



Design Studio Furniture Manufacturer Limited

**(Incorporated in Singapore)
(Registration Number: 199401553D)**

4th Quarter and Full Year Financial Statement And Dividend Announcement For The Period/Year Ended 31 December 2010

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

4th Quarter and Full Year Financial Statement and Dividend Announcement

**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
 HALF-YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Income Statement

	Group					
	4th Quarter ended			Full Year ended		
	31.12.2010	31.12.2009	+ / (-)	31.12.2010	31.12.2009	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	38,389	24,707	55.4	107,970	113,935	(5.2)
Cost of sales	(27,155)	(16,880)	60.9	(76,042)	(78,324)	(2.9)
Gross profit	11,234	7,827	43.5	31,928	35,611	(10.3)
Other income	-	72	N.M.	58	264	(78.0)
	11,234	7,899	42.2	31,986	35,875	(10.8)
Marketing and distribution expenses	(510)	(430)	18.6	(3,223)	(2,902)	11.1
General and administrative expenses	(2,072)	(1,895)	9.3	(6,992)	(7,022)	(0.4)
Profit from operations	8,652	5,574	55.2	21,771	25,951	(16.1)
Finance expenses	(2)	(5)	(60.0)	(14)	(107)	(86.9)
Finance income	14	18	(22.2)	61	70	(12.9)
Share of result of an associate	596	2,265	(73.7)	1,270	4,047	(68.6)
Profit before tax	9,260	7,852	17.9	23,088	29,961	(22.9)
Tax expense	(1,402)	(1,149)	22.0	(3,471)	(4,584)	(24.3)
Profit net of tax	7,858	6,703	17.2	19,617	25,377	(22.7)

N.M.: Not Meaningful

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

Notes to Income Statement

Note 1(a)(1) Profit from operations is determined after charging/(crediting) the following:

	Group					
	4th Quarter ended			Full Year ended		
	31.12.2010	31.12.2009	+/-)	31.12.2010	31.12.2009	+/-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	770	594	29.6	2,824	2,450	15.3
Foreign exchange loss, net	238	208	14.4	850	1,272	(33.2)
Loss on disposal of property, plant and equipment	17	86	(80.2)	32	90	(64.4)
Property, plant and equipment written off	3	-	N.M.	8	-	N.M.
Amortisation of club membership	1	1	0.0	6	6	0.0
Fair value loss on investment securities	-	1	N.M.	-	-	N.M.
Impairment loss on doubtful receivables	-	-	N.M.	2	1	100.0

Note 1(a)(2) Finance expenses and finance income

	Group					
	4th Quarter ended			Full Year ended		
	31.12.2010	31.12.2009	+/-)	31.12.2010	31.12.2009	+/-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Finance expenses						
- Bank term loans	-	-	N.M.	-	59	N.M.
- Bills payable and discounting	-	-	N.M.	1	12	(91.7)
- Finance leases	-	3	N.M.	6	30	(80.0)
- Convertible notes	-	1	N.M.	-	1	N.M.
- Bankers' guarantee and commitment fee	2	1	100.0	7	5	40.0
	<u>2</u>	<u>5</u>	<u>(60.0)</u>	<u>14</u>	<u>107</u>	<u>(86.9)</u>
Finance income						
- Fixed deposits	<u>14</u>	<u>18</u>	<u>(22.2)</u>	<u>61</u>	<u>70</u>	<u>(12.9)</u>

Note 1(a)(3) Tax include the following:

	Group					
	4th Quarter ended			Full Year ended		
	31.12.2010	31.12.2009	+/-)	31.12.2010	31.12.2009	+/-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Current tax						
Singapore	1,396	680	105.3	3,432	3,521	(2.5)
Foreign	101	(6)	N.M.	44	495	(91.1)
	<u>1,497</u>	<u>674</u>	<u>122.1</u>	<u>3,476</u>	<u>4,016</u>	<u>(13.4)</u>
Deferred tax						
Singapore	(32)	122	N.M.	58	215	(73.0)
Foreign	(63)	353	N.M.	(63)	353	N.M.
Total	<u>1,402</u>	<u>1,149</u>	<u>22.0</u>	<u>3,471</u>	<u>4,584</u>	<u>(24.3)</u>

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheets

	Note	Group		Company	
		31.12.2010 S\$'000	31.12.2009 S\$'000	31.12.2010 S\$'000	31.12.2009 S\$'000
Non-current assets					
Property, plant and equipment		11,616	9,845	6,621	6,481
Investment in subsidiaries		-	-	275	265
Investment in an associate		7,170	5,896	2,250	2,250
Club membership		67	73	67	73
Deferred tax assets		98	35	-	-
Trade receivables	1(b)(3)	9,148	10,532	9,148	10,532
Current assets					
Inventories	1(b)(1)	9,126	6,890	1,927	2,278
Gross amount due from customers for contract work-in-progress	1(b)(2)	8,008	6,381	9,333	7,430
Trade receivables	1(b)(3)	31,457	22,470	30,939	22,128
Prepayments		1,472	905	606	243
Other receivables and deposits	1(b)(4)	3,406	531	3,317	452
Loan to an associate		-	1,350	-	1,350
Investment securities		4	4	4	4
Tax recoverable		122	28	-	-
Cash and short-term deposits		34,701	36,359	33,446	35,072
		88,296	74,918	79,572	68,957
Current liabilities					
Trade payables	1(b)(5)	8,819	5,120	8,741	7,571
Other payables		1,429	532	424	399
Accrued operating expenses		16,262	19,925	14,495	18,026
Deposits received		1,587	592	1,587	592
Finance lease liabilities (current portion)	1(b)(6)	26	132	11	17
Provision for tax		3,440	3,484	3,440	3,484
Convertible notes		-	50	-	50
		31,563	29,835	28,698	30,139
Net current assets		56,733	45,083	50,874	38,818
Non-current liabilities					
Deferred tax liabilities		97	39	97	39
Other payables		106	105	-	-
Finance lease liabilities (non-current portion)	1(b)(6)	3	29	-	11
Net assets		84,626	71,291	69,138	58,369
Equity					
Share capital		30,161	30,111	30,161	30,111
Reserves		54,465	41,180	38,977	28,258
Total equity		84,626	71,291	69,138	58,369

Design Studio Furniture Manufacturer Limited (Registration Number: 199401553D)

Notes to Balance Sheets

Note 1(b)(1) Inventories

	Group		Company	
	31.12.2010 S\$'000	31.12.2009 S\$'000	31.12.2010 S\$'000	31.12.2009 S\$'000
Raw materials, at cost	6,217	6,127	1,768	2,170
Work-in-progress, at cost	2,909	763	159	108
	<u>9,126</u>	<u>6,890</u>	<u>1,927</u>	<u>2,278</u>

Note 1(b)(2) Gross amount from customers for contract work-in-progress

	Group		Company	
	31.12.2010 S\$'000	31.12.2009 S\$'000	31.12.2010 S\$'000	31.12.2009 S\$'000
Aggregate amount of costs incurred and recognised profits (less recognised losses) to date	261,450	207,582	255,220	193,614
Less: Progress billings	(253,442)	(201,201)	(245,887)	(186,184)
	<u>8,008</u>	<u>6,381</u>	<u>9,333</u>	<u>7,430</u>
Presented as:				
Gross amount due from customers for contract work	8,008	6,381	9,333	7,430
Gross amount due to customers for contract work	-	-	-	-
	<u>8,008</u>	<u>6,381</u>	<u>9,333</u>	<u>7,430</u>

Note 1(b)(3) Trade receivables

	Group		Company	
	31.12.2010 S\$'000	31.12.2009 S\$'000	31.12.2010 S\$'000	31.12.2009 S\$'000
Trade receivables (non-current):				
<u>Retention monies:</u>				
Third parties	5,045	5,316	5,045	5,316
Corporate shareholder(s)	3,271	4,022	3,271	4,022
Associate	832	1,194	832	1,194
	<u>9,148</u>	<u>10,532</u>	<u>9,148</u>	<u>10,532</u>
Trade receivables (current):				
<u>Third parties:</u>				
Trade receivables	17,645	6,977	17,191	6,887
Retention monies	3,981	1,695	3,917	1,443
	<u>21,626</u>	<u>8,672</u>	<u>21,108</u>	<u>8,330</u>
Less: Allowance for doubtful receivables	-	(1)	-	(1)
	<u>21,626</u>	<u>8,671</u>	<u>21,108</u>	<u>8,329</u>
Movement in allowance accounts				
At beginning of the year	(1)	(55)		
Charge for the period/year	(2)	(1)		
Written off during the period/year	3	55		
At end of the period/year	<u>-</u>	<u>(1)</u>		
<u>Corporate shareholders:</u>				
Trade receivables	608	1,811	608	1,811
Retention monies	316	2,110	316	2,110
	<u>924</u>	<u>3,921</u>	<u>924</u>	<u>3,921</u>

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Associate:</u>				
Trade receivables	8,104	9,878	8,104	9,878
Retention monies	803	-	803	-
	<u>8,907</u>	<u>9,878</u>	<u>8,907</u>	<u>9,878</u>

Note 1(b)(4) Other receivables and deposits

	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Third parties:</u>				
Other receivables	63	16	70	75
Deposits	3,343	515	2,929	96
	<u>3,406</u>	<u>531</u>	<u>2,999</u>	<u>171</u>
Amount due from subsidiaries (non-trade)	-	-	318	281
	<u>3,406</u>	<u>531</u>	<u>3,317</u>	<u>452</u>

Note 1(b)(5) Trade payables

	Group		Company	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Third parties	8,663	4,962	6,438	3,603
Subsidiaries	-	-	2,279	3,968
Associate	24	-	24	-
Corporate shareholder	132	158	-	-
	<u>8,819</u>	<u>5,120</u>	<u>8,741</u>	<u>7,571</u>

Note 1(b)(6) Finance lease liabilities

	Minimum lease payments 31.12.2010	Present value of payments 31.12.2010	Minimum lease payments 31.12.2009	Present value of payments 31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
Not later than one year	28	26	138	132
Later than one year but not later than five years	3	3	31	29
Total minimum lease payments	<u>31</u>	<u>29</u>	<u>169</u>	<u>161</u>
Less: Amounts representing finance charges	<u>(2)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>
Present value of minimum lease payments	<u>29</u>	<u>29</u>	<u>161</u>	<u>161</u>
Company				
Not later than one year	12	11	18	17
Later than one year but not later than five years	-	-	12	11
Total minimum lease payments	<u>12</u>	<u>11</u>	<u>30</u>	<u>28</u>
Less: Amounts representing finance charges	<u>(1)</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Present value of minimum lease payments	<u>11</u>	<u>11</u>	<u>28</u>	<u>28</u>

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

1(b)(ii) Aggregate amount of group's borrowings and debts securities

Amount repayable in one year or less, or on demand

As at 31.12.2010		As at 31.12.2009	
S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
26	-	132	50

Amount repayable after one year

As at 31.12.2010		As at 31.12.2009	
S\$'000 Secured	S\$'000 Unsecured	S\$'000 Secured	S\$'000 Unsecured
3	-	29	-

Details of any collateral

As at 31 December 2010, our Group's borrowings are secured by the following:

- (i) pledge of fixed deposit of the Company amounting to approximately S\$2,748,000 (31 December 2009: S\$558,000);
- (ii) pledge of fixed deposit of a subsidiary was discharged during the period (31 December 2009: S\$111,000);
- (iii) corporate guarantees provided by the Company;
- (iv) plant and equipment of a subsidiary acquired under finance lease liabilities.

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Statement of Cash Flows

	Group			
	4th Quarter ended		Full Year ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before tax	9,260	7,852	23,088	29,961
Adjustments:				
Impairment loss on doubtful receivables	-	-	2	1
Depreciation of property, plant and equipment	770	594	2,824	2,450
Property, plant and equipment written off	3	-	8	-
Loss on disposal of property, plant and equipment	17	86	32	90
Finance expenses	2	5	14	107
Finance income	(14)	(18)	(61)	(70)
Share of gain of an associate	(596)	(2,265)	(1,270)	(4,047)
Amortisation of club membership	1	1	6	6
Fair value loss on investment securities	-	1	-	-
Currency translation difference	24	4	81	64
Operating profit before working capital changes	9,467	6,260	24,724	28,562
Decrease/(increase) in:				
Inventories	1,450	(93)	(2,236)	3,594
Contract work-in-progress	(485)	650	(1,627)	(3,019)
Trade receivables	(6,652)	870	(7,605)	(6,264)
Prepayments, other receivables and deposits	(2,841)	99	(3,442)	1,156
(Decrease)/increase in:				
Trade payables	1,914	144	3,699	(524)
Other payables and accrued operating expenses	2,904	(2,287)	(2,765)	3,801
Deposits received	(1,695)	(220)	995	(5,276)
Cash flows from operations	4,062	5,423	11,743	22,030
Finance expense paid	(2)	(5)	(14)	(107)
Income taxes paid	-	(353)	(3,617)	(3,320)
Net cash flows from operating activities	4,060	5,065	8,112	18,603
Cash flows from investing activities				
Costs incurred for construction-in-progress	(9)	3	(678)	(151)
Finance income received	14	18	61	70
Proceeds from sale of property, plant and equipment	19	-	110	75
Purchase of property, plant and equipment (Note B)	(69)	(128)	(4,101)	(3,029)
Loan to an associate	-	-	-	(1,350)
Repayment of loan by associate	1,350	-	1,350	-
Net cash flows from/(used in) investing activities	1,305	(107)	(3,258)	(4,385)

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

Consolidated Statement of Cash Flows (cont'd)

	Group			
	4th Quarter ended		Full Year ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from financing activities				
Decrease/ (increase) in fixed deposits pledged	116	(4)	(2,079)	(560)
Dividends paid on ordinary shares by the Company	-	-	(6,380)	(5,740)
Repayment of finance lease liabilities	(21)	(43)	(132)	(294)
Repayment of long-term bank loan	-	-	-	(2,984)
Net cash flows from/(used in) financing activities	95	(47)	(8,591)	(9,578)
Net increase/(decrease) in cash and cash equivalents	5,460	4,911	(3,737)	4,640
Cash and cash equivalents at beginning of the period/year	26,493	30,779	35,690	31,050
Cash and cash equivalents at end of the period/year (Note A)	31,953	35,690	31,953	35,690

Notes to Consolidated Statement of Cash Flows

A. Cash and cash equivalents

	31.12.2010	31.12.2009
	S\$'000	S\$'000
Cash and bank balances	29,527	4,719
Fixed deposits	5,174	31,640
Cash and short-term deposits	34,701	36,359
Less: Fixed deposits pledged	(2,748)	(669)
Cash and cash equivalents	31,953	35,690

B. Purchase of property, plant & equipment

During the full year ended 31 December 2010, the Group acquired property, plant & equipment with an aggregate cost of S\$4,101,000 (FY2009: S\$3,029,000) with cash.

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(A) Consolidated Statement of Comprehensive Income

	Group					
	4th Quarter ended			Full Year ended		
	31.12.2010	31.12.2009	+ / (-)	31.12.2010	31.12.2009	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit net of tax	7,858	6,703	17.2	19,617	25,377	(22.7)
Other comprehensive income						
Foreign currency translation	11	41	(73.2)	44	42	4.8
Share of other comprehensive income of an associate	4	-	N.M.	4	-	N.M.
Total comprehensive income attributable to equity holders of the Company	7,873	6,744	16.7	19,665	25,419	(22.6)

(B) Statement of Changes in Equity

Group	Share capital S\$'000	Revenue reserves S\$'000	Other reserves S\$'000	Total S\$'000
2010				
Opening balance at 01 January 2010	30,111	41,194	(14)	71,291
Total comprehensive income for FY2010	-	19,617	48	19,665
Dividends on ordinary shares	-	(6,380)	-	(6,380)
New shares issued upon conversion of shares from convertible notes	50	-	-	50
Closing balance at 31 December 2010	30,161	54,431	34	84,626
2009				
Opening balance at 01 January 2009	30,111	21,557	(56)	51,612
Total comprehensive income for FY2009	-	25,377	42	25,419
Dividends on ordinary shares	-	(5,740)	-	(5,740)
Closing balance at 31 December 2009	30,111	41,194	(14)	71,291
Company	Share capital S\$'000	Revenue reserves S\$'000	Other reserves S\$'000	Total S\$'000
2010				
Opening balance at 01 January 2010	30,111	28,258	-	58,369
Total comprehensive income for FY2010	-	17,099	-	17,099
Dividends on ordinary shares	-	(6,380)	-	(6,380)
New shares issued upon conversion of shares from convertible notes	50	-	-	50
Closing balance at 31 December 2010	30,161	38,977	-	69,138
2009				
Opening balance at 01 January 2009	30,111	16,974	-	47,085
Total comprehensive income for FY2009	-	17,024	-	17,024
Dividends on ordinary shares	-	(5,740)	-	(5,740)
Closing balance at 31 December 2009	30,111	28,258	-	58,369

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, exercise of share options of warrants, conversion of other issues of equity securities, issue of share for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

(1) Current period reported on

	No of ordinary shares	S\$'000
Issued and fully paid-up ordinary shares as at 31 December 2010	255,222,505	30,161

There is no outstanding Convertible Notes as at 31 December 2010.

(2) Immediately preceding financial year

	No of ordinary shares	S\$'000
Issued and fully paid-up ordinary shares as at 31 December 2009	255,125,887	30,111

The outstanding Convertible Notes as at 31 December 2009 was S\$50,000. Assuming these notes were converted into new shares based on 90% of the average of the five consecutive closing prices per share prior to 31 December 2009, the number of ordinary shares to be issued would be 97,982.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.12.2010	31.12.2009
Total number of shares (excluding treasury shares)	255,222,505	255,125,887

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2010 as the Company does not have any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

3. Where the figures have been audited, or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group and Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited financial statements as at 31 December 2009, except for the adoption of accounting standards (including its consequential amendments) and interpretations applicable for the financial period beginning 1 July 2009. Please see note 5.

5. If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

In the current year, the Group adopted the new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2009/ 1 January 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS that are relevant to the Group:

FRS 103 (Revised)	Business Combinations
Amendments to FRS 27	Consolidated and Separate Financial Statements
Amendments to FRS 108	Operating Segments
Amendments to FRS 1	Presentation of Financial Statements
Amendments to FRS 7	Statement of Cash Flows
Amendments to FRS 17	Leases
Amendments to FRS 36	Impairment of Assets
FRS 39	Financial Instruments: Recognition and Measurement

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant financial impact on the financial statements.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends: -

- (a) Based on weighted average number of ordinary shares on issue**
(b) Based on fully diluted basis (detailing any adjustments made to the earnings)

	Group			
	4th Quarter ended		Full Year ended	
	31.12.2010	31.12.2009	31.12.2010	31.12.2009
(a) Based on weighted average number of ordinary shares in issue	3.08 cents	2.63 cents	7.69 cents	9.95 cents
(b) On fully diluted basis	N.A.	2.63 cents	N.A.	9.94 cents

Design Studio Furniture Manufacturer Limited (Registration Number: 199401553D)

The basic earnings per ordinary share for the fourth quarter ended 31 December 2010 is calculated by dividing the 4th quarter profit attributable to shareholders of S\$7.9 million (31 December 2009: S\$6.7 million) by the weighted average number of 255,222,505 (31 December 2009: 255,125,887) shares in issue during the financial period.

The basic earnings per ordinary share for the full year ended 31 December 2010 is calculated by dividing the full year profit attributable to shareholders of S\$19.7 million (31 December 2009: S\$25.4 million) by the weighted average number of 255,213,770 (31 December 2009: 255,125,887) shares in issue during the financial year.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

(1) Current period reported on

	Group 31.12.2010	Company 31.12.2010
Net asset value per ordinary share for the period based on existing issued share capital as at 31 December 2010 of 255,222,505 ordinary shares	33.16 cents	27.09 cents

(2) Immediately preceding financial year

	Group 31.12.2009	Company 31.12.2009
Net asset value per ordinary share for the period based on existing issued share capital as at 31 December 2009 of 255,125,887 ordinary shares	27.94 cents	22.88 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

4Q2010 vs 4Q2009

	4th Quarter ended		+/(-) %
	31.12.2010 S\$'000	31.12.2009 S\$'000	
Residential property	28,567	12,240	133.4
Hospitality and commercial	3,739	10,854	(65.6)
Distribution	6,083	1,613	277.1
Total	38,389	24,707	55.4

For 4Q2010, the Group's revenue increased by 55.4% to S\$38.4 million as compared with the revenue for 4Q2009. The increase was mainly due to an increase in the number of Residential property projects and Distribution projects which more than offset the decrease in Hospitality and commercial projects completed during the period.

Design Studio Furniture Manufacturer Limited **(Registration Number: 199401553D)**

The gross margin decreased from 31.7% in 4Q2009 to 29.3% for 4Q2010, as a result of lower margins recorded in projects completed in 4Q2010.

Marketing and distribution expenses increased by 18.6% to S\$0.5 million for 4Q2010 as compared with S\$0.4 million in 4Q2009. The increase was the result of higher personnel cost and travelling expenses incurred during the period..

General and administrative expenses (before foreign exchange loss) increased by 8.7% from S\$1.7 million in 4Q2009 to S\$1.8 million in 4Q2010, mainly due to legal fee incurred in defending the Talal litigation case. After taking into account the foreign exchange loss, the general and administrative expenses had increased from S\$1.9 million in 4Q2009 to S\$2.1 million in 4Q2010.

Finance expenses decreased by 60.0% to S\$2,000 in 4Q2010 as compared with S\$5,000 recorded in 4Q2009. Finance income decreased by 22.2% to S\$14,000 in 4Q2010 as compared with S\$18,000 recorded in 4Q2009. The decrease was due to the lower fixed deposits kept with the bank, coupled with lower interest rate.

In the current quarter, the Group recognised S\$596,000 of profit from associate, DDS Group as compared with S\$2.3 million in 4Q2009. DDS Group's profit was lower due to fewer projects completed during the period.

FY2010 vs FY2009

	Full Year ended		+ / (-) %
	31.12.2010 S\$'000	31.12.2009 S\$'000	
Residential property	67,768	57,136	18.6
Hospitality and commercial	23,441	51,963	(54.9)
Distribution	16,761	4,836	246.6
Total	107,970	113,935	(5.2)

The Group's revenue for FY2010 decreased by 5.2% to S\$108.0 million as compared with the revenue for FY2009. The decrease was due to overall fewer projects completed, especially Hospitality and commercial projects.

The Group's gross margin for FY2010 as compared with FY2009 was slightly lower, decreased from 31.3% for FY2009 to 29.6% for FY2010.

For the FY2010, marketing and distribution expenses increased by 11.1% to S\$3.2 million for FY2010 as compared to S\$2.9 million in FY2009, mainly due to costs incurred for the new showroom in Singapore and increase in personnel costs.

General and administrative expenses (before foreign exchange loss) increased by 6.8% from S\$5.8 million in FY2009 to S\$6.1 million in FY2010. The increase was mainly due to professional fees incurred in connection with General Offer by Depa Interiors LLC and legal fee incurred in defending the Talal litigation case. After taking into account the foreign exchange loss, the general and administrative expenses had decreased slightly by 0.4% from S\$7.0 million in FY2009.

Finance expenses decreased by 86.9% to S\$14,000 in FY2010 as compared with S\$107,000 recorded in FY2009. The decrease was mainly due to reduction of interest expenses on the term loan which was repaid in June 2009. Finance income decreased by 12.9% to S\$70,000 in FY2010 as compared with S\$61,000 recorded in FY2009 due to lower interest rate on the fixed deposit.

For the FY2010, the Group recognised S\$1.3 million of profit from associate, DDS Group as compared with S\$4.0 million in FY2009. The lower profit was due to fewer projects completed by DDS Group and additional costs recognized for Marina Bay Sands Projects.

Design Studio Furniture Manufacturer Limited

(Registration Number: 199401553D)

Overall, the Group achieved a profit before tax of S\$23.1 million for FY2010, a decrease of 22.9% as compared with S\$30.0 million for FY2009. In line with the decrease in profit, the income tax expense for FY2010 was S\$3.5 million as compared with S\$4.6 million in the previous corresponding period. Consequently, this resulted in a decrease in net profit after tax by S\$5.8 million to S\$19.6 million for FY2010.

Balance Sheet (31 December 2010 vs 31 December 2009)

Property, plant and equipment increased by S\$1.8 million to S\$11.6 million as at 31 December 2010 as compared with S\$9.8 million as at 31 December 2009. The increase was mainly due to the purchase of plant and equipment for manufacturing facilities and renovation of showroom during the period.

Inventories increased by S\$2.2 million to S\$9.1 million as at 31 December 2010 as compared to S\$6.9 million as at 31 December 2009, resulted from higher work in progress as at balance sheet date.

Non-current trade receivables are retention sum due in more than 12 months. It decreased from S\$10.5 million as at 31 December 2009 to S\$9.1 million as at 31 December 2010, due to reduction in retention sum due in more than 12 months.

Current trade receivables increased from S\$22.5 million as at 31 December 2009 to S\$31.5 million as at 31 December 2010. The increase was mainly due to higher revenue recorded in the 4Q2010, as well as increase in the retention sums due in the next 12 months.

Total Cash and short-term deposits decreased slightly from S\$36.4 million in 31 December 2009 to S\$34.7 million as at 31 December 2010.

Accrued operating expenses decreased by S\$3.7 million to S\$16.3 million as at 31 December 2010 as compared with 31 December 2009. The decrease was mainly due to lower accrual of project related costs.

Cash Flow (4Q2010 vs 4Q2009 and FY2010 vs FY2009)

4Q2010 vs 4Q2009

For 4Q2010, there was net cash inflow of S\$5.5 million mainly from operating activities and repayment of loan by associate.

FY2010 vs FY2009

For FY2010, there was cash inflow from net operating activities at S\$8.1 million. Part of the cash flow was used in payment of dividends, purchase of manufacturing equipments and pledge to bank to secure additional banking facilities. As a result, the net cash outflow was S\$3.7 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable

Design Studio Furniture Manufacturer Limited (Registration Number: 199401553D)

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The Group has set up a wholly owned subsidiary in Huizhou, Guangdong Province in China and the manufacturing facility is expected to be operational in second half of FY2011. The set up of this subsidiary will not have any significant effect on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the financial year ending 31 December 2011.

Barring unforeseen circumstances, we remain optimistic that FY2011 will be a profitable year ahead for Design Studio, given our order book on hand (S\$142.9 million as at 15 February 2011) and past track records.

11. Dividend

(1) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Cash
Dividend type	Final
Dividend amount per share (in SG cents)	1.25 cents per ordinary share
Tax rate	One-tier tax exempt

(2) Corresponding Period of the immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Cash
Dividend type	Final
Dividend amount per share (in SG cents)	1.25 cents per ordinary share
Tax rate	One-tier tax exempt

Date payable

20 May 2011

Books closure date

29 April 2011

12. If no dividend has been declared/recommended, a statement to the effect.

Not applicable

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

PART II- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

2010	Residential property projects	Hospitality and commercial projects	Distribution projects	Adjustments and eliminations	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External customers	67,768	23,441	16,761	-	107,970
Inter-segment	17,002	10,474	356	(27,832)	-
	<u>84,770</u>	<u>33,915</u>	<u>17,117</u>	<u>(27,832)</u>	<u>107,970</u>
Results					
Share of result of an associate	-	1,270	-	-	1,270
Other non-cash expenses	(2)	-	-	(2,838)	(2,840)
Segment profit before tax	<u>20,519</u>	<u>1,004</u>	<u>4,308</u>	<u>(2,743)</u>	<u>23,088</u>
Assets					
Investment in an associate	-	7,170	-	-	7,170
Additions to non-current assets	-	-	-	4,779	4,779
Segment assets	<u>30,317</u>	<u>22,746</u>	<u>2,880</u>	<u>60,452</u>	<u>116,395</u>
Segment liabilities	<u>14,858</u>	<u>3,972</u>	<u>1,020</u>	<u>11,919</u>	<u>31,769</u>
2009	Residential property projects	Hospitality and commercial projects	Distribution projects	Adjustments	Consolidated
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue					
External customers	57,136	51,963	4,836	-	113,935
Inter-segment	26,928	12,116	95	(39,139)	-
	<u>84,064</u>	<u>64,079</u>	<u>4,931</u>	<u>(39,139)</u>	<u>113,935</u>
Results					
Share of result of an associate	-	4,047	-	-	4,047
Other non-cash expenses	-	(1)	-	(2,456)	(2,457)
Segment profit before tax	<u>13,167</u>	<u>18,509</u>	<u>554</u>	<u>(2,269)</u>	<u>29,961</u>
Assets					
Investment in an associate	-	5,896	-	-	5,896
Additions to non-current assets	-	-	-	3,029	3,029
Segment assets	<u>18,333</u>	<u>26,339</u>	<u>2,065</u>	<u>54,562</u>	<u>101,299</u>
Segment liabilities	<u>11,112</u>	<u>7,088</u>	<u>1,069</u>	<u>10,739</u>	<u>30,008</u>

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

Geographical Segment

Revenue by geographical markets

	Year ended 31.12.2010 S\$'000	Year ended 31.12.2009 S\$'000
Singapore	92,544	54,681
Malaysia	1,013	361
United Arab Emirates	13,919	57,994
Others	494	899
	107,970	113,935

Non-current assets by geographical markets

	Year ended 31.12.2010 S\$'000	Year ended 31.12.2009 S\$'000
Singapore	6,688	6,554
Malaysia	4,700	2,749
People's Republic of China	22	76
United Arab Emirates	273	539
	11,683	9,918

Information about major customers

Revenue from one major customer amount to S\$22,543,000 (2009: S\$66,778,000), arising from sales from the residential property and hospitality and commercial projects.

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable

15. A breakdown of sales

	Group	
	Year Ended	
	31.12.2010 S\$'000	31.12.2009 S\$'000
(a) Sales reported for first half year	39,309	58,339
Operating profit after tax before deducting minority interests reported for first half year	6,634	11,381
(c) Sales reported for second half year	68,661	55,596
Operating profit after tax before deducting minority interests reported for second half year	12,983	13,996

Design Studio Furniture Manufacturer Limited
(Registration Number: 199401553D)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Type of Dividend	FY 2010 (S\$'000)	FY 2009 (S\$'000)
Interim	3,190	3,189
Final	3,190	3,190
Total	6,380	6,379

AGGREGATE VALUE OF TRANSACTION UNDER RULE 920(1)(A)(II) OF THE LISTING MANUAL

Aggregate value of transactions conducted pursuant to the general mandate for interested persons transactions for the 3 months period ended 31 December 2010 pursuant to Rule 920(1)(a)(ii) of the listing Manual:

Name of interest person	Aggregate value of all interested persons transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
S C Wong Holdings Pte Ltd & its associates	Nil	Nil
Depa Interior LLC & its associates	Nil	S\$ 1,014,222

BY ORDER OF THE BOARD

Lim Bee Lian Eliza
Secretary

26 February 2011