

DESIGN STUDIO FURNITURE MANUFACTURER LTD

(Incorporated In the Republic of Singapore)

(Company Number: 199401553D)

ADOPTION OF DIVIDEND POLICY

The Board of Directors of Design Studio Furniture Manufacturer Ltd (the “**Company**”) wishes to announce that the Company has adopted a dividend policy to recommend and distribute annual dividend of not less than 25% of its net profits attributable to Shareholders of the Company from the financial year ending 31 December 2013 onwards.

In proposing any dividend payout in any financial year, the Board shall take into account the following factors:-

- i. The level of the Company’s cash, debts to equity ratio, return on equity and retained earnings;
- ii. The Company’s expected financial performance and financial condition at the end of the year in respect of which the dividend is to be paid;
- iii. The projected levels of capital expenditure and other investment plans;
- iv. The dividend yield of companies operating in similar industries globally;
- v. Restrictions on payment of the dividends that may be imposed on the Company by any of its financing arrangements; and
- vi. Such other factors as the Directors of the Company deem appropriate.

This dividend policy and the declaration/payment of future dividends under this policy are subject to the Board’s continuing determination that this dividend policy and the declaration/payment of dividends would be in the best interests of the Company and Shareholders and are in compliance with all applicable laws and regulations. The Board will continuously review this dividend policy and reserve the right in its sole and absolute discretion to update, amend, modify and/or cancel this dividend policy at any time and this dividend policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or obligate the Company to declare a dividend at any time or from time to time.

Any dividends declared by the Company must be approved by an ordinary resolution of Shareholders at an annual general meeting and must not exceed the amount recommended by the Board. The Board may, without the approval of the Shareholders, also declare an interim dividend.

Please note that the Company’s dividend policy is not an indicative in any way of, and should not be construed in any manner as, a forecast statement or projection made by the Company or the Board on the future financial results and performance of the Company. In particular, no inference should be or can be made from any of the foregoing statements as to the actual future profitability of the Company or the ability of the Company to pay dividends in any of the periods discussed.

By Order of the Board

Design Studio Furniture Manufacturer Ltd

Helen Campos
Company Secretary

5 November 2013