ADDENDUM TO NOTICE OF 2018 ANNUAL GENERAL MEETING DATED 3 APRIL 2018

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Design Studio Group Ltd. (the "**Company**"), please forward this Addendum with the Notice of 2018 Annual General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Addendum.



DESIGN STUDIO GROUP LTD.

(Incorporated in the Republic of Singapore on 5 March 1994)
(Company Registration Number 199401553D)

ADDENDUM TO NOTICE OF 2018 ANNUAL GENERAL MEETING

in relation to

THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

IMPORTANT DATES AND TIMES

Last date and time for lodgment of Proxy Form	:	Tuesday, 17 April 2018 at 9.00 a.m.
Date and time of Annual General Meeting	:	Thursday, 19 April 2018 at 9.00 a.m.
Place of Annual General Meeting	:	8 Sungei Kadut Crescent Singapore 728682

DEFINITIONS

In this Addendum, the following definitions apply throughout unless the context otherwise requires or it is otherwise stated:-

"AGM"	:	Annual General Meeting of the Company
"**Associated Company**"	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or group
"Audit Committee"	:	The audit committee of the Company comprising Mr Ong Tiew Siam (Chairman), Ms Tan Siok Chin and Mr Hamish Gordon Tyrwhitt as at the date of this Addendum
"Board"	:	The board of directors of the Company as at the date of this Addendum
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	Circular to Shareholders dated 11 October 2006
"Company"	:	Design Studio Group Ltd.
"Companies Act"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Controlling Shareholder"	:	In relation to a listed company, a person who:- (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company (unless the SGX-ST has determined such a person not to be a Controlling Shareholder of the company); or (b) in fact exercises control over a company, or such other definition as the SGX-ST may from time to time determine
"Depa Group"	:	Depa United Group PJSC, its subsidiaries (including Depa Interiors LLC, a Controlling Shareholder of the Company) and associated companies
"Director"	:	A director of the Company as at the date of this Addendum
"EAR Group"	:	The "entity-at-risk group" which for the purposes of this Addendum comprises (1) the Company, (2) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange) from time to time, and (3) associated companies of the Company (other than associated companies listed on the SGX-ST or an approved exchange) from time to time over which the Group, or the Group and interested person(s) of the Group has or have control
"Group"	:	The Company, its subsidiaries and associated companies
"Interested Persons"	:	Entities within the Depa Group, being the interested persons of the Company who fall within the Shareholders' Mandate
"Interested Person Transactions"	:	The categories of transactions with the Interested Persons which fall within the Shareholders' Mandate, as set out in paragraph 3.2 of this Addendum

"Latest Practicable Date"	:	16 March 2018, being the latest practicable date
"Listing Manual"	:	The listing manual of the SGX-ST, as amended, varied or supplemented from time to time
"NTA"	:	Net tangible assets
"Securities Account"	:	A securities account maintained by a Depositor with CDP, but does not include securities sub-accounts maintained with a Depository Agent
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Shareholders"	:	Registered holders of shares, except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the Depositors in the Depository Register maintained by the CDP and to whose Securities Accounts such Shares are credited
"Shareholders' Mandate"	:	A Shareholders' general mandate pursuant to Chapter 9 of the Listing Manual permitting the Company, its subsidiaries and associated companies or any of them, to enter into Interested Person Transactions with the Interested Persons
"Shares"	:	Issued ordinary shares in the capital of the Company
"Substantial Shareholder"	:	A substantial shareholder as defined under Section 81 of the Companies Act
"S$"	:	Singapore dollars, the lawful currency of the Republic of Singapore
"%"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine gender and *vice versa*. References to "**persons**" shall include corporations.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, SFA or the Listing Manual or any modification thereof and used in this Addendum shall, where applicable, have the meaning ascribed to it under the Companies Act, SFA or the Listing Manual or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Addendum shall be a reference to Singapore time unless otherwise stated.

DESIGN STUDIO GROUP LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number 199401553D)

Board of Directors:-
Ms Tan Siok Chin (Non-Executive Chairman & Independent Director)
Mr Edgar Ramani (Executive Director & Chief Executive Officer)
Mr Hamish Gordon Tyrwhitt (Non-Executive Director)
Mr Roderick David Maciver (Non-Executive Director)
Mr Ong Tiew Siam (Independent Director)

Registered Office:-
8 Sungei Kadut Crescent
Singapore 728682

3 April 2018

To: The Shareholders of Design Studio Group Ltd.

Dear Sir/Madam

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

We refer to (a) the Notice of the AGM dated 3 April 2018, accompanying the Annual Report 2017, and (b) Ordinary Resolution No. 7 under the heading "As Special Business" set out in the Notice of the AGM.

The Directors are proposing to renew the Shareholders' Mandate.

The purpose of this Addendum is to provide Shareholders with information relating to the proposed renewal of the Shareholders' Mandate.

2. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE

2.1 Background

At the Extraordinary General Meeting held on 27 October 2006, approval of the Shareholders was obtained for the adoption of a Shareholders' Mandate to enable the Company and its subsidiaries and associated companies or any of them to enter into transactions falling within the types of Interested Person Transactions set out in paragraph 5 of the Company's Circular to Shareholders dated 11 October 2006, with any party who is of the class or classes of Interested Persons described in paragraph 4 of the said Circular, provided that such transactions are made on normal commercial terms in accordance with the guidelines and review procedures for Interested Person Transactions as set out in paragraph 7 of the said Circular.

Shareholders had approved the renewal of the Shareholders' Mandate at the last AGM held on 20 April 2017.

The approval was expressed to take effect until the conclusion of the next AGM, which is scheduled to be held on 19 April 2018 ("**2018 AGM**").

Accordingly, the Company is proposing that the Shareholders' Mandate be renewed at the 2018 AGM, to take effect until the next AGM to be held in the year 2019.

The particulars of the Interested Person Transactions in respect of which the Shareholders' Mandate is sought remain unchanged.

A register will be maintained by the Company to record all Interested Person Transactions and the basis, including the quotations obtained to support such basis, on which they are entered into pursuant to the Shareholders' Mandate. The annual audit plan of the Company shall incorporate a review of all Interested Person Transactions entered into pursuant to the Shareholders' Mandate.

2.2 **Requirements of Chapter 9 of the Listing Manual**

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk with the listed company's interested persons. When Chapter 9 of the Listing Manual applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the same interested persons during the same financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or make an immediate announcement and seek its shareholders' approval for that transaction.

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested persons and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transactions as compared with the listed company's latest audited consolidated NTA) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:-

(a) 5% of the listed group's latest audited consolidated NTA; or

(b) 5% of the listed group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

Based on the latest audited consolidated accounts of the Group for the financial year ended 31 December 2017, the audited consolidated NTA of the Group as at 31 December 2017 was approximately S$92.80 million. Accordingly, 5% of the latest consolidated NTA of the Group as at 31 December 2017 would be approximately S$4.64 million.

Chapter 9 of the Listing Manual permits a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

Under the Listing Manual:-

(a) an "**entity at risk**" means:-

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;

(b) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(c) an "**associate**":-

(i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:-

(I) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling or parent);

(II) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and

(III) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and

(ii) in relation to a substantial shareholder or controlling shareholder (being a company) includes any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;

(d) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(e) the term "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;

(f) the term "**controlling shareholder**" means a person who:-

(i) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company (unless the SGX-ST has determined such a person not to be a controlling shareholder of the company); or

(ii) in fact exercises control over a company; and

(g) an "**interested person transaction**" means a transaction between an entity at risk and an interested person.

It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group and the Interested Persons are likely to occur from time to time. Such transactions would include the provision of goods and services in the ordinary course of business of the EAR Group.

2.3 **Rationale for and Benefits of the Shareholders' Mandate**

In view of the time-sensitive nature of commercial transactions, the obtaining of the Shareholders' Mandate pursuant to Chapter 9 of the Listing Manual will enable the EAR Group to, in the ordinary course of its business, enter into the Interested Person Transactions with the Interested Persons, provided such Interested Person Transactions are entered into on an arm's length basis and on normal commercial terms, and are not prejudicial to the interest of the Company and its minority Shareholders.

The Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business of the EAR Group as described in paragraph 3.2 of this Addendum which are transacted from time to time with Interested Persons, provided that they are carried out at arm's length and on normal commercial (or, in the absence of other similar comparable transactions, commercially reasonable) terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Shareholders' Mandate will eliminate the need for the Company to announce and convene separate general meetings of Shareholders on each occasion to seek Shareholders' approval and/or issue immediate announcements as and when potential transactions with such Interested Persons arise. The Shareholders' Mandate would therefore enable the EAR Group to maximise its business opportunities with Interested Persons in respect of the transactions covered by the Shareholders' Mandate, as described in paragraph 3.2 of this Addendum.

In addition, the EAR Group would be able to reduce the administrative time, inconvenience and expenses associated with the convening of general meetings of Shareholders, and allow resources and the management's time to be channelled towards its other corporate objectives.

3. SCOPE OF THE SHAREHOLDERS' MANDATE

3.1 Classes of Interested Persons

The Shareholders' Mandate will apply to the Interested Person Transactions (as described in paragraph 3.2 of this Addendum), which are carried out with entities within the Depa Group, being the interested persons of the Company who fall within the Shareholders' Mandate ("**Interested Persons**").

3.2 Categories of Interested Person Transactions

The Interested Person Transactions, which will be covered by the Shareholders' Mandate, relates to:-

(a) Transactions where the EAR Group provides to Interested Persons, products and services in the ordinary course of business of the EAR Group comprising:-

(i) the manufacture, supply and installation of paneling products such as kitchen cabinets, wardrobes, doors, door frames and vanity cabinets and the provision of joinery and carpentry services and products;

(ii) the supply and installation of a range of furniture products; and

(iii) the provision of interior fitting-out services and products to residential, commercial, hospitality and retail projects including new properties and the re-furbishing/retrofitting of existing properties; and

(b) Transactions where the EAR Group procures from Interested Persons, products and services in the ordinary course of business of the EAR Group comprising:-

(i) the supply and installation of furniture products and building related materials as well as other ancillary products and services for the EAR Group's projects; and

(ii) the provision of ancillary services such as the secondment of skilled technical professionals (such as quantity surveyors and draftsmen) and general workers by Interested Persons to the EAR Group for the EAR Group's projects.

Transactions of the nature set out in paragraphs 3.2(a) and 3.2(b) will only be carried out with the Depa Group.

Transactions with the Interested Persons which do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

The Shareholders' Mandate will not cover any transaction by a company in the EAR Group with Interested Persons that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

4. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

To ensure that the Interested Person Transactions are conducted at arm's length and on normal commercial terms consistent with the EAR Group's usual business practices, as a general rule, the EAR Group will only enter into transactions with an Interested Person if the terms offered by/extended to the Interested Person are no less/more favourable than that offered by/extended to unrelated third parties.

4.1 The following review procedures will be implemented to ensure that all Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms:-

(a) All contracts entered into or transactions with Interested Persons will be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Persons than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases).

(b) In the case of the provision of services or sale of products to an Interested Person, where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to the Interested Person will be determined by two (2) Executive Directors[(1)] of the Company or one (1) Executive Director of the Company and the Chief Financial Officer of the Company, in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, prevailing market conditions, economic and political environment, competition, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(c) In the case of the procurement of services or purchase of products from an Interested Person, the EAR Group will obtain as bases for comparison, at least two other comparative quotations from unrelated third party suppliers for similar or substantially similar services or products. Given the frequency and large volume of the transactions, these comparative quotations will generally be obtained on a periodical basis and not for each transaction. The price and terms offered by the Interested Person as a whole shall not be less favourable than those offered by unrelated third parties. In a case where it is impractical or not possible to obtain comparable quotes from unrelated third parties, two (2) Executive Directors[(1)] of the Company or one (1) Executive Director of the Company and Chief Financial Officer of the Company will review the price and terms offered, to ensure that they are fair and reasonable, and beneficial to the EAR Group, taking into account industry norms, and whether the transactions would result in cost savings, increased profit margins or other advantages to the EAR Group.

4.2 Interested Person Transactions entered into by the EAR Group and the basis on which they are entered into shall be recorded in a register. The register shall be reviewed on a quarterly basis by the Audit Committee to ensure that they are carried out at arm's length and on normal commercial terms, in accordance with the procedures outlined above. All relevant non-quantitative factors such as the size of the project, prevailing market conditions, competition, economic and political environment and the range of services provided for each project will also be documented and taken into account.

4.3 The annual audit by the auditors of the Company shall incorporate a review (of a scope deemed appropriate by the auditors) of Interested Person Transactions entered into pursuant to the Shareholders' Mandate recorded in the register. The Audit Committee has also appointed an internal auditor and review of Interested Person Transactions is also part of their scope.

4.4 If during the quarterly reviews, the Audit Committee believes that the guidelines and procedures as stated above are inappropriate or insufficient to ensure that the Interested Person Transactions will be conducted on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee will take such actions as it deems appropriate and/or institute additional procedures as necessary (including seeking, pursuant to Rule 920(1)(b) (vii) of the Listing Manual, a fresh Shareholders' mandate based on new internal controls and review procedures for transactions with the Interested Persons).

4.5 The Board will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

4.6 In the event that a member of the Board or a member of the Audit Committee or the Chief Financial Officer (where applicable) is an associate of the Interested Persons and/or interested in any Interested Person Transaction, he or she will abstain from reviewing that particular transaction to ensure that the Interested Person Transaction will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4.7 In particular, as at the Latest Practicable Date, Mr Hamish Gordon Tyrwhitt[(2)] and Mr Roderick David Maciver[(3)], who are associates of the Interested Persons, will abstain from the review and approval of transactions to be entered into with the Depa Group.

Notes:-

(1) In the event that any Executive Director or the Chief Financial Officer of the Company becomes for any reason, interested in any Interested Person Transaction, he/she will abstain from determining the EAR Group's pricing for such transaction to ensure that the Interested Person Transaction will be on an arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

(2) Mr Hamish Gordon Tyrwhitt is a Non-Executive Director of the Company, the Group Chief Executive Officer of Depa Limited (the ultimate Controlling Shareholder of the Company), and a nominee of Depa Interiors LLC (the direct Controlling Shareholder of the Company).

(3) Mr Roderick David Maciver is a Non-Executive Director of the Company, the Independent Non-Executive Vice Chairman of the Board of Depa Limited (the ultimate Controlling Shareholder of the Company), and a nominee of Depa Interiors LLC (the direct Controlling Shareholder of the Company).

5. VALIDITY PERIOD OF THE SHAREHOLDERS' MANDATE

If approved by Shareholders at the 2018 AGM, the Shareholders' Mandate will take effect from the date of receipt of Shareholders' approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM and will apply to Interested Person Transactions which are entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the Shareholders' Mandate at each subsequent AGM, subject to satisfactory review by the Audit Committee of its continued application to the Interested Person Transactions.

6. DISCLOSURE TO SHAREHOLDERS

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the Shareholders' Mandate for each financial period on which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such reports in accordance with Rule 920(1)(a)(ii) of the Listing Manual.

Disclosure will also be made in the annual report of the Company of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the Shareholders' Mandate is in force in accordance with Rule 920(1)(a)(i) of the Listing Manual. The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions entered into with the same Interested Person will be presented in the following format:-

Name of Interested Person	Aggregate value of all Interested Person Transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all Interested Person Transactions, conducted under the Shareholders' Mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000)

7. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

7.1 The interests of the Directors in the Shares as recorded in the Company's Register of Directors' Shareholdings as at the Latest Practicable Date are set out below:-

Name of Directors	**Shareholdings registered in the name of the Director**		**Shareholdings in which the Director is deemed to have an interest**	
	Number of Shares	**As a percentage of issued share capital of the Company**	**Number of Shares**	**As a percentage of issued share capital of the Company**
Tan Siok Chin	-	-	-	-
Edgar Ramani	-	-	-	-
Hamish Gordon Tyrwhitt	-	-	-	-
Roderick David Maciver	-	-	-	-
Ong Tiew Siam	-	-	-	-

7.2 The interests of the Substantial Shareholders as recorded in the Company's Register of Substantial Shareholders as at the Latest Practicable Date are set out below:-

Name of Substantial Shareholder	**Shareholdings registered in the name of the Substantial Shareholder**		**Shareholdings in which the Substantial Shareholder is deemed to have an interest**	
	Number of Shares	**As a percentage of issued share capital of the Company**	**Number of Shares**	**As a percentage of issued share capital of the Company**
Depa Interiors LLC	233,733,716[(1)]	89.81%	-	-

[(1)] This relates to 233,108,716 shares held by Depa Interiors LLC and 625,000 shares held by Depa Interiors LLC, through nominee(s).

7.3 Save as disclosed in this paragraph 7 and based on information available to the Company as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company has any other interest, direct or indirect.

8. STATEMENT OF THE AUDIT COMMITTEE

Having considered, *inter alia*, the terms, the rationale for and the benefits of the Shareholders' Mandate, the Audit Committee, which comprises Mr Ong Tiew Siam (Chairman), Mr Hamish Gordon Tyrwhitt (with Mr Hamish Gordon Tyrwhitt abstaining from deliberating on the Shareholders' Mandate) and Ms Tan Siok Chin, is satisfied that the methods or procedures proposed by the Company as set out in paragraph 4 of this Addendum for determining transaction prices of Interested Person Transactions are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The methods and procedures for determining transaction prices have not changed since the last Shareholders' approval.

Mr Hamish Gordon Tyrwhitt, being Group Chief Executive Officer of Depa Group and a nominee of Depa Interiors LLC, has abstained from deliberating on the Shareholders' Mandate. He will also abstain from the review and approval of transactions to be entered into with the Depa Group and its associates pursuant to the Shareholders' Mandate.

Mr. Edgar Ramani, Executive Director & Chief Executive Officer of the Company, confirms that he is not related to or associated with Depa Group or Depa Interiors LLC.

Mr. Ronald Kurniadi, Acting Chief Financial Officer of the Company, confirms that he is not related to or associated with Depa Group or Depa Interiors LLC.

9. APPROVALS AND RESOLUTIONS

Shareholders' approval for the Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions is sought at the 2018 AGM.

The Resolution relating to the Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions is contained in the Notice of the AGM as Ordinary Resolution No. 7.

10. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

For the purposes of Chapter 9 of the Listing Manual, Depa Interiors LLC and its associates are considered to be interested persons and must therefore abstain from voting on the resolution in relation to the Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions. Depa Interiors LLC will abstain and have undertaken to ensure that its associates will abstain from voting their shareholdings, if any, in respect of the ordinary resolution relating to the Proposed Renewal of the Shareholders' Mandate for Interested Person Transactions at the 2018 AGM.

Further, Depa Interiors LLC undertakes to decline to accept appointment as proxies, powers of attorney or authorisation to vote and attend at the 2018 AGM in respect of the ordinary resolution relating to the Proposed Renewal of the Shareholders' Mandate for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

A member who is unable to attend the 2018 AGM and wishes to appoint a proxy to attend and vote on his behalf, must complete, sign and return the enclosed Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the registered office of the Company at 8 Sungei Kadut Crescent, Singapore 728682 not later than 9.00 a.m. on Tuesday, 17 April 2018. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the 2018 AGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2018 AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by the CDP, pursuant to Section 81SJ(4) of the SFA, as at 72 hours before the 2018 AGM.

12. DIRECTORS' RECOMMENDATIONS

As at the Latest Practicable Date, the Directors who are considered independent for the purposes of the Proposed Renewal of the Shareholders' Mandate are Ms Tan Siok Chin, Mr Edgar Ramani and Mr Ong Tiew Siam. They have considered and reviewed, *inter alia*, the review and approval procedures in relation to the Interested Person Transactions, the rationale and the benefits of the Proposed Renewal of the Shareholders' Mandate and the confirmation of the Audit Committee above, and are of the opinion that the Proposed Renewal of the Shareholders' Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of Ordinary Resolution 7 to be proposed at the 2018 AGM.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Renewal of the Shareholders' Mandate. The Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

Where information in the Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Director has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Addendum in its proper form and context.

14. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 8 Sungei Kadut Crescent, Singapore 728682 during normal business hours from the date of this Addendum up to the date of the 2018 AGM:-

(a) the Annual Report of the Company for the financial year ended 31 December 2017;

(b) the Company's Circular to Shareholders dated 11 October 2006 which sets out details of the existing Shareholders' Mandate for Interested Person Transactions; and

(c) the existing Memorandum and Articles of Association of the Company, as at the date of this Addendum.

Yours faithfully

For and on behalf of the Board of Directors of
Design Studio Group Ltd.

Tan Siok Chin
Non-Executive Chairman & Independent Director