

DESIGN STUDIO FURNITURE MANUFACTURER LTD

(Incorporated in the Republic of Singapore)
(Company Registration Number 199401553D)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of **DESIGN STUDIO FURNITURE MANUFACTURER LTD** (the "**Company**") will be held at No. 8 Sungei Kadut Crescent, Singapore 728682 on 25 January 2013 at 10.30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following Ordinary Resolutions:-

ORDINARY RESOLUTION 1

The Proposed adoption of the Design Studio ESOS

THAT:

- (a) A share option scheme to be known as the "Design Studio ESOS" (the "**Design Studio ESOS**"), under which options (the "**Options**") will be granted to such persons to subscribe for ordinary shares in the capital of the Company (the "**Shares**") on such terms and conditions and in accordance with such rules as set out in the Company's Circular to Shareholders dated 8 January 2013, be and is hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised:-
- (i) to implement and establish the Design Studio ESOS;
- (ii) to modify and/or amend the Design Studio ESOS from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Design Studio ESOS and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Design Studio ESOS; and
- (iii) to offer and grant Options in accordance with the provisions of the Design Studio ESOS (including, subject to the passing of Resolution 2 below, Options over Shares at an exercise price per Share set at a discount to the Market Price (as hereinafter defined) of a Share) and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the Design Studio ESOS, the Design Studio PSP (as defined in Resolution 3) and all other share option or other share schemes of the Company, provided that the aggregate number of new Shares to be issued pursuant to the Design Studio ESOS and the Design Studio PSP shall not exceed 7.5%, of the total number of issued Shares of the Company (excluding treasury shares) on the day preceding that date. Such limit will be subject to a further sub-limit of 1.5% for every 2-year period on a cumulative basis during which the Design Studio ESOS and the Design Studio PSP are in force with the 1st year and 2nd year of the adoption and implementation of the Design Studio ESOS and the Design Studio PSP being the first 2-year period ("**Period 1**"), the 3rd year and 4th year being the second 2-year period ("**Period 2**"), the 5th year and 6th year being the third 2-year period ("**Period 3**"), the 7th year and 8th year being the fourth 2-year period ("**Period 4**") and the 9th and 10th year being the fifth 2-year period ("**Period 5**"). Any unutilised per centum of the sub-limits in respect of any such 2-year period shall be available for roll-over and aggregated with the applicable sub-limit of 1.5% for the subsequent 2-year period for grants of Options and Awards; and
- (c) the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider necessary or desirable to give effect to these resolutions.

ORDINARY RESOLUTION 2

The discount of up to 20% to the Market Price under the Proposed adoption of the Design Studio ESOS

THAT:

- (a) subject to and contingent upon the passing of Resolution 1 above, approval be and is hereby given for offers and grants of Options to be made pursuant to and during the subsistence of the Design Studio ESOS with exercise prices that are set at, or adjusted by, a discount of up to 20% to the Market Price as determined in accordance with the provisions of the Design Studio ESOS.
- (b) in this Ordinary Resolution:-
- "**Market Price**" means the average of the last dealt price for a Share as determined by reference to the daily official list or any other publication published by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for 5 consecutive days on which the SGX-ST is open for securities trading immediately preceding the date on which the Option shall be offered.

ORDINARY RESOLUTION 3

The Proposed adoption of the Design Studio PSP

THAT:-

- (a) A share award scheme to be known as the Design Studio PSP (the "**Design Studio PSP**"), under which awards (the "**Awards**") of fully-paid ordinary shares in the capital of the Company (the "**Shares**"), their equivalent cash value or combinations thereof will be granted, free of payment, to such persons on such terms and conditions and in accordance with such rules as set out in the Company's Circular to Shareholders dated 8 January 2013, be and is hereby approved and adopted;
- (b) the Directors of the Company be and are hereby authorised:-
- (i) to implement and establish the Design Studio PSP; and
- (ii) to modify and/or amend the Design Studio PSP from time to time, provided that such modifications and/or amendments are effected in accordance with the provisions of the Design Studio PSP and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Design Studio PSP;
- (c) the Directors of the Company be and are hereby authorised to grant the Awards in accordance with the provisions of the Design Studio PSP and to allot, issue, transfer and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the vesting of Awards under the Design Studio PSP, provided that the aggregate number of Shares to be issued or delivered pursuant to the Design Studio PSP, the Design Studio ESOS (as defined in Resolution 1) and all other share option or other share schemes of the Company shall not exceed 7.5%, of the total number of issued Shares of the Company (excluding treasury shares) on the day preceding that date. Such limit will be subject to a further sub-limit of 1.5% for every 2-year period on a cumulative basis during which the Design Studio ESOS and the Design Studio PSP are in force with the 1st year and 2nd year of the adoption and implementation of the Design Studio ESOS and the Design Studio PSP being the first 2-year period ("**Period 1**"), the 3rd year and 4th year being the second 2-year period ("**Period 2**"), the 5th year and 6th year being the third 2-year period ("**Period 3**"), the 7th year and 8th year being the fourth 2-year period ("**Period 4**") and the 9th and 10th year being the fifth 2-year period ("**Period 5**"). Any unutilised per centum of the sub-limits in respect of any such 2-year period shall be available for roll-over and aggregated with the applicable sub-limit of 1.5% for the subsequent 2-year period for grants of Options and Awards; and
- (d) the Directors of the Company be and are hereby authorised to do all such acts and things (including executing all such documents as may be required) as they may consider necessary or desirable to give effect to these resolutions.

For and on behalf of the Board of Directors
DESIGN STUDIO FURNITURE MANUFACTURER LTD
Bernard Lim Leng Foo
Chief Executive Officer & Executive Director
8 January 2013

Notes:-

- (1) Terms and expressions not defined herein shall have the same meanings ascribed to them in the Circular to Shareholders dated 8 January 2013.
- (2) A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) The instrument appointing a proxy, duly executed, must be deposited at the registered office of the Company at No. 8 Sungei Kadut Crescent, Singapore 728682 not less than 48 hours before the time appointed for holding the Extraordinary General Meeting in order for the proxy to be entitled to attend and vote at the Extraordinary General Meeting.