

## DESIGN STUDIO GROUP LTD.

(Incorporated in the Republic of Singapore)

(Co. Reg. No.: 199401553D)

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### GRANT OF WAIVERS FROM MAINBOARD LISTING RULES 705(1), 705(3), 707(1) AND 711A

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The board of directors (the “**Board**”) of Design Studio Group Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the

- (a) the announcement dated 20 January 2020 in respect of the applications filed by the Company and its Singapore subsidiaries to the High Court of Singapore for a moratorium pursuant to section 211B of the Companies Act (Cap. 50);
- (b) the announcement dated 26 February 2020 in respect of the moratorium orders granted by the High Court of Singapore;
- (c) the announcement dated 27 February 2020 in respect of the extension of time up to 8 July 2020 to (a) announce its financial results for FY2019, (b) convene the AGM for FY2019, and (c) issue its sustainability report of FY2019 (the “**First Extension Announcement**”);
- (d) the announcement issued on 18 June 2020 providing a status update on the Restructuring Exercise (the “**June 2020 Status Update**”); and
- (e) the announcement dated 8 July 2020 in respect of the Company’s application for a further extension of time to (a) announce its financial results for FY2019, (b) convene the AGM for FY2019, (c) issue its sustainability report of FY2019, and (d) announce its financial results for the six (6) month period ended 30 June 2020 (“**HY2020**”) (the “**Second Extension Announcement**”).

Unless otherwise defined in this announcement, capitalised terms shall have the meanings given in the Second Extension Announcement.

#### **The Waivers**

On 16 July 2020, SGX RegCo granted the following waivers/ extensions of time (together, the “**Waivers**”):

- (a) FY2019 Financial Results: an extension to announce the FY2019 Financial Results by 30 November 2020 under Listing Rule 705(1);
- (b) FY2019 AGM: an extension to convene the FY2019 AGM by 31 January 2021 in accordance with Mainboard Listing Rule 707(1);
- (c) FY2019 Sustainability Report: an extension to issue its sustainability report for FY2019 on or before 28 February 2021 in accordance with Mainboard Listing Rule 711A; and
- (d) HY2020 Financial Results: an extension to announce its financial results for HY2020 (“**HY2020 Financial Results**”) by 30 November 2020 under Mainboard Listing Rule 705(1);

subject to the following conditions:

- (i) the Company announcing the Waivers granted, the reasons for seeking the Waivers, the conditions as required under Mainboard Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- (ii) the Company convening the FY2019 AGM by 31 January 2021;
- (iii) the submissions of (1) non-disclosure agreements from Depa PLC ("**Depa**") and from Depa's auditors for the preservation of confidential information relating to the financial statements of the Company provided for the preparation of Depa's financial statements; (2) undertakings from Depa and Depa's auditors, respectively, that they and their associates will not trade in the securities of the Company until the relevant information on Depa's consolidated financial statements has been disclosed by the Company; and (3) the implementation of the measures set out in the Company's submissions to SGX RegCo; and
- (iv) the Company announcing its FY2019 Financial Results and HY2020 Financial Results by 30 November 2020.

As at the date of this announcement, the conditions set out in sub-paragraphs (i) and (iii) above have been met.

### **Reasons for the Waiver**

As disclosed in the June 2020 Status Update, the outbreak of the Covid-19 pandemic and its impact globally has caused disruption to the Group's business and the Restructuring Exercise. Notwithstanding these difficulties, the Company has made significant progress on securing rescue financing and formulating a restructuring scheme over recent months. The ongoing Restructuring Exercise and the uncertain outcome of such exercise at this juncture has affected the Company's ability to prepare and announce its unaudited and audited financial statements on a going concern basis. Accordingly, the Company is of the view that the presentation of financial statements to shareholders before outcome of the Restructuring Exercise becomes more certain may be misleading to readers.

Accordingly, the Company applied to SGX RegCo for the Waivers to enable the Company to release its financial statements for FY2019 and HY2020 when it has more certainty on the outcome of the Restructuring Exercise. This will enable the Company's shareholders to better assess the financial impact of the Restructuring Exercise and the financial condition of the Group.

### **Financial Statements of Depa**

The Company's majority indirect shareholder, Depa, is a company listed on Nasdaq Dubai, and is required to issue its consolidated financial statements for HY2020 (the "**Depa HY2020 Accounts**") by 29 August 2020. As Depa is the indirect parent company of the Company, the Depa HY2020 Accounts shall be required to consolidate the financial results of the Company. Accordingly, the Company's application to SGX RegCo was made on the basis that the management accounts of the Company for HY2020 (the "**Management Accounts**") shall be provided to Depa and its auditors to facilitate the preparation of the Depa HY2020 Accounts on the following basis:

- (a) Depa and its auditors shall be required to enter into confidentiality agreements with the Company before being provided access to the Management Accounts.

- (b) In the case of Depa, the Management Accounts shall only be shared on a need to know basis with senior management and finance employees who are involved in the consolidation.
- (c) In the case of Depa's auditors, the Management Accounts shall only be shared with the employees who are involved in the review of Depa's interim financial statements on a need to know basis.
- (d) The Company shall release an announcement on SGXnet providing shareholders with a link to the Depa HY2020 Accounts at the same time that Depa releases the same (the "**Financial Disclosure Announcement**") to ensure that the Company's shareholders receive the same information at the same time.

As announced on 4 December 2019, Depa provided a shareholder loan of AED20 million (approximately S\$7.4 million) to the Company. Depa has also provided a parent company guarantee to secure a portion of the Company's credit facilities, and is proposing to procure rescue financing for the Group to support its operations during the Restructuring Exercise. Given the financial support provided by Depa to date and the ongoing discussions around further support, it is in the Company's interest to cooperate with Depa to facilitate the preparation of the Depa HY2020 Accounts and Depa's compliance with its reporting obligations.

As trading in the Company's shares have been voluntarily suspended with effect from 20 January 2020, the Company believes that facilitating preparation of the Depa HY2020 Accounts will not adversely affect trading of the Company's shares, or materially disadvantage the Company's public shareholders and potential investors.

#### **Application to ACRA**

The Company will also be making an application to the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**") for a further extension of time to hold the AGM under Section 175(2) of the Companies Act, Chapter 50 of Singapore. The Company will update its shareholders on the outcome of the applications to SGX RegCo and ACRA in due course.

#### **Further Updates**

The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when dealing in the Company's securities. Shareholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Steven James Salo  
Executive Director and Interim Chief Executive Officer

16 July 2020