

## DESIGN STUDIO GROUP INCREASES PROFIT TO S\$20.5 MILLION IN FY2016

- Full year profit for FY2016 of S\$20.5 million (up 21.7% from FY2015)
- Revenue for FY2016 of S\$179 million (up from \$166.9 million last year)
- Aggregate dividend of 6.5 cents for FY2016
- Order book of S\$193.1 million, with strong balance sheet

**Singapore, 20 February 2017** – Design Studio Group Ltd (瑞胜集团有限公司) (“Design Studio Group” and collectively with its subsidiaries, “the Group”) had, on 17 February 2017, announced a full year profit for FY2016 of S\$20.5 million (up from S\$16.8 million last year) on revenue of S\$179 million (compared to S\$166.9 million last year).

The strong result was underpinned by increased contributions from the Hospitality and Commercial division. Profit net of tax was S\$9.3 million in 4Q2016, up 65.4% from S\$5.6 million in 4Q2015, on revenue of S\$72.8 million (up from S\$41 million for the corresponding period last year).

Group revenues were S\$179.0 million for the 12 months ended 31 December 2016 (“FY2016”), compared with S\$166.9 million in the corresponding period. This increase was primarily due to higher revenue contribution from the Hospitality & Commercial division, partially offset by lower revenues from the Residential Property division. FY2016 profit net of tax was S\$20.5 million, a 21.7% increase from S\$16.8 million in the year-ago period.

“Despite challenging operating conditions, the Group has delivered another strong result,” said Ms Tan Siok Chin, Chairman of Design Studio Group.

“In light of the Group’s strong performance and healthy cash position, the Board is pleased to propose a final dividend of 1.25 cents, and a special dividend of 4.00 cents. Combined with the interim dividend of 1.25 cents per share declared on 4 August 2016, this provides shareholders with an aggregate dividend of 6.50 cents for FY2016,” Ms Tan said.

### Hospitality and Commercial

The Group’s Hospitality and Commercial division contributed 61.5% of total revenues or S\$110.0 million in FY2016, an healthy increase from 55.7% of total revenues or S\$92.9 million in FY2015. The division secured 30 new contracts in Singapore and Malaysia during the year.

In Singapore, the Group secured several contracts for landmark projects including 634 rooms, hotel lobby & Akira Back Restaurant of JW Marriott Singapore South Beach, and the 129-key Yotel Hotel at The Jewel Changi Airport.

In Malaysia, key project wins included a luxurious oceanfront resort in Langkawi, 280-units within the Ritz Carlton Residences in Kuala Lumpur; public areas of Tropicana Gardens; and an integrated commercial centre in Nusajaya and nearby Tuas Second Link and Senai International Airport.

## **Residential Property**

The contribution from the Group's Residential Property division declined as a result of fewer projects completed in Singapore. The Division contributed 38.5% of total revenue or S\$68.9 million in FY2016, compared with 44.1% of total revenue or S\$73.6 million in FY2015.

The Division secured 21 new contracts during the year. These included Botanique at Bartley, a 797-unit condominium project by UOL Development (Bartley) Pte Ltd, and The Visionaire, a 632-unit executive condominium by Qingjian Realty Pte Ltd.

In Malaysia, the Group secured several iconic projects including a prestigious 584-unit service apartment project in Johor Bahru's largest urban lifestyle development, and a 1,282-unit eco-green condominium project located in the prime Kepong area of KL City. In China major projects secured by the Group include Shanghai Bao Shan (宝山罗店新镇1-3地块住宅项目) by Wing Tai, and Hanking Peak Boulevard (汉京九榕台), a 242-unit mid-to-luxury condominium by the Han King Group.

The Group also secured a contract to supply joinery works to a 982-unit luxury serviced residence project located in heart of downtown Dubai, and an eight-storey, 110-unit high-end condominium in Bangkok.

## **Outlook**

With an order book of S\$193.1 million, a strong balance sheet and a healthy cash position of S\$54 million, Design Studio Group remains in a strong financial position.

The Group expects to see continued opportunities for its Hospitality and Commercial division in Singapore and Malaysia, underpinned by a tourism and hospitality sector that continues to increase demand for hotel accommodation. This demand is expected to fuel the fit-out industry through the refurbishment of existing hotels and build-out of new assets.

The Residential Property division is expected to remain subdued in FY2017 given the various property cooling measures implemented across its key markets, global uncertainty and rising interest rates.

The Group will maintain its focus on its core markets of Singapore and Malaysia, while continuing to expand its footprint into China and other select international markets.

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## **About Design Studio Group Ltd**

Listed on the Singapore Stock Exchange Board, Design Studio Group is Singapore's leading premier furniture manufacturer, interior fitting-out and product specialist.

For more information, please refer to its website: [www.designstudio.com.sg](http://www.designstudio.com.sg).