NEWS RELEASE

DESIGN STUDIO GROUP POSTS NET PROFIT OF S$16.8 MILLION FOR FY2015

- *Declares special dividend of 4.0 cents per ordinary share and final dividend of 1.25 cents per ordinary share*
- *Gross profit margin healthy at 20.7%*
- *Healthy net cash position with cash and short-term deposits of S$54.1 million as at 31 December 2015*

Singapore, 19 February, 2016 – Design Studio Group Ltd (瑞胜集团有限公司) ("Design Studio Group" and collectively with its subsidiaries, "the Group"), Singapore's leading premier furniture manufacturer, product and interior fitting-out specialist, announced today a net profit after tax of S$16.8 million for the financial year ended 31 December 2015 ("FY2015"). The Group also declared a special dividend of 4.0 cents per ordinary share, which together with a final dividend of 1.25 cents per ordinary share, amounted to 5.25 cents per ordinary share.

Mr Ku Wei Siong, Chief Executive Officer said: "Despite the tough economic situation and lackluster property market sentiments in the region, Design Studio Group remains resilient with yet another year of good profitability. Operationally, it was remarkable that we secured 19 new projects in 2015 in the region despite the challenging environments. I am also pleased to share that we have started 2016 on a strong footing, winning seven new contracts so far. The momentum of our contract wins has been very encouraging and further reinforces the established track record and reputation that Design Studio Group commands in the industry."

"As part of the Group's continuing commitment to share with shareholders the fruits of our labour, we are pleased declare a final dividend of 1.25 Singapore cents per share. Additionally, taking into consideration the Group's current strong cash position and expected requirements for the year ahead, we are also declaring a special dividend of 4.0 cents per share. Together with the interim dividend of 1.25 cents per share declared in August, this brings our total dividend for FY2015 to 6.5 cents per ordinary share. This represents a dividend yield of 13.0% based on the closing share price of S$0.50 per share[1]."

FY2015 Performance Review and Highlights

Group revenue in the year under review was at S$166.9 million, a decrease of 6.1% from S$177.8 million in FY2014, on fewer project completions. Accordingly, gross profit was lower at S$34.6 million in FY2015, compared to S$39.6 million a year ago.

On a segment basis, the Residential Property Division accounted for approximately S$73.6 million or 44.1% of total FY2015 revenue, a decrease of 16.7% from S$88.4 million in FY2014. Notwithstanding the lower contributions, attributable to fewer project completions and a soft property market, the Residential Property Division remains resilient with 11 new project wins during the year. Notable contracts in Singapore include joinery works for several luxury condominium developments such as Marina One Residences, Highline Residences, The Brownstone, The Criterion and Signature at Yishun.

The Group improves its market presence in Malaysia with new contracts for the Le Nouvel condominium development in Kuala Lumpur and Puteri Cove Residences in Iskandar. Other regional wins during the year included a contract in New York City, USA for the provision of kitchen cabinets to the 626 First Avenue residential development in New York City and joinery works for the Politan Rive condominium in Bangkok, Thailand.

[1] Based on Design Studio Group's closing share price on 18 February 2016

The Hospitality and Commercial Division remains the Group's largest revenue contributor, achieving a 4.6% increase in contributions to S$92.9 million in FY2015. This division made good progress with eight new contracts during the year, which included additions and alteration works at Swissotel Merchant Court in Singapore; three contracts involving interior design and fitting-out works for the W Hotel, Four Seasons Hotel and Aman Desaru in Malaysia; and the Fairmont Abu Dhabi Hotel in the UAE. The Group was also awarded a cruise ship fitting-out contract from Carnival Corporation & plc. The Hospitality and Commercial Division accounted for 55.7% of Group revenue in FY2015.

With the above, the Group reported a net profit after tax of S$16.8 million for FY2015, compared to S$20.6 million a year ago. The Group remains in a healthy net cash position, with cash and short-term deposits of S$54.1 million and no borrowings as at 31 December 2015.

Outlook

Given the lackluster property market outlook for Singapore and the region, the Group adopts a prudent outlook for the coming months.

Mr Ku said: "We expect the operating climate to remain challenging in 2016. We will focus on growing the business in our core markets in Singapore, Malaysia and China. We intend to leverage our branding to further penetrate the international markets. On the cost front, we continue to work towards better cost efficiencies and productivity of our resources.

We will remain prudent in our operations and stay vigilant of risk factors that could impact our business. Barring any unforeseen circumstances, with healthy order book of S$227.7 million[2] and a strong cash position of S$54.1 million, we are confident that the Group is well-positioned to weather the prevailing market challenges and expect to remain profitable in FY2016."

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[2] As at 19 February 2016

About Design Studio Group Ltd

Listed on the Singapore Stock Exchange Board, Design Studio Group is Singapore's leading premier furniture manufacturer, interior fitting-out and product specialist. The company's core competitive advantage lies in its ability to utilize a myriad of latest technologies, innovative methodologies and ideas to produce premium furniture products of unrivalled quality and workmanship.

Design Studio Group's three complementary and versatile core businesses - the supply and installation of manufactured furniture products to private residential developments; interior fitting-out services to hospitality and commercial projects through our wholly owned subsidiary DDS Group.

Design Studio Group has created a niche in the premiere segment of the industry with high-end luxury residential projects such as Nouvel 18; Ardmore 3; Hilltops at Cairnhill; Goodwood Residence; Scotts Square, AIDA Cruise, D'Leedon, OUE Twin Peaks and hospitality and commercial projects such as Marina Bay Sands; Resorts World at Sentosa Integrated Resorts; W Hotel at Sentosa Cove; The Westin Singapore; Robinson Heeren; OUE Downtown 1 and The South Beach.

Design Studio Group was conferred the Best Under A Billion award by Forbes Asia in 2010. For more information, please refer to its corporate website: www.designstudio.com.sg.