DESIGN STUDIO GROUP LTD.
(Incorporated in the Republic of Singapore)
(Co. Reg. No.: 199401553D)

PROFIT WARNING FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2018

Further to the announcement on 19 October 2018, the Board of Directors (the "Board") of Design Studio Group Ltd. (the "Company", and together with its subsidiaries, the "Group") wishes to announce that, following a preliminary review of the Group's unaudited financial results for the fourth quarter ("4QFY2018") and full year ("FY2018") ended 31 December 2018, the Group is expected to report a significant loss for 4QFY2018 and FY2018 due mainly to the following:

- restructuring costs incurred and additional provisions made in relation to the consolidation of the manufacturing operations in the Group in 4QFY2018;
- losses from the manufacturing operations as a result of lower manufacturing activities;
- costs of closure of underutilised showrooms in Malaysia and the People's Republic of China; and
- additional cost overruns due to delay from a project in 4QFY2018.

The Group is still in the process of auditing the financial results for FY2018. Further details of the Group's financial performance will be disclosed when the Company announces its unaudited financial results for 4QFY2018 and FY2018 on or before 25 February 2019.

In the meantime, the Board wishes to advise shareholders of the Company and investors to exercise caution when dealing in the shares of the Company.

By Order of the Board

Hazel Chia
Company Secretary

22 February 2019