

**DESIGN STUDIO FURNITURE MANUFACTURER LTD**

(Incorporated In the Republic of Singapore)

(Company Number: 199401553D)

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**INCREASE IN INVESTMENT IN THE WHOLLY OWNED SUBSIDIARY**

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The Board of Directors of Design Studio Furniture Manufacturer Ltd (the "Company") wishes to announce that the Company has increased its investment in Design Studio (Huizhou) Home Furnishing Co., Ltd., its wholly owned subsidiary in Huizhou, People's Republic of China ("PRC") by an additional Renminbi 33,940,772 increasing the registered capital of said subsidiary to Renminbi 99,845,013 from Renminbi 65,904,241. Renminbi 12,736,321 was funded by internal resources and Renminbi 21,204,451 was via the capitalization of fixed assets transferred by the Company to said subsidiary.

FINANCIAL EFFECTS

The subscription would not have any material impact on the consolidated net tangible assets per share of the Company and its subsidiaries (the "Group") for the financial period ending 31 December 2011.

INTEREST OF SUBSTANTIAL SHAREHOLDERS AND DIRECTORS

Save for their interest in the Company, none of the Company's directors or substantial shareholders has an interest, direct or indirect, in the subsidiary.

By Order of the Board

**Design Studio Furniture Manufacturer Ltd**

Eliza Lim Bee Lian  
Company Secretary

11 November 2011