

DESIGN STUDIO GROUP LTD.

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199401553D)

GRANT OF WAIVERS FROM MAINBOARD LISTING RULE 705(1), 707(1) AND 711A OF THE LISTING MANUAL

The board of directors (the “**Board**”) of Design Studio Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to:

- (a) the announcement dated 20 January 2020 in respect of the applications filed by the Company and its Singapore subsidiaries to the High Court of Singapore for a moratorium pursuant to section 211B of the Companies Act (Cap. 50) (the “**Moratorium Application Announcement**”); and
- (b) the announcement dated 26 February 2020 in respect of the moratorium orders granted by the High Court of Singapore.

Unless otherwise defined in this announcement, capitalised terms shall have the meanings given in the Moratorium Application Announcement.

The Waivers

The Company would like to announce that following the commencement of the Restructuring Exercise, the Company submitted applications to SGX RegCo for extensions of time to (a) announce its financial results for FY2019 (the “**FY2019 Financial Results**”); (b) convene the annual general meeting (the “**FY2019 AGM**”) for FY2019; and (c) issue its sustainability report for FY2019 (the “**FY2019 Sustainability Report**”).

On 26 February 2020, SGX RegCo granted the following waivers/ extensions of time (together, the “**Waivers**”):

- (a) FY2019 Financial Results: an extension to announce the FY2019 Financial Results by 8 July 2020 under Mainboard Listing Rule 705(1);
- (b) FY2019 AGM: an extension to convene the FY2019 AGM by 8 July 2020 in accordance with Mainboard Listing Rule 707(1); and
- (c) FY2019 Sustainability Report: an extension to issue its sustainability report for FY2019 on or before 8 August 2020 in accordance with Mainboard Listing Rule 711A,

subject to the following conditions:

- (i) the Company announcing the Waivers granted, the reasons for seeking the Waivers, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (ii) the Company convening the FY2019 AGM by 8 July 2020;

- (iii) the submissions of (1) non-disclosure agreements from Depa PLC (“**Depa**”) and from Depa's auditors for the preservation of confidential information relating to the financial statements of the Company provided for the preparation of Depa’s financial statements; (2) undertakings from Depa and Depa’s auditors, respectively, that they and their associates will not trade in the securities of the Company until the relevant information on Depa’s consolidated financial statements has been disclosed by the Company; and (3) the implementation of the measures set out in the Company’s submissions to SGX RegCo; and
- (iv) the Company announcing its FY2019 Financial Results by 8 July 2020.

Reasons for the Waivers

The Group is undertaking a comprehensive restructuring exercise to reorganise the liabilities and restructure the operations of the Group (the “**Restructuring Exercise**”). As part of the Restructuring Exercise, the Group commenced formal restructuring proceedings in the courts of Singapore and Malaysia on 20 January 2020.

As at the date of this announcement, the High Court of Singapore has granted a moratorium order in favour of the Singapore Applicants, while the Malaysia Applications are scheduled to be heard in the High Court of Malaya in Johor Bahru and Shah Alam on 11 March 2020 and 12 March 2020 respectively. The High Court of Singapore has ordered that a further hearing for any further extension of the moratorium be scheduled in the week of 27 April 2020 as far as possible.

In light of the recent commencement of the Restructuring Exercise and the uncertain outcome of the exercise at this very early juncture, the Company’s auditors have informed the Company that it will be unable to issue an audit opinion on the financial statements of the Company in respect of FY2019.

Accordingly, the Company applied to SGX RegCo for the Waivers to enable the Company to release its unaudited and audited financial statements for FY2019 when it has more certainty on the outcome of the Restructuring Exercise. This will enable the Company’s shareholders to better assess the financial impact of the Restructuring Exercise and the financial condition of the Group.

Financial Statements of Depa

Depa, the Company’s majority indirect shareholder, is a company listed on Nasdaq Dubai, and is required to issue its audited consolidated financial statements for FY2019 (the “**Depa FY2019 Accounts**”) by 30 April 2020. As Depa is the indirect parent company of the Company, the Depa FY2019 Accounts shall be required to consolidate the financial results of the Company. Accordingly, the Company’s application to SGX RegCo was made on the basis that the management accounts of the Company for FY2019 (the “**Management Accounts**”) shall be provided to Depa and its auditors to facilitate the preparation of the Depa FY2019 Accounts on the following basis:

- (a) Depa and its auditors shall be required to enter into confidentiality agreements with the Company before being provided access to the Management Accounts.
- (b) In the case of Depa, the Management Accounts shall only be shared on a need to know basis with senior management and finance employees who are involved in the consolidation.
- (c) In the case of Depa’s auditors, the Management Accounts shall only be shared with the employees who are involved in the audit of Depa on a need to know basis.

- (d) The Company shall release an announcement on SGXnet providing shareholders with a link to the Depa FY2019 Accounts at the same time that Depa releases the same (the “**Financial Disclosure Announcement**”) to ensure that the Company’s shareholders receive the same information at the same time.

As announced on 4 December 2019, Depa provided a shareholder loan of AED20 million (approximately S\$7.4 million) to the Company. Furthermore, Depa has also provided a parent company guarantee to secure a portion of the Company’s credit facilities. Given the financial support provided by Depa to date and the Company’s and Depa’s ongoing discussions around further support, it is in the Company’s interest to cooperate with Depa to facilitate the preparation of the Depa FY2019 Accounts and Depa’s compliance with its reporting obligations.

As trading in the Company’s shares have been voluntarily suspended with effect from 20 January 2020, the Company believes that facilitating preparation of the Depa FY2019 Accounts will not adversely affect trading of the Company’s shares, or materially disadvantage the Company’s public shareholders and potential investors.

Application to ACRA

The Company will submit an application to the Accounting and Corporate Regulatory Authority (“**ACRA**”) for an extension of time to hold the FY2019 AGM under Section 175(1) of the Companies Act and to lodge its annual return for FY2019 under Section 197(1) of the Companies Act. The Company will make further announcements to update shareholders on the outcome of the application to ACRA.

Further Updates

The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when dealing in the Company’s securities. Shareholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Steven James Salo
Executive Director and Interim Chief Executive Officer

27 February 2020