

**DESIGN STUDIO GROUP LTD.**  
(Incorporated in the Republic of Singapore)  
(Co. Reg. No.: 199401553D)

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## **COMPULSORY WINDING UP OF THE COMPANY**

### **CREDITORS' VOLUNTARY LIQUIDATION OF THE COMPANY'S SUBSIDIARIES**

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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 announcement dated 19 October 2021 in relation to the withdrawal of the Appeal Proceeding (the "**Withdrawal of Appeal Announcement**") and the announcement dated 4 August 2021 in relation to the extension of time granted by the SGX-ST to submit a proposal for resumption of trading (the "**Trading Resumption Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall have the meanings given in the Withdrawal of Appeal Announcement.

#### **Compulsory Winding Up of the Company**

As stated in the Withdrawal of Appeal Announcement, the Board has commenced a good faith restructuring exercise since January 2020 and worked tirelessly with the view to achieving a successful restructuring of the Group that is in the best interests of all stakeholders. These good faith restructuring efforts were undertaken and made possible with the support and funding from the Group's largest shareholder, Depa.

The good faith restructuring efforts led by the Board culminated in the New Creditor Scheme which received support from the requisite statutory majority of creditors. The purpose of the New Creditor Scheme was to allow the Group to restructure its liabilities in a sustainable manner and continue operating as a going concern. However, as disclosed by the Company on 17 August 2021, the General Division of the High Singapore Court (the "**High Court**") declined the Group's application for sanction of the New Creditor Scheme on 13 August 2021 (the "**High Court Judgment**"). The Group had originally intended to appeal the High Court Judgment and filed a notice of appeal in relation to the High Court Judgment on 19 August 2021 (the "**Appeal**").

The Board has however since been informed by its largest shareholder, Depa, that it wishes to discontinue the financial support that it has extended to support the restructuring of the Group in light of, among others, the High Court Judgment and the uncertainties and time taken in relation to the Appeal Proceeding. In light of the foregoing, the Board has no choice but to withdraw the Appeal.

The Board has since re-assessed the situation of the Company and formed the view that:

- the Company is unable to pay its debts and is cash flow insolvent;
- the compulsory winding up of the Company is in the best interests of its creditors as it ensures an orderly wind down of the affairs of the Company under the control of a Court-appointed liquidator; and
- the compulsory winding up of the Company is in the best interests of its creditors as it is the most time-efficient and cost-effective manner to liquidate the Company.

Accordingly, the Board has commenced a winding up application against the Company at the High Court on 26 October 2021. The winding up application is scheduled to be heard by the High Court at 10:00 am on 19 November 2021.

### **Trading Resumption Proposal**

As disclosed in the Trading Resumption Announcement, the SGX-ST had granted the Company an extension of time to submit its proposal for the resumption of trading of the Company's shares pursuant to Rule 1304(1) of the Mainboard Rules.

As a result of the winding up application, the Company will no longer be in a position to submit a proposal for the resumption of trading of the Company's shares.

### **Creditors' Voluntary Liquidation**

In line with the compulsory liquidation of the Company, the Board also wishes to announce that DSG Projects Singapore Pte Ltd and DSG Manufacturing Singapore Pte Ltd have also commenced processes necessary to enter into creditors' voluntary liquidation.

### **Further Update**

The Board 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

27 October 2021