

DESIGN STUDIO FURNITURE MANUFACTURER LTD

(Incorporated In the Republic of Singapore)
(Company Number: 199401553D)

INTERNAL GROUP RESTRUCTURING EXERCISE

The Board of Directors of Design Studio Furniture Manufacturer Ltd (the “**Company**”) wishes to announce that the Company is proposing to undertake an internal restructuring exercise (“**Proposed Restructuring**”) to fully segregate the business and operations from the Company into its various subsidiaries to improve the operational efficiency of the Company. Collectively the Company, together with its subsidiaries will be referred to as the “**Group**”.

Rationale of the Restructuring Exercise

The entire manufacturing business, project management business and assets of the Group are currently in the Company which is both an operating company and a holding company for the Group’s 2 core businesses of manufacturing and project management.

As part of the Restructuring Exercise, the Group’s 2 core businesses in various jurisdictions will be transferred to the various subsidiaries of the Company.

The Proposed Restructuring is intended to create distinct business segments within the Group to enable more effective management of each segment, enhance business focus and accountability within the Group.

Implementation of the Restructuring Exercise

In line with the Restructuring Exercise, the Group structure would be reorganised as follows:-

1. DSI (Middle East) Pte Ltd, a wholly-owned subsidiary of the Company will be renamed as Design Studio Asia Pte. Ltd. (“**DS Asia**”).
2. Following the change of name of DS Asia:
 - a. a new wholly-owned subsidiary, Design Studio Singapore Pte. Ltd. (“**DS Singapore**”) with a paid-up share capital of SGD 2,000,000 has been incorporated as a wholly-owned subsidiary of DS Asia. The Company’s manufacturing operations and project management operations in Singapore will be transferred to DS Singapore.
 - b. DS Furniture Manufacturer Sdn Bhd (“**DS Malaysia**”), a wholly-owned subsidiary of the Company incorporated under Malaysian laws, which owns the Company’s manufacturing operations in Malaysia, will be transferred to DS Asia. Consequent to the said transfer, DS Malaysia will be a wholly-owned subsidiary of DS Asia.
 - c. a new wholly-owned subsidiary, DS Project Management Sdn Bhd (“**DSPM Malaysia**”) with a paid-up share capital of MYR 750,000 has been incorporated under Malaysian Laws as a wholly-owned subsidiary of DS Asia. The Company’s project management operations in Malaysia will be transferred to DSPM Malaysia.
 - d. D S Interior Decoration (ME) LLC (“**DS Middle East**”), a wholly owned subsidiary incorporated under United Arab Emirates laws in the United Arab Emirates, which owns the Company’s project management operations in the Middle East, will be transferred to DS Asia. Consequent to the said transfer, DS Middle East will be a wholly owned subsidiary of DS Asia.

Approvals

The Proposed Restructuring is conditional upon, inter alia, approvals, where required, of the relevant authorities and regulatory bodies in the various jurisdictions where the Company's subsidiaries have been incorporated, for the proposed transfers of shares in the affected subsidiaries to DS Asia.

Financial Effects

The Restructuring Exercise is not expected to have any significant material impact on the consolidated net tangible assets per share and/or the earnings per share of the Company and its subsidiaries for the current financial year.

Interests of Directors, Substantial Shareholders or Controlling Shareholders

None of the Directors, substantial shareholders or controlling shareholders of the Company have any interest, direct or indirect (other than through their shareholdings in the Company), in the Restructuring Exercise.

By Order of the Board
Design Studio Furniture Manufacturer Ltd

Helen Campos
Company Secretary
22 November 2013