. Ltd. since June 2025, where he is responsible for overseeing the strategic planning, daily operations, and managing investment and divestment projects. From November 2024 to March 2025, Mr. Dillon was the Executive Assistant at S.LH Management Consultancy Pte. Ltd., where he worked on acquisition projects and other administrative matters. From November 2022 to November 2024, Mr. Dillon was an Assistant Director — Resource (Land) Division at the Ministry of Trade and Industry of the Government of Singapore.

Mr. Dillon obtained a Bachelor of Science degree in Information Management for Business from the University College London in 2022.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lim Boon Cheng (林文正先生) ("**Mr. BC Lim**"), aged 70, has served as an independent non-executive Director of our Company since his appointment on 28 March 2019. He holds the position of chairman of our Audit Committee and is a member of each of our Remuneration Committee and Nomination Committee.

In addition to his role with our Company, Mr. BC Lim serves as an independent non-executive director of BBR Holdings (S) Ltd (SGX: KJ5), a construction and specialised engineering company listed on the Main Board of the Singapore SGX-ST. Prior to his retirement in 2012, he was the managing partner of the accounting practice, LTC LLP, in Singapore.

Mr. BC Lim is a panel member of the Strata Titles Boards of Singapore and a lay member of the Inquiry Panel of the Law Society of Singapore.

Mr. BC Lim is a fellow member of Chartered Accountants Ireland and a fellow member of the Institute of Singapore Chartered Accountants. He holds a Master of Business Administration degree from the University of Ulster in Northern Ireland, United Kingdom.

Mr. Ng Chee Kwong, Colin (吳志光先生) ("**Mr. Ng**"), aged 59, was appointed as an independent non-executive Director of our Company on 28 March 2019. He is the chairman of our Remuneration Committee and a member of each of our Audit Committee and Nomination Committee. Mr. Ng is responsible for overseeing the management of the Group independently. Mr. Ng has over 25 years of experience in finance and fund management.

Prior to joining the Group, Mr. Ng worked at the UOB Asset Management Ltd ("**UOB**") between May 1994 and January 2009, where his last position was senior director. Mr. Ng was the senior portfolio manager at the Manulife Asset Management (HK) Limited in January 2009 to November 2009 and was head of asian equities at Baring Asset Management (Asia) Limited between December 2009 and August 2012. Mr. Ng served as executive director of UOB from August 2012 to 1 September 2025.

Mr. Ng obtained the degree of bachelor of accountancy from the National University of Singapore in July 1990 and the degree of master of applied finance from the Macquarie University in Australia in June 2000.

Mr. Hwang Kin Soon Ignatius (黃勤順先生) ("**Mr. Hwang**"), aged 62, was appointed as an independent non-executive Director of our Company on 2 April 2024. He is a member of each of our Audit Committee, Remuneration Committee and Nomination Committee.

Mr. Hwang has sat on boards of both public and private companies, charities and non-profit organisations. He has significant experience serving as independent director of listed companies, serving as chairman of remuneration and nomination committees and being part of audit committees. Mr. Hwang is currently an independent director of Moya Holdings Asia Ltd. He was previously an independent director of Singapore public listed companies China Environment Ltd, Nutryfarm International Ltd and Metech International Ltd.

Mr. Hwang was the founder of Magellan Law LLP, a Singapore law firm. He is currently a consultant with Trowers & Hamlins, a UK law firm. He previously set up and was the managing partner of three US law firms' offices in Singapore — McDermott Will & Emery Singapore LLP, Squire Patton Boggs Singapore LLP and Bryan Cave Singapore LLP.

Mr. Hwang is also the founder of a renewable energy development company, Garnet Energie Pte Ltd, which is a solar projects developer focussing on projects in Asia.

Mr. Hwang is a qualified lawyer in both Singapore and the United Kingdom. He graduated from the National University of Singapore with a Bachelor of Laws degree.

SENIOR MANAGEMENT

Ms. Sharon Wu Pui See (吳佩詩女士) ("**Ms. Wu**"), aged 57, is an executive director and general manager of Marquis HQO Pte. Ltd. ("**Marquis HQO**") and is primarily responsible for overseeing project sales and management and implementing marketing strategies for the Special Projects division. She has over 20 years of experience in sales and marketing. Ms. Wu joined the Group on 19 March 2001 as a marketing manager of Marquis Furniture Gallery Pte Ltd. ("**Marquis Furniture Gallery**"). She was later promoted to general manager and executive director of Marquis HQO on 20 March 2008.

Ms. Wu obtained the degree of bachelor of commerce and management from Lincoln University, New Zealand in April 1995.

Ms. Lim Chieh Yin (林潔瑩女士) ("**Ms. Lim**"), aged 45, is a director of Numero Uno Creative Group Pte. Ltd. and is primarily responsible for business development and interior design.

She has over 15 years of experience in interior design and property development. Ms. Lim joined the Group on 8 April 2009 as a design director in Numero Uno Creative Group Pte. Ltd.. Prior to joining the Group, she served as the head of marketing in The I.D. Dept Pte Ltd from March 2006 to March 2009, a company principally engages in interior design consultancy services.

Ms. Lim obtained the degree of bachelor of arts from National University of Singapore in August 2002.

Ms. Foo Kim Soon (符金春女士) ("**Ms. Foo**"), aged 60, is a director of Marquis HNC Pte. Ltd. ("**Marquis HNC**") and is primarily responsible for business development and new product sourcing for the Special Projects division, a position she has held since 1 April 2016. She has over 20 years of experience in sales, marketing and business development in the furniture industry. Ms. Foo first joined the Group on 1 March 1999 as a senior marketing manager of Marquis Furniture Gallery. Ms. Foo re-joined the Group in March 2011 as a director of Marquis HQO, and she subsequently was transferred from Marquis HQO to Marquis HNC where she was a director since 1 April 2016.

Prior to joining the Group, Ms. Foo was a property executive at Riverview Development Pte Ltd from February 1986 to April 1987. She worked with Varimerx S.E. Asia Pte. Ltd. for over 11 years from April 1987 to February 1999, where her last position was assistant general manager of furniture and lightings division.

Ms. Foo was awarded the technician diploma in building maintenance and management from Ngee Ann Polytechnic of Singapore in August 1985. In May 1993, she obtained a graduate diploma in marketing management from the Singapore Institute of Management.

COMPANY SECRETARY

Ms. Yu Hong Yee (余康怡女士) ("**Ms. Yu**"), was appointed as the company secretary of the Company on 27 September 2024. Ms. Yu is also one of our authorised representatives.

Ms. Yu is a partner of Stephenson Harwood and has been admitted as a solicitor of the High Court of Hong Kong since 2005. Ms. Yu has over 19 years of experience in the legal field and has been providing legal services to Hong Kong listed companies. She has obtained a Bachelor of Laws degree and a Postgraduate Certificate in Laws from The University of Hong Kong.

The Board hereby presents to the shareholders of the Company (the "**Shareholders**") its report together with the audited financial statements of the Company and its subsidiaries (together the "**Group**") for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the Group is a longstanding furniture seller on third party e-commerce platforms in the U.S., a mid-to-high-end furniture retailer in Singapore and an integrated home design solutions provider which is headquartered in Singapore. Details of the principal activities of its subsidiaries are set out in Note 1 to the consolidated financial statements.

BUSINESS REVIEW

Fair review of the business of the Group and further discussion and analysis of the business review as required by Schedule 5 to Hong Kong Companies Ordinance (Cap. 622 of the laws of Hong Kong), including future development in the Group's business, can be found in the "Chairman's Statement" and "Management Discussion and Analysis" sections of this annual report. The above sections form part of this "Report of the Directors".

EVENTS AFTER THE REPORTING PERIOD

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

PRINCIPAL RISKS AND UNCERTAINTIES

Details of principal risks and uncertainties are set out in the section headed "Management Discussion and Analysis" of this annual report on page 22.

SEGMENT INFORMATION

An analysis of the Group's operation for the year by business activities is set out in note 4 to the consolidated financial statements and the paragraphs headed "Business Review" under the section of "Management Discussion and Analysis" of this annual report.

RESULTS AND DIVIDEND

The results of the Group for the year ended 31 December 2025 and the state of the Group's affairs as at 31 December 2025 are set out in the consolidated financial statements on pages 45 to 109 of this annual report.

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

There were no arrangements under which a shareholder has waived or agreed to waive any dividend for the year ended 31 December 2025.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for five financial years, as extracted from the audited consolidated financial statements, is set out on page 110 of this annual report. The summary does not form part of the audited consolidated financial statements.

INVESTMENT PROPERTY

The Group did not further invest in investment property during the year.

PROPERTY, PLANT AND EQUIPMENT

The Group acquired property, plant and equipment at cost of approximately S$0.2 million during the year. Details of the movements in property, plant and equipment of the Group during the year are set out in Note 14 to the consolidated financial statements.

SHARES ISSUED DURING THE YEAR

Details of the shares issued during the year are set out in Note 25 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year are set out in Note 25 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in Note 32 and Note 26 to the consolidated financial statements and in the consolidated statement of changes in equity on pages 48 to 49 respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company has reserves available for cash distribution and/or distribution, as computed in accordance with the Companies Law of the Cayman Islands.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association, or the laws of Cayman Islands which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling S$5,000.

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.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2025, the Group's largest customer accounted for approximately 30.9% of the Group's revenue and the Group's five largest customers in aggregate accounted for approximately 64.2%.

For the year ended 31 December 2025, the aggregate amount of purchases attributable to the Group's five largest suppliers represented approximately 28.1% of the Group's total value of purchases. The Group's largest supplier accounted for approximately 9.7% of the Group's total value of purchases.

None of the Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) had any interests in the share capital of the five largest customers or suppliers of the Group.

RELATIONSHIP WITH KEY STAKEHOLDERS

The success of the Group depends on the support from key stakeholders which comprise customers, suppliers and employees.

Customers

Our customers primarily include furniture e-commerce sales platforms in the U.S., retail customers who purchase our products at our points of sale for our furniture sales segment in Singapore, and property developers and individual homeowners for our interior design segment. The Group has been devoted to providing good customer services with the purpose of maintaining a stable relationship, increasing sales and improving profitability.

Suppliers

In relation to our U.S. furniture sales and furniture sales segments, our major suppliers include companies which principally engage in manufacturing, trading and export of furniture. In relation to our interior design segment, our major suppliers are subcontractors providing fitting-out services and material suppliers. To achieve positive business growth, the Group maintains close relationship with its major suppliers to ensure stability of supply.

Employees

For the relationship between the Group and its employees, please refer to the paragraph headed "Employees and Remuneration Policy" as set out in the "Management Discussion and Analysis" on page 23 of this annual report.

DIRECTORS

The Directors during the year and up to the date of this report were:

Executive Directors:

Mr. Goon Eu Jin Terence
Ms. Wee Ai Quey
Ms. Ong Ciu Hwa

Non-executive Directors:

Mr. Kho Chuan Thye Patrick
Mr. Lim Sooi Kheng Patrick
Mr. Dillon Kho Tse Kai (appointed on 1 October 2025)

Independent non-executive Directors:

Mr. Lim Boon Cheng
Mr. Ng Chee Kwong, Colin
Mr. Hwang Kin Soon Ignatius

The biographical details of the Directors and senior management are set in pages 24 to 28 of the annual report. Details of the emoluments of the Directors and the five highest paid individuals are set out in Notes 9 and 10 to the consolidated financial statements, respectively.

The Company has received, from each of the independent non-executive Directors, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors had entered into a service contract with the Company for a term of three years commencing from 25 April 2019 (the "**Listing Date**"), which upon the expiry of the initial and second terms, had been auto-renewed for a further period of three years. The service contracts may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and in the Articles of Association.

Pursuant to the letters of appointment between the Company and the non-executive Directors and independent non-executive Directors, except for Mr. Hwang Kin Soon Ignatius and Mr. Dillon Kho Tse Kai, they have been appointed for a term of another three years commencing from 24 April 2025 which may be terminated by either party by giving three months' written notice. Mr. Hwang Kin Soon Ignatius has entered into a letter of appointment with the Company for a term of three years commencing on 2 April 2024, which may also be terminated by either party by giving three months' written notice. Mr. Dillon Kho Tse Kai has entered into a letter of appointment with the Company for a term of three years commencing on 1 October 2025, which may also be terminated by either party by giving three months' written notice.

None of the Directors has any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2025.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

There had been no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries were a party and in which a Director or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisting during or at the end of the year ended 31 December 2025.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

For the year ended 31 December 2025, none of the Company or any of its subsidiaries had entered into any contract of significance with or contract of significance for the provision of services by any controlling shareholders or any of its subsidiaries.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty. Such permitted indemnity provision has been in force since the date of incorporation throughout the year ended 31 December 2025. The Company has arranged appropriate Directors' and officers' liability insurance coverage for the Directors and officers of the Group.

REMUNERATION POLICY

The remuneration policy of the employees of the Group is set up by the Remuneration Committee and is based on merit, qualifications and competence of employees. The remuneration policies of the Directors are decided by the Remuneration Committee having regard to the Group's operating results, individual performance and comparable market statistics.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

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

As at 31 December 2025, the interests and short positions of the directors and chief executive of the Company in the ordinary shares of the Company (the "**Shares**"), underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which are taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code contained in the Appendix C3 to the Listing Rules, were as follows:

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

Notes:

1. Nobel Design International Limited beneficially owned 900,000,000 Shares on the Listing Date. It is an investment holding company incorporated in the British Virgin Islands and is held as to 67% by Mr. Goon Eu Jin Terence and 33% by Ms. Wee Ai Quey. By virtue of the SFO, both Mr. Goon Eu Jin Terence and Ms. Wee Ai Quey are deemed to be interested in the Shares held by Nobel Design International Limited.

2. Mr. Kho Chuan Thye Patrick, a non-executive Director, directly holds 300,000,000 Shares, representing 15% of the total issued Shares.

3. As at 31 December 2025, the total number of issued Shares was 2,000,000,000.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executive of the Company had or were deemed to have any interests and/or short positions in the Shares, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or pursuant to the Model Code and which were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO.

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

As at 31 December 2025, other than the interests of the Directors or chief executive of the Company as disclosed under the heading "Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" above, the following persons (not being a Director or the chief executive officer of the Company) had interests or short positions in the Shares or underlying Shares which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be required to be recorded in the register to be kept by the Company under Section 336 of the SFO:

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

Notes:

1. Nobel Design International Limited is an investment holding company incorporated in the British Virgin Islands and is held as to 67% by Mr. Goon Eu Jin Terence and 33% by Ms. Wee Ai Quey. By virtue of the SFO, both Mr. Goon Eu Jin Terence and Ms. Wee Ai Quey are deemed to be interested in the Shares held by Nobel Design International Limited.

2. Ms. Beh Pur-Lin Elaine is the spouse of Mr. Goon Eu Jin Terence and is therefore deemed to be interested in the Shares in which Mr. Goon Eu Jin Terence is deemed to have interest under the SFO.

3. Mr. Tan Thiam Siew is the spouse of Ms. Wee Ai Quey and is therefore deemed to be interested in the Shares in which Ms. Wee Ai Quey is deemed to have interest under the SFO.

4. Southern Cross Holdings Pte Ltd is an investment holding company incorporated in Singapore and is held as to 100% by Lian Huat Group Pte. Ltd., a wholly-owned subsidiary of Lian Keng Enterprises Pte. Ltd., which is 100% held by Mr. Kho Choon Keng. By virtue of the SFO, Mr. Kho Choon Keng is deemed to be interested in the Shares held by Southern Cross Holdings Pte Ltd.

5. Ms. Yuen Woon Siew Marilyn is the spouse of Mr. Kho Choon Keng and is therefore deemed to be interested in the Shares in which Mr. Kho Choon Keng is deemed to have interest under the SFO.

6. Ms. Sng Su Ying Marian is the spouse of Mr. Kho Chuan Thye Patrick and is therefore deemed to be interested in the Shares in which Mr. Kho Chuan Thye Patrick is interested under the SFO.

7. As at 31 December 2025, the total number of issued Shares was 2,000,000,000.

Save as disclosed above, as at 31 December 2025, the Directors were not aware of any other person who had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGE IN DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in information of the Directors since the publication of the FY2025 interim report of the Company and up to the date of publication of this report are set out below:

Mr. Lim Sooi Kheng Patrick joined Arc Corporation Pte Ltd and its subsidiaries as their group financial controller since June 2025. On 29 September 2025, he was appointed as the Lead Independent Director of Leong Guan Holdings Limited, a company listed on the Singapore Exchange.

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

DIRECTOR'S RIGHTS TO ACQUIRE SECURITIES

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

SHARE OPTION SCHEME

On 28 March 2019, the Company adopted a share option scheme (the "**Share Option Scheme**") whereby the Board can grant options for the subscription of the Shares to the directors and employees of the Group and those other persons that the Board considers that they will contribute or have contributed to the Group (the "**Participants**") as described in the Share Option Scheme in order to serve as compliment and to reciprocate their contribution to the Group. The maximum number of Shares that can be issued according to the Share Option Scheme was 200,000,000 Shares, which is equivalent to 10% of the issued capital of the Company as at the date of this report. Unless otherwise approved by the shareholders of the Company in general meeting, the number of Shares that may be issued upon exercise of the options granted to a Participant shall not exceed 1% within any 12-month period. Prior shareholders' approval is required if any grant of options to the substantial shareholders (as defined in the Listing Rules) of the Company or the independent non-executive Directors or any of their respective associates (as defined in the Listing Rules), would result in the Share issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled or outstanding) to such person in the 12-month period up to and including the date of such grant:

(a) representing in aggregate over 0.1% of our Shares in issue on the date of such grant; and

(b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant, in excess of HK$5 million.

There is no minimum period that the options must be held before they become exercisable (other than in accordance with the requirements under Chapter 17 of the Listing Rules), and the options granted shall be exercised within the period decided by the Board; however no options shall be exercised 10 years after they have been granted. The exercise price of the option shall be the higher of (a) the closing price of the Shares on the daily quotation sheets of the Stock Exchange on the date of grant which must be a business day; (b) the average closing price of the Shares on the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and (c) nominal value of the Share on the date of grant. Each grantee shall pay a consideration of HK$1.00 for the grant of the option upon acceptance. An offer for the grant of options must be accepted within 28 days from the date of grant. The Share Option Scheme shall take effect from the date it is adopted and shall remain effective within a period of 10 years from that date.

No options were granted, exercised, cancelled or lapsed and there were no outstanding options under the Share Option Scheme from the date of its adoption to the date of this annual report. A summary of the principal terms and conditions of the Share Option Scheme is set out in Appendix IV to the prospectus of the Company dated 11 April 2019.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

COMPETING INTERESTS

As at 31 December 2025, none of the Directors, the Controlling Shareholders or their respective associates (as defined in the Listing Rules) had any interests (other than their interests in the Company or its subsidiaries) in any business which competed or may compete, either directly or indirectly, with the business of the Group or any other conflicts of interests with the Group.

DEED OF NON-COMPETITION

As disclosed in the Prospectus, Nobel Design International Limited, Mr. Goon Eu Jin Terence and Ms. Wee Ai Quey (the "**Controlling Shareholders**") have entered into a deed of non-competition in favour of the Group on 29 March 2019 (the "**Deed of Non-Competition**"), pursuant to which each of the Controlling Shareholders has jointly and severally, irrevocably and unconditionally, undertaken and covenanted with us that each of the Controlling Shareholders will not, and will procure that none of its/his/her respective associates will:

(a) directly or indirectly carry on, participate or be interested or engage in or acquire or hold any right or interest in or otherwise be involved in any business in competition with or likely to be in competition with our existing business activity or any principal business activity of any member of our Group or be in competition with us in any business activities which we may undertake in the future (the "**Restricted Business**") save for (i) the holding of not more than 5% of the issued shares in any company engaging any Restricted Business which is listed in Hong Kong; or (ii) not controlling 10% or more of the board of directors of such company; and

(b) take any direct or indirect action which constitutes an interference with or a disruption to our business activities of any member of our Group including, but not limited to, solicitation of our customers, suppliers, directors or staff of any member of our Group.

In addition, each of the Controlling Shareholders has jointly and severally, irrevocably and unconditionally, undertaken and covenanted that if any new business opportunity, which is, or is likely to be in, direct or indirect, competition with the Restricted Business (the "**Business Opportunity**") is made available to any of the Controlling Shareholders or their respective associates, it/he/she will direct the Restricted Business to us with such required information to enable us to evaluate the merits of the Business Opportunity.

In order to further avoid potential conflicts of interests and ensure compliance of the Deed of Non-Competition, the following measures have been implemented by the Company:

(a) the independent non-executive Directors have reviewed the compliance with the Deed of Non-Competition by each of the Controlling Shareholder during the year ended 31 December 2025, and confirmed that to the best of their knowledge, the Deed of Non-Competition has been duly complied with by each of the Controlling Shareholder for the year ended 31 December 2025;

(b) no competing business was reported by the Controlling Shareholders for the year ended 31 December 2025, as such there was no matter that required review by the independent non-executive Directors relating to the compliance and enforcement of the Deed of Non-Competition; and

(c) each of the Controlling Shareholder has confirmed to the Company that they have complied with their undertaking under the Deed of Non-Competition for the year ended 31 December 2025.

RELATED PARTY TRANSACTIONS

Certain related party transactions which are significant are disclosed in Note 29 to the consolidated financial statements. Such related party transactions do not constitute connected transactions which are subject to the disclosure, annual review and reporting requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

Save as disclosed in this report, there were no connected parties transaction or continuing connected transactions under the relevant provisions under Chapter 14A of the Listing Rules regarding connected transaction as at 31 December 2025.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Board believes that it is essential for the Group to be as environmentally responsible as possible in the execution of the interior design projects. The fitting-out services provided by the Group's subcontractors in Singapore are subject to certain laws and regulations related to environmental protection.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Environmental, Social and Governance Report 2025 of the Company prepared in accordance with Appendix C2 to the Listing Rules will be published at the same time as the publication of this annual report on the websites of the Company and the Stock Exchange.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report and based on publicly available information and the best knowledge of the Directors, the Company has sufficient public float as required under Rule 8.08 of the Listing Rules.

AUDITORS

The consolidated financial statements of the Group for the year ended 31 December 2025 were audited by Ernst & Young LLP, Singapore, who will retire and, being eligible, offer themselves for re-appointment at the annual general meeting.

On behalf of the Board
Goon Eu Jin Terence
Chairman

Hong Kong, 18 March 2026

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OPINION

We have audited the consolidated financial statements of Design Capital Limited (the "**Company**") and its subsidiaries (the "**Group**") set out on pages 45 to 109, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended 31 December 2025, and notes to the financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("**the IFRSs**") approved by the International Accounting Standards Boards (the "**IASB**") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (the "**ISAs**") issued by the International Auditing and Assurance Standards Board (the "**IAASB**"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

REVENUE RECOGNITION FOR INTERIOR DESIGN CONTRACTS

The Group enters into interior design contracts with customers for which the Group recognises revenue over time as work progresses using the input method. The measure of work progress is based on the costs incurred to date as a proportion of total estimated contract costs. Management estimates the total revenue and budgeted costs at the commencement of the contracts and regularly assess the progress of interior design works as well as the financial impact of scope changes, claims, disputes and liquidation damages. The determination of total budgeted revenue and budgeted costs and the measure of interior design work progress requires management to apply significant judgement and estimates, which has a significant impact on the amount and timing of revenue recognised during the year. In addition, there was a heightened level of estimation uncertainty in determining the total revenue and budgeted costs for ongoing contracts as at 31 December 2025 arising from the volatility in market and economic conditions. For these reasons, we have identified revenue recognition from interior design contracts as a key audit matter.

As part of our audit procedures, we understood, evaluated and validated, the internal controls and management processes relating to the contract budgeting. In our testing of the revenue recognition, we selected samples of interior design contracts and discussed with management and the respective project teams about the progress, status and impact of rapid economic changes on the projects. In addition, we assessed management's estimates of the impact to revenue and budgeted costs arising from scope changes made to the original contracts, claims, disputes and liquidation damages with reference to supporting documents including variation orders. We also tested the costs incurred on interior design works during the financial year against the underlying supporting documents on a sample basis. We have also checked whether interior design revenue was recognised based on the interior design work progress by reference to the costs incurred for work performed to date to the estimated total contract costs. We checked the arithmetic accuracy of the revenue recognised during the year based on the work progress computation for significant projects. We also assessed the adequacy of the disclosure related to revenue in Note 5 to the consolidated financial statements.

ESTIMATE OF SALES RETURNS FROM CUSTOMERS

When the Group recognises revenue from the sale of its furniture, an estimate of sales return is recorded at the same time in arriving at the reported net revenue from furniture sales. In estimating the potential sales return, management considers the historical trends as well as other factors which could significantly influence the quantum of sales returns, such as product quality, fluctuations in consumer demand, changes in customer base and return rights of the respective products. Due to the heightened degree of estimation uncertainty and subjectivity applied by management in determining the provision for sales return, we considered that this is a key audit matter.

We obtained an understanding of the processes and the basis used by management in estimating sales return. We understood, evaluated and validated the internal controls relating to the estimation of sales returns on a sample basis. Our audit procedures included, amongst others, obtaining the schedules for provision for sales returns prepared by management and testing mathematical accuracy of the schedules. We also analysed the methodology and inputs used by management in the estimation process. In addition, we compared the actual sales return to prior year estimate of the provision to assess the reasonableness of key assumptions used to estimate the provision. We also assessed the adequacy of the Group's disclosure on provision for sales returns in Note 20 to the consolidated financial statements.

NET REALISABLE VALUE FOR SLOW MOVING INVENTORIES

The Group sells furniture and related accessories which is subject to changing consumer demands and fashion trends. Management applied significant judgement in estimating the appropriate level of allowance for write-down of inventory which may be ultimately destroyed or sold below cost as a result of a reduction in consumer demand. Such judgements include management's expectations of future sales, inventory clearance plan, forecast of inventory levels required to meet consumer demand and market condition.

Our procedures in relation to assessment of net realisable value of inventories include, amongst others, assessing the process, methods and assumptions used by management to develop the policy for allowance for inventory obsolescence. We evaluated the accuracy of aging analysis of the inventories by checking, on a sample basis, to the suppliers' invoices and other relevant supporting documents to assess the judgement of the management in estimating the allowance for obsolete and slow-moving inventories based on the aging analysis. We also reviewed the basis for the inventory write-down, the consistency of write-down against the Group's policy and the rationale for recording of specific allowances for inventory obsolescence. In addition, we compared the actual selling prices of the inventories subsequent to year end, on a sample basis, to their carrying amounts to check whether the inventories are stated at the lower of cost and net realisable value. We also assessed the adequacy of the disclosure related to inventories in Note 15 to the consolidated financial statements.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated, if, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the financial statements that gives a true and fair view in accordance with the IFRSs approved by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Boon Heng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

18 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Notes	2025 S$'000	2024 S$'000
REVENUE	5(a)	**51,136**	61,831
Cost of sales		**(34,879)**	(42,915)
Gross profit		**16,257**	18,916
Other income and gain, net	6	**1,442**	1,683
Selling and distribution expenses		**(10,466)**	(11,508)
Administrative expenses		**(7,843)**	(6,945)
Finance costs	7	**(597)**	(711)
(LOSS)/PROFIT BEFORE TAX	8	**(1,207)**	1,435
Income tax	11(b)	**(69)**	(646)
(LOSS)/PROFIT FOR THE YEAR		**(1,276)**	789
OTHER COMPREHENSIVE (LOSS)/INCOME			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(1,768)**	784
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX		**(1,768)**	784
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(3,044)**	1,573
(Loss)/profit for the year attributable to:			
Shareholders of the Company		**(1,726)**	321
Non-controlling interests		**450**	468
		(1,276)	789
Total comprehensive (loss)/income for the year attributable to:			
Shareholders of the Company		**(3,414)**	1,069
Non-controlling interests		**370**	504
		(3,044)	1,573
(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY	13		
Basic and diluted *(cents)*		**(0.09)**	0.02

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 S$'000	2024 S$'000
NON-CURRENT ASSETS			
Property, plant and equipment	14	**1,734**	2,695
Right-of-use assets	22	**8,995**	9,892
Deposits	17	**481**	508
Total non-current assets		**11,210**	13,095
CURRENT ASSETS			
Inventories	15	**19,934**	29,080
Contract assets	5(b)	**84**	494
Trade receivables	16	**5,225**	5,543
Prepayments, deposits and other receivables	17	**2,179**	1,597
Cash and bank balances	18	**37,543**	31,679
Total current assets		**64,965**	68,393
CURRENT LIABILITIES			
Contract liabilities	5(b)	**5,958**	4,175
Trade payables	19	**1,517**	3,080
Other payables and accruals	20	**3,191**	4,593
Borrowings	21	**23**	38
Lease liabilities	22	**3,209**	3,069
Income tax payables		**160**	127
Total current liabilities		**14,058**	15,082
NET CURRENT ASSETS		**50,907**	53,311
TOTAL ASSETS LESS CURRENT LIABILITIES		**62,117**	66,406
NON-CURRENT LIABILITIES			
Borrowings	21	**–**	32
Provision for reinstatement costs	23	**744**	750
Lease liabilities	22	**8,213**	9,447
Deferred tax liabilities	24	**25**	25
Total non-current liabilities		**8,982**	10,254
NET ASSETS		**53,135**	56,152

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Notes	2025 S$'000	2024 S$'000
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital	25	**3,453**	3,453
Share premium	25	**8,656**	8,656
Reserves	26	**38,284**	41,651
		50,393	53,760
Non-controlling interests		**2,742**	2,392
TOTAL EQUITY		**53,135**	56,152

Goon Eu Jin Terence
Director

Wee Ai Quey
Director

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Year ended 31 December 2025

	Attributable to shareholders of the Company							
	Issued capital S$'000	Share premium account S$'000	Capital reserve S$'000 (Note 26(ii))	Exchange fluctuation reserve S$'000	Retained profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 January 2025	3,453	8,656	2,264	483	38,904	53,760	2,392	56,152
(Loss)/profit for the year	–	–	–	–	(1,726)	(1,726)	450	(1,276)
Other comprehensive loss for the year:								
Exchange differences on translation of foreign operations	–	–	–	(1,688)	–	(1,688)	(80)	(1,768)
Total comprehensive (loss)/income for the year	–	–	–	(1,688)	(1,726)	(3,414)	370	(3,044)
Exchange differences reclassified to profit or loss upon liquidation of a subsidiary	–	–	–	47	–	47	–	47
Capital contribution from non-controlling interests	–	–	–	–	–	–	20	20
Dividends	–	–	–	–	–	–	(40)	(40)
At 31 December 2025	3,453	8,656	2,264*	(1,158)*	37,178*	50,393	2,742	53,135

* These reserves accounts comprise the consolidated reserves of S$38,284,000 (2024: S$41,651,000) in the consolidated statement of financial position as at year end.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Year ended 31 December 2024

	Attributable to shareholders of the Company							
	Issued capital S$'000	Share premium account S$'000	Capital reserve S$'000 (Note 26(ii))	Exchange fluctuation reserve S$'000	Retained profits S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
At 1 January 2024	3,453	9,977	2,264	(265)	38,583	54,012	2,538	56,550
Profit for the year	–	–	–	–	321	321	468	789
Other comprehensive income for the year:								
Exchange differences on translation of foreign operations	–	–	–	748	–	748	36	784
Total comprehensive income for the year	–	–	–	748	321	1,069	504	1,573
Dividends	–	(1,321)	–	–	–	(1,321)	(650)	(1,971)
At 31 December 2024	3,453	8,656	2,264*	483*	38,904*	53,760	2,392	56,152

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Notes	2025 S$'000	2024 S$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(1,207)**	1,435
Adjustments for:			
Interest income	6	**(1,066)**	(1,241)
Finance costs	7	**597**	711
Depreciation	8	**1,057**	1,104
Depreciation of right-of-use assets	8	**3,273**	3,345
Gain on disposal of property, plant and equipment, net	6	**(20)**	(82)
Loss on liquidation of subsidiary	8	**47**	–
Write-off of property, plant and equipment	8	**3**	2
Provision for write-down of inventories to net realisable value, net	8	**782**	361
Reversal of provision for expected credit losses of trade receivables, net	8	**(24)**	(185)
Write-off of other receivables	8	**–**	20
		3,442	5,470
Decrease in inventories		**7,094**	4,371
Decrease/(increase) in contract assets		**410**	(86)
Decrease in trade receivables		**111**	2,991
(Increase)/decrease in prepayments, deposits and other receivables		**(584)**	239
Increase/(decrease) in contract liabilities		**1,783**	(1,932)
(Decrease)/increase in trade payables		**(1,482)**	182
Decrease in other payables and accruals		**(1,244)**	(1,730)
Cash generated from operations		**9,530**	9,505
Income taxes paid		**(42)**	(629)
Net cash flows generated from operating activities		**9,488**	8,876
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**1,036**	1,325
Purchase of items of property, plant and equipment	28(a)	**(159)**	(1,079)
Proceeds from disposal of property, plant and equipment		**18**	82
Decrease in time deposits with maturity of more than three months when acquired		**955**	13,306
Increase in time deposits with maturity of more than three months when acquired		**(8,412)**	(1,431)
Net cash flows (used in)/generated from investing activities		**(6,562)**	12,203

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Notes	2025 S$'000	2024 S$'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution from non-controlling interests		**20**	–
Repayment of borrowings	*28(b)*	**(38)**	(58)
Payment of principal portion of lease liabilities	*28(b)*	**(3,342)**	(3,274)
Interest paid	*7*	**(597)**	(711)
Dividends paid		**(40)**	(1,971)
Net cash flows used in financing activities		**(3,997)**	(6,014)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(1,071)**	15,065
Cash and cash equivalents at beginning of year		**31,079**	15,875
Effect of foreign exchange rate changes, net		**(522)**	139
CASH AND CASH EQUIVALENTS AT END OF YEAR		**29,486**	31,079
ANALYSIS OF BALANCES OF CASH AND BANK BALANCES			
Cash and bank balances other than time deposits	*18*	**29,486**	31,079
Time deposits	*18*	**8,057**	600
Cash and bank balances as stated in the consolidated statement of financial position		**37,543**	31,679
Less: Time deposits with maturity of more than three months when acquired		**(8,057)**	(600)
Cash and cash equivalents as stated in the consolidated statement of cash flows		**29,486**	31,079

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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.

Details of subsidiaries held by the Company are as follows:

Company name	Place of incorporation/ place of operation	Nominal value of issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2025 %	2024 %	
Design Capital (BVI) Limited* *(Note (a))*	BVI/Singapore	S$1	**100**	100	Investment holding
Design Capital Pte Ltd *(Note (b))*	Singapore	S$1	**100**	100	Investment holding and furniture sales
Numero Uno Creative Group Pte Ltd *(Note (b) (g))*	Singapore	S$150,000	**60**	60	Interior design
Nobel Reka Cipta Sdn Bhd *(Note (e))*	Malaysia	RM750,000	**–**	100	Interior design
Marquis Furniture Gallery Pte Ltd *(Note (b) (h))*	Singapore	S$441,000	**100**	100	Furniture sales and interior design
Momentum Creations Pte Ltd *(Note (f))*	Singapore	S$163,000	**–**	84.2	Furniture sales
Marquis HQO Pte Ltd *(Note (b))*	Singapore	S$200,000	**80**	80	Furniture project sales
Marquis HNC Pte Ltd *(Note (b))*	Singapore	S$150,000	**90**	90	Furniture project sales
CASA AEF 1925 Pte. Ltd. *(Note (b) (d))*	Singapore	S$100,000	**100**	100	Furniture sales
Buylateral Group Pte Ltd ("**Buylateral Singapore**") *(Note (b))*	Singapore	S$3,403,436	**95.4**	95.4	U.S. furniture sales
Buylateral.Com (M) Sdn Bhd *(Note (c))*	Malaysia	RM2	**95.4**	95.4	Procurement of furniture
Target Marketing Systems, Inc. *(Note (b))*	United States of America ("**U.S.**")	US$201,000	**95.4**	95.4	U.S. furniture sales

* Except for this entity which is directly held by the Company, all other subsidiaries are indirectly held by the Company.

1. CORPORATE INFORMATION *(Continued)*

Notes:

(a) No audited financial statements have been prepared for this entity as it is not subject to any statutory audit requirements under the relevant rules and regulations in the jurisdiction of its incorporation.

(b) The statutory financial statements of these entities for the year ended 31 December 2025 prepared under Singapore Financial Reporting Standards are audited by Ernst & Young LLP, Singapore.

(c) The statutory financial statements of this entity for the year ended 31 December 2025 prepared under Malaysia Financial Reporting Standards is audited by Roger Yue, Tan & Associates, Malaysia.

(d) On April 2024, Marquis Furniture Gallery Pte Ltd disposed 100% of its shareholding in CASA AEF 1925 Pte. Ltd. to Design Capital Pte Ltd for a cash consideration of S$100,000 representing S$1 per share.

(e) The Company had been wound up during the financial year.

(f) The Company had been struck off during the financial year.

(g) The share capital for this entity had been increased from S$100,000 to S$150,000 during the financial year.

(h) The share capital for this entity had been increased from S$430,000 to S$441,000 during the financial year.

2. 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. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income ("**OCI**") are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and exchange fluctuation reserve and recognises the fair value of any investment retained and resulting surplus or deficit in profit and loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.2 Basis of consolidation and business combinations *(Continued)*

(b) Business combinations involving businesses or entities under common control

Business combinations involving businesses or entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

2.3 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.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.4 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. The Group classifies an asset as current when at least one of the following is met:

- It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- It holds the asset primarily for the purpose of trading;
- It expects to realise the asset within twelve months after the reporting period; or
- The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Group classifies a liability as current when at least one of the following is met:

- It expects to settle the liability in its normal operating cycle;
- It holds the liability primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period; or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies its financial liabilities as current when they are due to be settled within twelve months after the reporting period, even if the original term was for a period longer than twelve months, and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorised for issue.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures:* Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Annual Improvement to IFRSs — Volume 11	1 January 2026
Amendments to IFRS 9 and IFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures:* Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for IFRS 18 and IFRS 19, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of IFRS 18 and IFRS 19 are described below.

IFRS 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.5 Standards issued but not yet effective *(Continued)*

IFRS 18 *Presentation and Disclosure in Financial Statements* *(Continued)*

In addition, narrow-scope amendments have been made to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 *Subsidiaries without Public Accountability: Disclosures*

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards. IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted. As the Group's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

2.6 Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The results of a subsidiary are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary is stated at cost less any impairment losses.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.7 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, contract assets, deferred tax assets, financial assets, investment properties and non-current assets/a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.8 Property, plant and equipment

All items of property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.8 Property, plant and equipment *(Continued)*

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful lives
Leasehold improvements	3–12.5 years or over the lease terms, whichever is shorter
Property	15 years
Furniture and office equipment	3–5 years
Equipment	3–5 years
Motor vehicles	5 years

The carrying value of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, as appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

2.9 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.9 Leases *(Continued)*

Group as a lessee *(Continued)*

i) Right-of-use assets (Continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated lives of the assets, as follows:

	Useful lives
Showroom	2–4 years
Warehouse	2–12.5 years
Office equipment	5 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are subjected to impairment. Refer to accounting policy in Note 2.7 Impairment of non-financial assets.

ii) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Financial instruments — initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("**SPPI**") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Financial instruments — initial recognition and subsequent measurement *(Continued)*

(a) Financial assets *(Continued)*

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the statements of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises a provision for expected credit losses ("**ECLs**") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Financial instruments — initial recognition and subsequent measurement *(Continued)*

(a) Financial assets *(Continued)*

General Approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 60 to 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Simplified approach

For trade receivables and contract assets that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.10 Financial instruments — initial recognition and subsequent measurement *(Continued)*

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group are all classified, at initial recognition, as trade and other payables, and borrowings, or as appropriate. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest amortisation is included in finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash on hand and cash at banks (including short-term deposits) and time deposits placed with financial institutions.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, and short-term deposits together with short-term, highly liquid deposits that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, with an original maturity of three months or less from the date of acquisition. Accordingly, time deposits with an original maturity of more than three months at the date of acquisition are excluded from cash and cash equivalents in the consolidated statement of cash flows.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method, and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.14 Provisions

Provisions are recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provision for reinstatement costs

The Group records a provision for reinstatement cost for office, warehouse and showrooms. Provision for reinstatement costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the reinstatement. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of reinstatement are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.15 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.16 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) Defined contribution plans

The Group participates in all mandatory national pension schemes of the countries where it operates. Contributions are made based on a percentage of the employee's salaries and are recognised as an expense in the period in which the related service is performed.

(b) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing in accordance with the financial matrix and terms laid out in the agreement, which are subjected to the conditions described therein. The Group recognises a provision when contractually obliged to pay or when there is a past practice that has created a constructive obligation to pay.

2.17 Revenue

Revenue is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue is recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may be transferred over time or at a point in time. Control of the asset is transferred over time if the Group's performance:

- provides all of the benefits received and consumed simultaneously by the customer;
- creates and enhances an asset that the customer controls as the Group performs; or
- do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.17 Revenue *(Continued)*

(a) Sale of goods — Trading income

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customers which generally coincides with delivery and acceptance of the goods sold.

(b) Rendering of service — Revenue of interior design contracts

Revenue from interior design, renovation and furnishing contracts is recognised over time, using an input method to measure progress towards complete satisfaction of the service.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation, by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract.

(c) Interest income

Interest income is recognised using the effective interest method.

2.18 Contract balances

(a) Contract assets

If the Group performs by transferring goods or services to a customer before being unconditionally entitled to the consideration under the contract terms, a contract asset is recognised for the earned consideration that is conditional. Contract assets are subject to impairment assessment, details of which are included in the accounting policies for impairment of financial assets. They are reclassified to trade receivables when the right to the consideration becomes unconditional.

(b) Trade receivables

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

(c) Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Taxes

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

(b) Deferred tax

Deferred tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.19 Taxes *(Continued)*

(b) Deferred tax *(Continued)*

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Where receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the financial position.

(d) International tax reform — Pillar Two model rules

In May 2023, the IASB amended IAS 12 to introduce a mandatory temporary exception from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The Group has applied this exception. Accordingly, no deferred tax has been recognised for Pillar Two income taxes.

Based on the Group's consolidated revenue (which is below the EUR 750 million threshold for The Organisation for Economic Co-operation and Development ("**OECD**")/G20 Inclusive Framework on Base Erosion and Profit Shifting ("**BEPS**") Pillar Two model rules), the Group does not expect to be within the scope of Pillar Two in any of the jurisdictions in which it operates and therefore does not expect to incur Pillar Two top-up taxes for the foreseeable future.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.20 Foreign currencies

The financial statements is presented in S$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Consolidated financial statements

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Singapore dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Singapore dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore dollars at the exchange rates that approximate to those prevailing at the dates of the transactions.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

2. MATERIAL ACCOUNTING POLICIES *(Continued)*

2.21 Dividends

Special dividends and final dividends are recognised as a liability when they have been approved by the shareholders of relevant entities comprising the Group in a general meeting.

Interim dividends are recognised immediately as a liability when they are proposed and declared by directors of relevant entities comprising the Group, as the memorandum and articles of association of these entities grant their directors the authority to declare interim dividends.

2.22 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grant shall be recognised in profit or loss on a systematic basis over the periods which the entity recognises as expenses the related costs for which the grant are intended to compensate. Grants related to income are presented as "Other income".

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the 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.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Revenue of interior design contracts

For the interior design contracts with customers where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring the promised renovation service to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the interior design contracts. The measure of progress is based on the costs incurred to date as a proportion of total contract costs expected to be incurred up to the completion of the interior design contracts.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

3.1 Key sources of estimation uncertainty *(Continued)*

(a) Revenue of interior design contracts *(Continued)*

Significant assumptions are required to estimate the total contract costs and the recoverable variation works that will affect the measure of progress and the contract revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

If the total contract values on uncompleted contracts at the end of each of the reporting period had been higher/lower by 10% from management's estimates, the Group's revenue and gross profit would have been higher/lower by S$358,000 (2024: S$219,000).

If the contract costs of uncompleted contracts to be incurred had been higher/lower by 10% from management's estimates, the Group's profit before income tax would have been lower/higher by S$126,000 (2024: S$88,000).

(b) Estimate of sales returns from customers

The Group's gross furniture sales are subject to sales returns deductions in arriving at reported net furniture sales. When the Group recognises revenue from the sale of its furniture, an estimate of sales returns is recorded which reduces furniture sales.

The estimate of sales returns reflects historical experience of sales to customers and is reviewed regularly to ensure that it reflects potential furniture returns. Based on past experience, only the Group's sales of furniture under the U.S. furniture sales segment incurred more than insignificant amount of sales returns. In this regard, the Group recorded a returns provision ranging from 2% to 10% (2024: 2% to 10%) of gross sales under U.S. furniture sales segment. The management reviews the return provision annually and adjust the reserve amounts if actual sales returns differ materially from the reserve percentage.

If the sales return amounts had been higher/lower by 10% from management's estimates, the Group's profit before tax would have been lower/higher by S$70,000 (2024: S$74,000).

(c) Net realisable value for slow-moving inventories

The management carries out an inventory review on a product-by-product basis at the end of each reporting period taking into account the age of inventory. Aged inventories with slow turnaround are written down to lower of cost and net realisable value. The management estimates the net realisable value for such inventories based primarily on the physical conditions of the inventories, expected market selling prices and current market conditions. Management has written down approximately S$782,000 (2024: S$433,000) of its slow-moving inventories and reversed provision for slow-moving inventories of Nil as of 31 December 2025 (2024: S$72,000). The carrying amount of inventories was S$19,934,000 (2024: S$29,080,000). Inventories are disclosed in Note 15.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

3.2 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligations in a bundled sale of furniture and interior design services*

  The Group provides interior design services that are either sold separately or bundled together with the sale of furniture to a customer. The interior design services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

  The Group determined that both the sale of furniture and interior design services are not capable of being distinct as the promises to transfer the furniture and to provide interior design service are not distinct within the context of the contract. The furniture and interior design service are inputs to a combined item in the contract. The Group is providing a significant integration service because the presence of the furniture and interior design together in this contract result in additional or combined functionality and the furniture or the interior design service modify or customise the other. Consequently, the Group considered the sale of furniture and the interior design service as a single performance obligation.

- *Determining the timing of satisfaction of interior design services*

  The Group concluded that revenue for interior design services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the interior design that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

  The Group determined that the input method is the best method in measuring progress of the interior design services because there is a direct relationship between the Group's effort and the transfer of service to the customer. The Group recognises revenue on the basis of cost incurred relative to the total budgeted cost to complete the service.

4. 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.

4. SEGMENT INFORMATION *(Continued)*

Year ended 31 December 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	4,781	14,916	31,630	39	51,366
Less: Inter-segment sales	–	(191)	–	(39)	(230)
Sales to external customers	4,781	14,725	31,630	–	51,136
Segment results	1,223	(1,095)	771	(2,106)	(1,207)
Segment assets	3,674	22,816	37,163	12,522	76,175
Segment liabilities	1,060	10,737	10,688	555	23,040
Other segment information:					
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

4. SEGMENT INFORMATION *(Continued)*

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)
Sales to external customers	5,287	17,146	39,398	–	61,831
Segment results	1,150	64	1,099	(878)	1,435
Segment assets	2,756	21,712	42,134	14,886	81,488
Segment liabilities	1,023	9,066	14,382	865	25,336
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
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	–	2	–	–	2
(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**	8	1,274	52	–	1,334

* Finance costs include the interest on lease liabilities.

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

4. SEGMENT INFORMATION *(Continued)*

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

	2025 S$'000	2024 S$'000
Singapore	4,210	4,485
U.S.	6,519	8,102
	10,729	12,587

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

Information about major customers

The revenue from top 5 customers and/or customers which individually contributed 10% or more of the Group's revenue and are customers of the U.S. furniture sales segment and furniture sales segment, are as follows:

	2025 S$'000	2024 S$'000
Customer C	15,810	14,591
Customer A	9,503	13,712
Customer E	4,576	8,032
Customer B	1,525	2,339
Customer H	1,434	1,865

5. 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.

(a) Disaggregated revenue information

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

	Year ended 31 December 2025			
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	–	14,725	31,630	46,355
Service income — interior design	4,781	–	–	4,781
Total revenue from contracts with customers	4,781	14,725	31,630	51,136
Geographical markets				
Singapore	4,781	14,725	–	19,506
U.S.	–	–	31,630	31,630
Total revenue from contracts with customers	4,781	14,725	31,630	51,136
Timing of revenue recognition				
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	4,781	14,725	31,630	51,136

5. REVENUE *(Continued)*

(a) Disaggregated revenue information *(Continued)*

	Year ended 31 December 2024			
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	–	17,146	39,398	56,544
Service income — interior design	5,287	–	–	5,287
Total revenue from contracts with customers	5,287	17,146	39,398	61,831
Geographical markets				
Singapore	5,287	17,146	–	22,433
U.S.	–	–	39,398	39,398
Total revenue from contracts with customers	5,287	17,146	39,398	61,831
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	5,287	17,146	39,398	61,831

(b) Contract balances

An analysis of contract balances as at the end of each of the reporting period is as follows:

	2025 *S$'000*	2024 *S$'000*
Contract assets *(Note (i))*	**84**	494
Contract liabilities *(Note (ii))*	**(5,958)**	(4,175)

5. REVENUE *(Continued)*

(b) Contract balances *(Continued)*

Notes:

(i) Contract assets are the Group's rights to consideration for work performed on renovation contracts which will become unconditioned upon successful completion of the interior design services. Contract assets are transferred to trade receivables when the rights to consideration become unconditional.

(ii) Contract liabilities are the Group's obligations to transfer goods or services to customers for which the Group has received consideration from customers, including progress billings received from customers for interior design services in progress and upfront deposits collected from customers prior to the commencement of renovation work or delivery of goods. Contract liabilities are recognised as revenue when the Group performs under the contract.

Set out below is the amount of revenue recognised from amounts included in contract liabilities at the beginning of each of the reporting period:

	2025 ***S$'000***	2024 *S$'000*
Revenue recognised that was included in contract liabilities at the beginning of the year	**3,608**	5,478

None of the Group's revenue recognised during each of the reporting period related to performance obligations satisfied in previous years.

(c) Unsatisfied performance obligations

For interior design services, the Group recognises revenue according to the accounting policies as set out in Note 2.17. The Group has elected the practical expedient for not to disclose the remaining performance obligation for these types of contracts.

Sale of goods were made in a short period of time and the performance obligation is expected to be satisfied within one year.

6. 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:

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

7. 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
	597	711

8. (LOSS)/PROFIT BEFORE TAX

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

	Notes	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	14	1,057	1,104
Depreciation of right-of-use assets	22	3,273	3,345
Expense relating to short-term leases	22	30	24
Variable lease payments	22	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
		6,075	6,706
Gain on disposal of property, plant and equipment, net	6	(20)	(82)
Loss on liquidation of subsidiary		47	–
Write-off of property, plant and equipment	14	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	16(d)	(24)	(185)
Write-off of other receivables		–	20
Foreign exchange differences, net		578	(450)

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Certain of the Company's directors are directors and/or employees of the subsidiaries during the reporting period. The remuneration of these directors as recorded in the financial statements of the subsidiaries during the reporting period is set out below:

	2025 *S$'000*	2024 *S$'000*
Fees*	**158**	143
Other emoluments:		
Salaries, allowances, benefits in kind and other costs	**630**	630
Performance related bonuses	**52**	65
Mandatory national pension schemes	**39**	41
	721	736

* The directors, namely Kho Chuan Thye Patrick, Lim Sooi Kheng Patrick, Lim Boon Cheng and Ng Chee Kwong, Colin are entitled to a director's fee of S$30,000 each for the year ended 31 December 2025 (31 December 2024: S$30,000). The directors, namely Hwang Kin Soon Ignatius is entitled to a director's fee of S$30,000 for the year ended 31 December 2025 (31 December 2024: S$30,000 on a pro-rated basis) and Dillon Kho Tse Kai is entitled to a director's fee of S$30,000 on a pro-rated basis for the year ended 31 December 2025.

An analysis of the directors' remuneration, on a named basis, is as follows:

	Salaries, allowances, benefits in kind and other costs *S$'000*	Performance related bonuses *S$'000*	Mandatory national pension schemes *S$'000*	Total *S$'000*
Year ended 31 December 2025				
Executive directors				
Goon Eu Jin Terence	**302**	**25**	**13**	**340**
Wee Ai Quey	**168**	**14**	**9**	**191**
Ong Ciu Hwa	**160**	**13**	**17**	**190**
	630	**52**	**39**	**721**
Year ended 31 December 2024				
Executive directors				
Goon Eu Jin Terence	302	25	15	342
Wee Ai Quey	168	14	9	191
Ong Ciu Hwa	160	26	17	203
	630	65	41	736

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION *(Continued)*

During the year, no remuneration was paid or payable by the Group to any of the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

There was no arrangement whereby a director waived or agreed to waive any remuneration during the reporting period.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during each of the reporting period included three directors (2024: three directors), details of whose remuneration are set out in Note 9 above. Details of the remuneration of the remaining 2 (2024: 2) highest paid employees who are neither a director nor the chief executive are as follows:

	2025	2024
	S$'000	*S$'000*
Salaries, allowances, benefits in kind and other costs	**485**	494
Performance related bonuses	**48**	44
Mandatory national pension schemes	**17**	17
	550	555

The number of the non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	1
	2	2

During the year, no remuneration was paid or payable by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

11. INCOME TAX

(a) Applicable income tax rates

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands. The Company is a tax resident in Singapore and is subject to Singapore tax laws.

A summary of applicable income tax rates of the jurisdictions in which the Group has operations during the reporting period is as follows:

	2025	2024
	%	%
Singapore	**17**	17
U.S. — Federal tax	**21**	21
U.S. — State tax	**7**	7
Malaysia	**24**	24

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

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

11. INCOME TAX *(Continued)*

(b) Income tax in the Consolidated Statement of Profit or Loss and Other Comprehensive Income *(Continued)*

A reconciliation of the tax expense applicable to (loss)/profit before tax at the applicable statutory tax rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, are as follows:

	2025	2024
	S$'000	*S$'000*
(Loss)/profit before tax	**(1,207)**	1,435
Tax expense at the statutory tax rates of the respective jurisdictions	**(205)**	202
Effects of partial tax exemptions, reliefs and rebates	**(35)**	(69)
Income not subject to tax	**(64)**	(177)
Expenses not deductible for tax	**209**	150
Deferred tax assets not recognised	**248**	87
Over-provision in respect of prior years		
— Current tax	**(84)**	(6)
— Deferred tax assets	**–**	443
Others	**–**	16
Tax expense at the effective tax rate of (5.7%) for the year ended 31 December 2025 (2024: 45.0%)	**69**	646

Pillar Two model rules

As explained in Note 2.19, the Group has applied the temporary exception in IAS 12 for deferred taxes related to Pillar Two income taxes and does not expect to be in scope of the Pillar Two model rules based on its consolidated revenue.

12. DIVIDENDS

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

13. (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.

14. PROPERTY, PLANT AND EQUIPMENT

Group	Property	Leasehold improvements	Furniture and office equipment	Equipment	Motor vehicles	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
2025						
At 1 January 2025:						
Cost	456	3,898	1,119	1,002	1,040	7,515
Accumulated depreciation	(53)	(2,417)	(917)	(806)	(627)	(4,820)
Net carrying amount	403	1,481	202	196	413	2,695
Net carrying amount:						
At 1 January 2025	403	1,481	202	196	413	2,695
Additions	–	–	17	40	102	159
Depreciation provided during the year	(29)	(701)	(89)	(107)	(131)	(1,057)
Disposal	–	–	(7)	–	–	(7)
Write-off	–	–	–	(3)	–	(3)
Exchange realignment	(22)	(15)	(6)	(8)	(2)	(53)
At 31 December 2025	352	765	117	118	382	1,734
At 31 December 2025:						
Cost	431	3,872	900	875	1,059	7,137
Accumulated depreciation	(79)	(3,107)	(783)	(757)	(677)	(5,403)
Net carrying amount	352	765	117	118	382	1,734

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Group	Property	Leasehold improvements	Furniture and office equipment	Equipment	Motor vehicles	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
2024						
At 1 January 2024:						
Cost	442	2,862	1,157	931	1,186	6,578
Accumulated depreciation	(22)	(2,011)	(869)	(612)	(629)	(4,143)
Net carrying amount	420	851	288	319	557	2,435
Net carrying amount:						
At 1 January 2024	420	851	288	319	557	2,435
Additions	–	1,253	29	52	–	1,334
Depreciation provided during the year	(30)	(632)	(116)	(182)	(144)	(1,104)
Write-off	–	–	(2)	–	–	(2)
Exchange realignment	13	9	3	7	–	32
At 31 December 2024	403	1,481	202	196	413	2,695
At 31 December 2024:						
Cost	456	3,898	1,119	1,002	1,040	7,515
Accumulated depreciation	(53)	(2,417)	(917)	(806)	(627)	(4,820)
Net carrying amount	403	1,481	202	196	413	2,695

15. INVENTORIES

	Group	
	2025	2024
	S$'000	*S$'000*
Merchandised goods	**17,353**	25,226
Goods in transit	**2,581**	3,854
	19,934	29,080

16. TRADE RECEIVABLES

	Group	
	2025	2024
	S$'000	*S$'000*
Trade receivables	**5,436**	5,784
Provision for expected credit losses *(Note (d))*	**(211)**	(241)
	5,225	5,543

Notes:

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

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

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

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

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

	Group	
	2025	2024
	S$'000	*S$'000*
Within 1 month	**3,299**	3,884
1 to 2 months	**1,517**	1,276
2 to 3 months	**350**	92
Over 3 months	**59**	291
	5,225	5,543

16. TRADE RECEIVABLES *(Continued)*

Notes: (Continued)

(b) *(Continued)*

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.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

			Days past due			
31 December 2025	**Current**	**<30**	**30–60**	**61–90**	**>91**	**Total**
	S$'000	***S$'000***	***S$'000***	***S$'000***	***S$'000***	***S$'000***
ECL rate	**0.00%**	**1.76%**	**1.58%**	**0.28%**	**75.83%**	
Estimated total gross carrying amount at default	**3,211**	**1,190**	**444**	**351**	**240**	**5,436**
Expected credit loss	**–**	**21**	**7**	**1**	**182**	**211**

			Days past due			
31 December 2024	Current	<30	30–60	61–90	>91	Total
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*	*S$'000*
ECL rate	0.00%	2.09%	0.57%	0.00%	40.73%	
Estimated total gross carrying amount at default	3,119	1,911	174	89	491	5,784
Expected credit loss	–	40	1	–	200	241

(c) Receivables that were neither due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no material provision for expected credit losses is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

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

	Group	
	2025	2024
	S$'000	*S$'000*
As at 1 January	**241**	559
Reversal of provision for expected credit losses of trade receivables, net *(Note 8)*	**(24)**	(185)
Amount written off as uncollectible	**(6)**	(133)
As at 31 December	**211**	241

The Group applies the simplified approach to providing for expected credit losses prescribed by *IFRS 9 Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2025 is 75.83% (2024: 40.73%) for those balances that have been past due for more than 3 months.

17. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

		Group	
		2025	2024
	Notes	***S$'000***	*S$'000*
Prepayments*		**1,593**	957
Deposits	*(a)*	**853**	960
Other receivables	*(b)*	**214**	188
		2,660	2,105
Portion classified as current assets		**(2,179)**	(1,597)
Non-current portion	*(a)*	**481**	508

Notes:

(a) The deposits include rental, utilities and security deposits for the leases for points of sale, warehouses and office spaces. The deposits with lease terms of more than 12 months have been classified as non-current assets.

(b) The other receivables are neither past due nor impaired.

* This amount is after a provision for expected credit losses of approximately Nil (2024: S$10,000).

18. CASH AND BANK BALANCES

	Group	
	2025	2024
	S$'000	*S$'000*
Cash and bank balances other than time deposits	**29,486**	31,079
Time deposits	**8,057**	600
Cash and bank balances	**37,543**	31,679

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

19. 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	2024
	S$'000	*S$'000*
Within 1 month	**1,187**	2,288
1 to 2 months	**97**	328
2 to 3 months	**25**	104
Over 3 months	**208**	360
	1,517	3,080

20. OTHER PAYABLES AND ACCRUALS

	Group	
	2025	2024
	S$'000	*S$'000*
Accruals	**2,344**	3,421
Estimate of sales returns from customers	**704**	740
Other payables	**143**	432
	3,191	4,593

21. BORROWINGS

	Interest rate %	Maturity	Group 2025 S$'000	Group 2024 S$'000
Current interest-bearing loans and borrowings				
S$21,000 loan*	3.50	October 2027	–	4
S$100,000 loan	2.75	August 2026	23	34
			23	38
Non-current interest-bearing loans and borrowings				
S$21,000 loan*	3.50	October 2027	–	9
S$100,000 loan	2.75	August 2026	–	23
			–	32

The effective interest rate of the Group's borrowing for interest-bearing loan as at 31 December 2025 is 5.21% (2024: range from 5.21% to 6.77%) per annum. The borrowing is secured by motor vehicles.

* The loan had been waived off during the financial year.

22. LEASES

The Group has lease contracts for various rental of showroom and warehouse used in its operations. The Group also has lease contracts for office equipment used in its operations. Leases of showrooms, warehouses and office equipment generally have lease terms between 2 to 4 years, 2 to 12.5 years and 5 years respectively. Generally, the Group is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of warehouse with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

22. LEASES *(Continued)*

Set out below are the carrying amounts of assets recognised and the movements during the year:

Group	Leases of showroom S$'000	Leases of warehouse and others S$'000	Total S$'000
2025			
As at 1 January 2025:			
Cost	**5,593**	**14,886**	**20,479**
Accumulated depreciation	**(3,944)**	**(6,643)**	**(10,587)**
Net carrying amount	**1,649**	**8,243**	**9,892**
Net carrying amount:			
As at 1 January 2025	**1,649**	**8,243**	**9,892**
Additions	**2,675**	**79**	**2,754**
Depreciation provided during the year	**(1,594)**	**(1,679)**	**(3,273)**
Exchange realignment	**–**	**(378)**	**(378)**
As at 31 December 2025	**2,730**	**6,265**	**8,995**
As at 31 December 2025			
Cost	**3,996**	**14,173**	**18,169**
Accumulated depreciation	**(1,266)**	**(7,908)**	**(9,174)**
Net carrying amount	**2,730**	**6,265**	**8,995**
2024			
As at 1 January 2024:			
Cost	4,569	14,843	19,412
Accumulated depreciation	(2,661)	(5,237)	(7,898)
Net carrying amount	1,908	9,606	11,514
Net carrying amount:			
As at 1 January 2024	1,908	9,606	11,514
Additions	1,322	163	1,485
Depreciation provided during the year	(1,581)	(1,764)	(3,345)
Exchange realignment	–	238	238
As at 31 December 2024	1,649	8,243	9,892
As at 31 December 2024			
Cost	5,593	14,886	20,479
Accumulated depreciation	(3,944)	(6,643)	(10,587)
Net carrying amount	1,649	8,243	9,892

22. LEASES *(Continued)*

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Leases of showroom	Leases of warehouse and others	Total
	S$'000	*S$'000*	*S$'000*
As at 1 January 2025	**1,836**	**10,680**	**12,516**
Additions	**2,675**	**81**	**2,756**
Accretion of interest	**102**	**492**	**594**
Payments	**(1,701)**	**(2,235)**	**(3,936)**
Exchange realignment	**–**	**(508)**	**(508)**
As at 31 December 2025	**2,912**	**8,510**	**11,422**
Current	**1,383**	**1,826**	**3,209**
Non-current	**1,529**	**6,684**	**8,213**
	2,912	**8,510**	**11,422**
As at 1 January 2024	2,082	11,915	13,997
Additions	1,322	163	1,485
Accretion of interest	109	590	699
Payments	(1,677)	(2,296)	(3,973)
Exchange realignment	–	308	308
As at 31 December 2024	1,836	10,680	12,516
Current	1,291	1,778	3,069
Non-current	545	8,902	9,447
	1,836	10,680	12,516

The maturity analysis of lease liabilities are disclosed in Note 31(c).

The Group had non-cash additions to right-of-use assets and lease liabilities of S$2,754,000 and S$2,756,000 respectively during the financial year ended 31 December 2025 (2024: S$1,485,000 and S$1,485,000 respectively). The Company has not entered into any lease contracts which have not yet commenced as at 31 December 2025.

22. LEASES *(Continued)*

The following are the amounts recognised in profit or loss:

	2025 S$'000	2024 S$'000
Depreciation of right-of-use assets	**3,273**	3,345
Interest on lease liabilities	**594**	699
Expense relating to short-term leases	**30**	24
Variable lease payments	**1,910**	2,369
Total amount recognised in profit or loss	**5,807**	6,437

The total cash outflows for all leases, including variable and short-term leases payments, was S$5,876,000 for the financial year ended 31 December 2025 (2024: S$6,366,000).

The Group has a lease contract that includes extension options. This option was negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised.

Set out below are the undiscounted potential rental payments relating to periods following the exercise date of extension that are not included in the lease term:

	Within five years S$'000	More than five years S$'000	Total S$'000
2025			
Extension option not included in lease term	**2,541**	**511**	**3,052**
2024			
Extension option not included in lease term	3,060	803	3,863

23. PROVISION FOR REINSTATEMENT COSTS

The movements in provision for reinstatement costs during the reporting period are as follows:

	Group	
	2025	2024
	S$'000	*S$'000*
At beginning of year	**750**	522
Additional provision	**–**	255
Reversal of provision	**–**	(30)
Exchange realignment	**(6)**	3
At end of year	**744**	750
Non-current portion	**744**	750

Provision for reinstatement costs consists of necessary costs required to reinstate properties leased by the Group at the expiry of the lease terms. The Group has estimated and provided reinstatement for its offices, points of sale and warehouses under operating lease arrangements.

24. DEFERRED TAX

	Consolidated statement of financial position		Consolidated statement of comprehensive income	
	2025	2024	**2025**	2024
	S$'000	*S$'000*	***S$'000***	*S$'000*
Deferred tax liabilities				
Depreciation allowance in excess of related depreciation	**(25)**	(25)	**–**	(186)
Right-of-use assets	**–**	–	**–**	(2,280)
Leases liabilities	**–**	–	**–**	2,931
Provision	**–**	–	**–**	209
Others	**–**	–	**–**	(231)
Deferred tax liabilities, net	**(25)**	(25)		
Deferred tax expense			**–**	443
Reflected in the statement of financial position as follows:				
Deferred tax liabilities	**(25)**	(25)		
Deferred tax liabilities, net	**(25)**	(25)		

As at 31 December 2025, the Group has tax losses of approximately S$3,934,000 (2024: S$2,358,000) that are available for offset against future taxable profit of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date.

25. SHARE CAPITAL

Company

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

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

25. SHARE CAPITAL *(Continued)*

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:

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

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

26. RESERVES

(i) The amount of the Group's reserves and the movements therein for the year are presented in the consolidated statement of changes in equity.

(ii) Capital Reserve

The capital reserve arose from gains on bargain purchase on acquisition of non-controlling interests of a subsidiary and redeemable convertible preference shares of a subsidiary of the Company with a total principal amount of S$2,499,795 in 2017.

27. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Details of Buylateral Singapore and its subsidiaries (the "**Buylateral Group**"), which are subsidiaries with material non-controlling interests, are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests	4.57%	4.57%

	2025 *S$'000*	2024 *S$'000*
Profit for the year allocated to non-controlling interests	22	15
Other comprehensive (loss)/income for the year allocated to non-controlling interests	(80)	36
Accumulated balances of non-controlling interests at the end of the reporting period	1,210	1,268

The following tables illustrate the summarised financial information of the Buylateral Group:

	2025 *S$'000*	2024 *S$'000*
Revenue	31,630	39,398
Total expenses	(31,141)	(39,062)
Profit for the year	489	336
Other comprehensive (loss)/income for the year	(1,768)	778
Total comprehensive (loss)/income for the year	(1,279)	1,114

	2025 *S$'000*	2024 *S$'000*
Current assets	30,481	33,860
Non-current assets	6,682	8,274
Current liabilities	(3,997)	(5,979)
Non-current liabilities	(6,691)	(8,403)

	2025 *S$'000*	2024 *S$'000*
Net cash flows generated from operating activities	6,479	8,512
Net cash flows (used in)/generated from investing activities	(1,090)	200
Net cash flows used in financing activities	(1,162)	(1,603)
Net increase in cash and cash equivalents	4,227	7,109

* The amounts disclosed above are before any inter-company eliminations.

28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Group	
	2025	2024
	S$'000	*S$'000*
Additions of items of property, plant and equipment *(Note 14)*	**159**	1,334
Less: Provision for reinstatement costs *(Note 23)*	**–**	(255)
Cash invested in property, plant and equipment	**159**	1,079

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

Year ended 31 December 2025

	As at 1 January 2025	**Changes from financing cash flows**	**New leases**	**Other**	**As at 31 December 2025**
	S$'000	***S$'000***	***S$'000***	***S$'000***	***S$'000***
Borrowings	**70**	**(38)**	**–**	**(9)**	**23**
Lease liabilities	**12,516**	**(3,342)**	**2,756**	**(508)**	**11,422**

The 'Other' column relates to the effect of waiver of borrowings and foreign exchange differences on lease liabilities.

Year ended 31 December 2024

	As at 1 January 2024	Changes from financing cash flows	New leases	Other	As at 31 December 2024
	S$'000	*S$'000*	*S$'000*	*S$'000*	*S$'000*
Borrowings	128	(58)	–	–	70
Lease liabilities	13,997	(3,274)	1,485	308	12,516

The 'Other' column relates to the effect of foreign exchange differences on lease liabilities.

(c) Save as disclosed in Note (a) above regarding financing arrangements of property, plant and equipment and in Note 22 regarding additions to right-of-use assets and to lease liabilities, the Group did not have other material non-cash transactions of investing and financing activities during the reporting period.

29. RELATED PARTY DISCLOSURES

(a) The Group had the following material transactions with related parties during the reporting period:

	Group	
	2025	2024
	S$'000	*S$'000*
Goon Eu Jin Terence		
Sales of goods *(Note (i))*	**251**	2
Ong Ciu Hwa		
Sales of goods *(Note (i))*	**–**	1
Foo Kim Soon		
Sales of goods *(Note (i))*	**1**	–
Eugene Tan Ping Hui (son of Wee Ai Quey)		
Sales of goods *(Note (i))*	**42**	–

Note:

(i) The sales were conducted at prices mutually agreed by the relevant parties.

(b) Other than the balances with related parties as disclosed in the financial statements, the Group had no outstanding balances with related parties as at the end of the reporting period.

(c) The compensation of the key management personnel of the Group is summarised as follows:

	Group	
	2025	2024
	S$'000	*S$'000*
Short term employee benefits	**1,459**	1,462
Mandatory national pension schemes	**89**	88
Total compensation paid and payable to key management personnel	**1,548**	1,550

30. FINANCIAL INSTRUMENTS BY CATEGORIES

All the Group's financial assets of S$43,835,000 (2024: S$38,370,000) and financial liabilities of S$15,898,000 (2024: S$20,130,000) as at the end of each of the reporting period were debt instruments at amortised cost and financial liabilities stated at amortised cost, respectively.

31. FINANCIAL RISK MANAGEMENT

The Group's financial instruments include trade receivables, deposits and other receivables, cash and bank balances, trade payables, other payables and bank borrowings.

The Group's activities expose it to credit risk, foreign currency risk, liquidity risk and capital risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The board of directors is responsible for setting the objectives and underlying principles of financial risk management for the Group.

(a) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group manages such risks by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Group places its cash and bank balances with creditworthy institutions.

The Group applies the simplified approach to provide for expected credit losses prescribed by *IFRS 9 Financial Instruments*, which permits the use of lifetime expected loss provisions for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experience of the debtor, current market condition in relation to each debtor's exposure. The expected credit losses also incorporate forward-looking information with reference to general macroeconomic conditions that may affect the ability of the debtors to settle receivables. The Group recognises lifetime expected credit losses for trade receivables based on individual significant customer or the ageing of customers collectively that are not individually significant.

The Group measures the expected credit losses of trade receivables based on shared credit risk characteristics and the days past due. The details of provision for expected credit losses of trade receivables as at 31 December 2025 is set out in Note 16(d) to the financial statements.

The trade receivables of the Group as at 31 December 2025 comprise 4 (2024: 4) major debtors that individually represented 7%-24% (2024: 4%-33%) trade receivables as at these dates, respectively.

31. FINANCIAL RISK MANAGEMENT *(Continued)*

(a) Credit Risk *(Continued)*

The credit risk for trade receivables by geographical area is as follows:

	Group	
	2025	2024
	S$'000	*S$'000*
Singapore	**1,418**	1,323
U.S.	**3,807**	4,220
	5,225	5,543

(b) Foreign Currency Risk

The Group has currency exposures arising from purchases and cash and bank balances that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily Euro and United States Dollar ("**US$**").

The following demonstrates the sensitivity to reasonably possible changes in Euro and US$ with all other variables held constant, of the Group's (loss)/profit before tax:

	(Decrease)/increase in (loss)/profit before tax	
	2025	2024
	S$'000	*S$'000*
Euro against S$		
— Strengthened 5%	**(20)**	(27)
— Weakened 5%	**20**	27
US$ against S$		
— Strengthened 5%	**635**	674
— Weakened 5%	**(635)**	(674)

31. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and bank balances and the availability of funding through an adequate amount of committed credit facilities. At the end of each of the reporting period, assets held by the Group for managing liquidity risk include cash and bank balances as disclosed in Note 18 to the financial statements.

Management monitors rolling forecasts of the liquidity reserve and cash and bank balances of the Group on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with the practices and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies, monitoring liquidity ratios and maintaining debt financing plans.

The table below summarises the maturity profile of the financial liabilities of the Group as at the end of the reporting period based on contractual undiscounted repayment cash flows:

			Contractual cash flows				
	Weighted average effective interest rate %	Carrying amount S$'000	Within one year S$'000	One to two years S$'000	Two to five years S$'000	More than five years S$'000	Total S$'000
Group							
As at 31 December 2025							
Trade payables (excluding sales tax)		1,262	1,262	–	–	–	1,262
Other payables and accruals		3,191	3,191	–	–	–	3,191
Borrowings	5.21	23	24	–	–	–	24
Leases liabilities	5.25-7.00	11,422	3,716	2,576	4,560	2,127	12,979
		15,898	8,193	2,576	4,560	2,127	17,456

31. FINANCIAL RISK MANAGEMENT *(Continued)*

(c) Liquidity Risk *(Continued)*

	Weighted average effective interest rate %	Carrying amount S$'000	Contractual cash flows: Within one year S$'000	One to two years S$'000	Two to five years S$'000	More than five years S$'000	Total S$'000
Group							
As at 31 December 2024							
Trade payables (excluding sales tax)		2,951	2,951	–	–	–	2,951
Other payables and accruals		4,593	4,593	–	–	–	4,593
Borrowings	5.21-6.77	70	41	29	4	–	74
Leases liabilities	5.25-7.00	12,516	3,631	2,715	4,464	3,753	14,563
		20,130	11,216	2,744	4,468	3,753	22,181

(d) Capital Management

The Group's objectives when managing capital are (i) to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and (ii) to provide an adequate return to shareholders by pricing products and services which commensurate with the level of risk.

The Group sets the amount of capital in proportion to risk. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Management monitors capital based on gearing ratio.

Gearing ratio, as defined by the management, is calculated as total debt divided by total equity. Total debt only includes bank borrowings.

	2025 S$'000	2024 S$'000
Borrowings	**23**	70
Total debt	**23**	70
Total equity	**53,135**	56,152
Gearing ratio	**0.04%**	0.12%

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	As at 31 December 2025 S$'000	As at 31 December 2024 S$'000
NON-CURRENT ASSET		
Investment in a subsidiary	–[#]	–[#]
CURRENT ASSETS		
Prepayments and other receivable	2,464	1,381
Cash and bank balances	11,972	13,778
Total current assets	14,436	15,159
CURRENT LIABILITIES		
Other payables and accruals	311	322
Income tax payables	22	35
Total current liabilities	333	357
NET CURRENT ASSETS	14,103	14,802
NET ASSETS	14,103	14,802
SURPLUS IN ASSETS		
Issued capital	3,453	3,453
Reserves *(note)*	10,650	11,349
TOTAL SURPLUS IN ASSETS	14,103	14,802

[#] Less than S$500.

32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY *(Continued)*

Note: A summary of the Company's reserves is as follows:

Company	Share premium account	Retained profits	Total
	S$'000	*S$'000*	*S$'000*
At 1 January 2024	9,977	2,103	12,080
Profit for the period and total comprehensive income for the period	–	590	590
Dividends	(1,321)	–	(1,321)
At 31 December 2024 and 1 January 2025	8,656	2,693	11,349
Loss for the period and total comprehensive loss for the period	–	(699)	(699)
At 31 December 2025	**8,656**	**1,994**	**10,650**

33. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 March 2026.

FIVE YEARS' FINANCIAL SUMMARY

A summary of the results and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited consolidated financial statements of the Company, is set out below. This summary does not form part of the audited financial statements.

RESULTS

	2021 *S$'000*	2022 *S$'000*	2023 *S$'000*	2024 *S$'000*	**2025** ***S$'000***
REVENUE	89,180	96,525	89,506	61,831	**51,136**
PROFIT/(LOSS) BEFORE TAX	7,337	6,525	4,696	1,435	**(1,207)**
Income tax	(1,417)	(1,364)	(814)	(646)	**(69)**
PROFIT/(LOSS) FOR THE YEAR	5,920	5,161	3,882	789	**(1,276)**
Attributable to:					
Equity holders of the Company	4,804	4,543	2,892	321	**(1,726)**
Non-controlling interests	1,116	618	990	468	**450**
	5,920	5,161	3,882	789	**(1,276)**

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

	2021 *S$'000*	2022 *S$'000*	2023 *S$'000*	2024 *S$'000*	**2025** ***S$'000***
TOTAL ASSETS	100,210	93,653	86,917	81,488	**76,175**
TOTAL LIABILITIES	(45,280)	(38,517)	(30,367)	(25,336)	**(23,040)**
NON-CONTROLLING INTERESTS	(2,855)	(2,154)	(2,538)	(2,392)	**(2,742)**
	52,075	52,982	54,012	53,760	**50,393**