

NOBEL DESIGN HOLDINGS LTD

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

RESPONSE TO SGX-ST QUERY ON CLARIFICATION ANNOUNCEMENT

*Unless otherwise set out herein, all capitalised terms in this announcement shall bear the same meanings as ascribed to them in the Company's announcement of 6 March 2015 ("**Clarification Announcement**").*

The Board of Directors of the Company (and collectively together with its subsidiaries, the "**Group**"), announces its response to the query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), in connection with the Clarification Announcement.

SGX-ST query

We refer to the Company's clarification announcement made on 6 March 2015 stating that "all Directors of the Company had approved the aforesaid Results Announcement prior to the release of the same to the SGX-ST, with the exception of Mr Choong Chee Peng Bert who voted against the Announcement", and that "the reason given by Mr Choong Chee Peng Bert for voting against the Announcement was that he was not given sufficient information to enable him to be able to vote in favour of it."

We would like to understand what is the information that Mr Choong has requested and the reason(s) why the information was not made available to him.

Company's response

The Board of Directors comprising all eight Executive, Non-Executive and Independent Directors (other than Mr Choong) unanimously agreed that sufficient information had been provided to all of the Directors to enable each Director to be able to vote in favour of releasing the Results Announcement.

All the Directors, including Mr Choong, had been provided all relevant information, in the reporting format and level of detail and content previously approved by the Board, for them to be able to approve the Results Announcement, including having the benefit of a presentation and update by the Company's external auditors. The Company wishes to emphasise that the amount of information and level of detail prepared by Management for circulation to the Board for the purpose of approving the Results Announcement has not just been consistent with past practices of the Company, but in many areas also exceeded the scope of information that had previously been circulated to the Directors. In addition, all suggested entries by the Company's auditors had been incorporated in the Results Announcement.

At the Board meeting on 23 February 2015, Mr Choong referred to the Dec 2014 monthly management report provided by Management and requested for additional information to be provided to him, such as the break-down of units sold for each of the Group's property projects and the total number of units for each project, instead of the percentage of units sold, which was reflected in the monthly management report. Management subsequently emailed this information to him. Mr Choong also requested for a detailed break-down of the Group's revenue by individual subsidiaries within the Group. Management explained to him that the information was already summarised and captured in the business segmentation report in the Company's Results Announcement, which was already provided to all the Directors during the Board meeting.

The rest of the information requested by Mr Choong relates to the form of the monthly management report which Management provides to the Board. The Board had previously agreed that the report should be brief and concise to enable the Board to have a snapshot view of the performance of the Group. The format of the report had been agreed by the Board at its Board meeting on 11 August 2014 and Management has been following this format for the rest of 2014. The monthly management report includes information such as Group revenue by business segments, Group trade debtors and Group stock aging.

Prior to the Board meeting held on 23 February 2015, Mr Choong had requested for the monthly management report to provide much more detailed information, such as revenue for the Interior and Residential Project business segments to be broken down by their various divisions, the retail numbers for the entire Furniture business segment to be similarly split into its various divisions, trade debtors to be also split into various divisions, inventory aging to be split into various divisions, supply chain revenue from our

top three major customers indicating the percentages of their contribution, inventory aging and debtor aging reports with three year comparables for each of the financial years 2012, 2013 and 2014, etc.

While Management is still in the process of compiling this requested information to be provided to Mr Choong, the rest of the Directors (other than Mr Choong) are of the view that such detailed monthly management reports are not strictly necessary for the purpose of approving the regular Results Announcements of the Group. The Board intends to convene another Board meeting to discuss how to improve the monthly management report and to assess the need for such detailed information to be inserted in the monthly management reports.

By Order of the Board
Goon Eu Jin Terence
Group Chief Executive Officer and Managing Director
16 March 2015