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## **Design Capital Limited**

**設計都會有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1545)**

### **CLARIFICATION ANNOUNCEMENT IN RELATION TO THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2020**

Reference is made to the interim results announcement for the six months ended 30 June 2020 (the “**Announcement**”) of Design Capital Limited (the “**Company**”) dated 21 August 2020. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement.

The Company noted the accounting entries relating to dividend that should have been taken up in June 2020 as the dividend was approved at the Company’s annual general meeting on 26 June 2020 but was taken up only in July 2020 when paid, resulting in inadvertent errors in the Announcement. The Company wishes to set out below the updated figures of certain items in the interim condensed consolidated statement of financial position as at 30 June 2020 as presented in the Announcement, in addition to the original figures of such items as presented in the Announcement and the differences between such figures (with corrections underlined):

#### **INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION** *As at 30 June 2020*

	Original amount <i>S\$’000</i>	Updated amount <i>S\$’000</i>	Difference <i>S\$’000</i>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	1,104	1,104	–
Right-of-use assets	12,321	12,321	–
Deposits	<u>602</u>	<u>602</u>	<u>–</u>
Total non-current assets	<u>14,027</u>	<u>14,027</u>	<u>–</u>

	Original amount S\$'000	Updated amount S\$'000	Difference S\$'000
<b>CURRENT ASSETS</b>			
Inventories	18,837	18,837	–
Contract assets	188	188	–
Trade receivables	13,476	13,476	–
Prepayments, deposits and other receivables	3,059	3,059	–
Cash and cash equivalents	<u>48,575</u>	<u>48,575</u>	<u>–</u>
Total current assets	<u>84,135</u>	<u>84,135</u>	<u>–</u>
<b>CURRENT LIABILITIES</b>			
Contract liabilities	7,510	7,510	–
Trade payables	4,220	4,220	–
Other payables and accruals	10,064	10,064	–
Dividend payables	=	<u>3,170</u>	<u>3,170</u>
Borrowings	1,362	1,362	–
Lease liabilities	2,261	2,261	–
Provision for reinstatement costs	195	195	–
Income tax payables	<u>2,032</u>	<u>2,032</u>	<u>–</u>
Total current liabilities	<u>27,644</u>	<u>30,814</u>	<u>3,170</u>
<b>NET CURRENT ASSETS</b>	<u>56,491</u>	<u>53,321</u>	<u>(3,170)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>70,518</u>	<u>67,348</u>	<u>(3,170)</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	66	66	–
Provision for reinstatement costs	70	70	–
Lease liabilities	11,045	11,045	–
Deferred tax liabilities	<u>25</u>	<u>25</u>	<u>–</u>
Total non-current liabilities	<u>11,206</u>	<u>11,206</u>	<u>–</u>
<b>NET ASSETS</b>	<u>59,312</u>	<u>56,142</u>	<u>(3,170)</u>

	Original amount S\$'000	Updated amount S\$'000	Difference S\$'000
<b>EQUITY</b>			
<b>Equity attributable to shareholders of the Company</b>			
Issued capital	3,453	3,453	–
<u>Reserves</u>	<u>53,605</u>	<u>50,435</u>	<u>(3,170)</u>
	<u>57,058</u>	<u>53,888</u>	<u>(3,170)</u>
Non-controlling interests	<u>2,254</u>	<u>2,254</u>	<u>–</u>
<b><u>TOTAL EQUITY</u></b>	<b><u>59,312</u></b>	<b><u>56,142</u></b>	<b><u>(3,170)</u></b>

As a result of the above changes, corresponding changes are made to the notes to the condensed consolidated interim financial information for the six months ended 30 June 2020 and certain other parts of the Announcement. Changes are set out below with corrections underlined:

The content under “5. Segment Information” of page 8 of the Announcement:

	Interior design S\$'000	Furniture sales S\$'000	U.S. furniture sales S\$'000	Corporate S\$'000	Total S\$'000
Segment liabilities	<u>4,865</u>	<u>9,953</u>	<u>21,487</u>	<u>5,715</u>	<u>42,020</u>

The content under “Overall financial position” of page 18 of the Announcement:

The Group recorded total current assets of approximately S\$84.1 million as at 30 June 2020 (31 December 2019: approximately S\$78.9 million) and total current liabilities of approximately S\$30.8 million as at 30 June 2020 (31 December 2019: approximately S\$27.8 million). The current ratio of the Group, calculated by dividing the current assets by the current liabilities, was approximately 2.7 as at 30 June 2020 (31 December 2019: approximately 2.8).

The content under “Gearing ratio” of page 18 of the Announcement:

As at 30 June 2020, the Group’s gearing ratio which was calculated by dividing the total borrowings by total equity and multiplied by 100% was approximately 2.5% (31 December 2019: 0.2%). The gearing ratio increased mainly due to the proceeds from bank borrowings.

Save for the above adjustments and that disclosed in the announcement of the Company dated 11 September 2020, all information and contents set out in the Announcement shall remain unchanged. The interim condensed consolidated financial information of the Group for the six months ended 30 June 2020 with the above adjustments will be incorporated and disclosed in the Company's interim report for the six months ended 30 June 2020, which is expected to be published on 29 September 2020.

By Order of the Board  
**Design Capital Limited**  
**Goon Eu Jin Terence**  
*Chairman and Executive Director*

Hong Kong, 29 September 2020

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