

NOBEL DESIGN HOLDINGS LTD

(Company Registration No. 198104591E)
(Incorporated in the Republic of Singapore)
("Company")

POTENTIAL CLAIMS AGAINST NON-EXECUTIVE DIRECTOR

1. The board of directors of the Company (together with its subsidiaries, referred to hereafter as the "**Group**") comprising Chan Pengee Adrian (Non-Executive Chairman and Independent Director), Dr Teh Ban Lian (Non-Executive and Independent Director), Heng Chye Yam (Non-Executive and Independent Director), Wong Soon Chiu (Non-Executive Director and Independent Director), Chan Kum Leong (Non-Executive Director), Goon Eu Jin Terence (Chief Executive Officer and Group Managing Director), Ms Wee Ai Quey (Chief Operating Officer and Executive Director) and Ms Ong Ciu Hwa (Executive Director) ("**Board**") wishes to announce that it has come to the Company's attention that there is evidence to suggest that the Company's Non-Executive Director, Choong Chee Peng Bert ("**Bert Choong**") has conducted himself in a manner prejudicial to the interests of the Group and in breach of his fiduciary duties owed as a Director, to the Company.
2. It has come to the Board's attention, *inter alia*, that Bert Choong, whilst still a Director:
 - a. failed to disclose to the Board, the incorporation of one Studio At 216 Sdn Bhd ("**Studio 216**"), a private limited company in Kuala Lumpur, Malaysia, on or about 7 February 2014, whose business activities are described as the '*retail of household furniture*' and that the said Studio 216's sole shareholders are none other than his wife, Pauline Wee, and his son, Leon Choong Wei Jun ("**Leon Choong**")¹, both of whom are also directors of Studio 216, and how Bert Choong and/or his immediate family are interested in Studio 216;
 - b. on or about 8 April 2013, emailed Porada Arredi s.r.l. ("**Porada**"), a principal supplier of the Company's wholly-owned subsidiary, Marquis Furniture Gallery Pte Ltd ("**Marquis**"), and represented to Porada, without the knowledge, instruction or authorisation of the Board, that he was '*helping Marquis set up a KL showroom for [Porada]*', when this was not true, and
 - c. failed to disclose to the Board that Studio 216 is engaged in the business of retailing furniture from *inter alia*, Porada and Cierre, which is in direct competition with the Group's business interests in Malaysiacollectively referred to hereafter as "**Conflicting Activities**".
3. The Board is of the view that, by the Conflicting Activities, there is evidence to suggest that Bert Choong, as a Director of the Company, has contravened the obligations of a Director under section 157(2) of the Companies Act (Cap. 50) not to make improper use of any information acquired by virtue of his/her position as an officer of the Company to gain, directly or indirectly, an advantage for himself/herself or for other person or to cause detriment to the Company, and is acting in breach of his fiduciary duties to act in the best interests of the Company and not to place himself in a position so that his personal interests conflict with the interests of the Company. The Board is also of the view that by the Conflicting Activities, Bert Choong may have breached the terms of his service agreement with the Company not to put himself in a conflict of interest with the Group.
4. The Board has on several occasions, including at Board Meetings and via emails, given Bert Choong the opportunity to explain and clarify his conduct and to give a full account of the Conflicting Activities, as well as *inter alia*, the extent of his knowledge of Leon Choong's intention to leave Marquis, Leon Choong's and his wife's involvement with Studio 216 and whether Bert Choong provided any financial assistance to Leon Choong and/or his wife to set up Studio 216 to compete with the Group, but Bert Choong has not responded satisfactorily to all the Company's enquiries.
5. The Company has on 19 September 2014, through its solicitors, written to Bert Choong's solicitors, to afford him yet another opportunity to give a full account of the Conflicting Activities, explain his

¹ Leon Choong was a showroom manager of Marquis from 1 August 2009 to 28 February 2014 and was in charge of selling European imported furniture to both retail and contract customers including furniture from Marquis' two suppliers, Porada and Cierre.

conduct and whether he believes he has acted in the best interests of the Company and, if so, the basis for such a position.

6. To date, the Board has not received any substantive response from Bert Choong nor his solicitors to the Company's aforesaid enquiries. The Board takes a serious view of the aforesaid events and is currently taking legal advice on its rights in relation thereto and its next course of action. In the meantime, Bert Choong continues to act as a Non-Executive Director of the Company and, in that capacity, continues to have access to and knowledge of the Group's business plans and activities as a retailer of furniture from, *inter alia*, Porada and Cierre and the Group's sale of furniture to the Malaysian market.
7. The Company will make further announcements on these matters at the appropriate time.

By Order of the Board
Lee Bee Fong
Company Secretary
17 October 2014