

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

RESPONSE TO QUERY FROM SGX-ST IN RELATION TO COMPANY'S UNAUDITED 1Q2019 FINANCIAL STATEMENTS ANNOUNCEMENT ON 8 MAY 2019

The Board of Directors of Design Studio Group Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the below query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and wishes to provide its response as follows:

SGX Query

We refer to Design Studio Group Ltd's 1Q2019 financial results filed on 8 May 2019. The Group had significant trade receivables of \$34.7 million, as compared to revenue of only \$15.41 million in 1Q2019. Please disclose the reasons why this is so. To provide the aging schedule the aging schedule of these receivables in bands of 3 months (with upper limit of the longest due debt specified in bands of 3 months).

Company's Response

The trade receivables of \$34.7 million comprised of trade receivables arising from current period billings and trade receivables brought forward from 31 December 2018 which have yet to be collected as at 31 March 2019.

The following aging schedule for trade receivables of \$34.7 million has been prepared in bands of 3 months in response to SGX's query:

	\$'000
Current (not past due)	8,116
1 to 3 months (past due)	5,924
4 to 6 months (past due)	5,056
7 to 9 months (past due)	1,131
10 to 12 months (past due)	1,069
13 to 15 months (past due)	3,553
16 to 18 months (past due)	72
19 to 21 months (past due)	558
22 to 24 months (past due)	0
25 to 27 months (past due)	78
28 to 30 months (past due)	0
31 to 33 months (past due)	0
34 to 36 months (past due)	40
	25,597
Retention monies (unbilled)	9,152
Total	34,749

In the category of receivables of "34 to 36 months", the longest due debt is 34 months for \$0.04 million relating mainly to final account claims on a project which the management are resolving with the customer.

By Order of the Board

Hazel Chia
Company Secretary

14 May 2019