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- (1) **PROPOSED ACQUISITION OF ALL THE REMAINING SHARES IN THE CAPITAL OF ITS ASSOCIATE COMPANY, DDS ASIA HOLDINGS PTE. LTD. FROM ITS CONTROLLING SHAREHOLDER, DEPA INTERIORS LLC - AN INTERESTED PERSON TRANSACTION AND A DISCLOSEABLE TRANSACTION (the "PROPOSED ACQUISITION")**
 - (2) **PROPOSED ALLOTMENT AND ISSUE OF 5,041,666 NEW SHARES IN THE CAPITAL OF THE COMPANY AS PART OF THE CONSIDERATION PURSUANT TO THE PROPOSED ACQUISITION (the "PROPOSED ISSUE OF NEW SHARES")**
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Design Studio Furniture Manufacturer Ltd (the "**Company**") refers to the Proposed Acquisition and the Proposed Issue of New Shares.

All capitalised terms used and not defined herein shall have the same meanings given to them in the announcement made by the Company on 25 November 2011.

The Board of Directors of the Company wishes to announce that it had on 16 January 2012 received in-principle approval of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the Proposed Acquisition and the Proposed Issue of New Shares (the "**In-Principle Approval**") for the listing and quotation of 5,041,666 new shares in the capital of the Company (the "**New Shares**").

The In-Principle Approval for the Proposed Acquisition and the Proposed Issue of New Shares was granted subject to the following conditions:

- (i) compliance with the SGX-ST's listing requirements;
- (ii) submission of a written undertaking from the Company that Rule 803 is complied with pursuant to the New Shares in respect of the Proposed Acquisition;
- (iii) the approval of the shareholders' being obtained for the Proposed Acquisition as an interested person transaction and the Proposed Issue of New Shares.

The In-Principle Approval for the Proposed Acquisition and the Proposed Issue of New Shares is not to be taken as an indication of the merits of the Proposed Acquisition, the Proposed Issue of New Shares, the Company, its subsidiaries, the DDS Group and/or the Shares (including the New Shares).

Further Details

A circular containing further details of, *inter alia*, Proposed Acquisition and the Proposed Issue of New Shares, and enclosing a notice of the extraordinary general meeting in connection therewith, will be despatched to shareholders in due course.

BY ORDER OF THE BOARD

Eliza Lim Bee Lian
Company Secretary

16 January 2012