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Design Capital Limited

設計都會有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1545)

VOLUNTARY ANNOUNCEMENT BUSINESS UPDATE ON THE IMPACT OF NOVEL CORONAVIRUS (COVID-19) PANDEMIC

This announcement is made by the board of directors (the “**Board**”) of Design Capital Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide an update on the business operations and potential impacts of the Novel Coronavirus (COVID-19) pandemic (the “**Pandemic**”) on the Company.

One of the business segments of the Group is the sales of furniture products under various brands to furniture e-commerce platform customers in the U.S. and operates warehouses and offices in Illinois, U.S. In order to tame the spread of the Pandemic, on 20 March 2020, the Governor of Illinois had imposed an executive order in response to the COVID-19 (the “**Executive Order**”). Pursuant to the Executive Order, among other things, all individuals currently living within the State of Illinois are ordered to stay at home or at their place of residence except as allowed in the Executive Order and non-essential business and operations are required to cease all activities for a period from 5p.m. on 21 March 2020 (Illinois local time) until 7 April 2020 (Illinois local time) (the “**Period**”).

As the operations of the Group in Illinois are not “essential businesses” under the Executive Order, warehouses and offices of the Group in Illinois are temporarily closed during the Period, subject to any further updates by the Governor of Illinois. As a result, the Group has adopted a work from home policy for all employees in Illinois, requiring them to work remotely from their homes and not to come into warehouses and offices of the Group in Illinois during the Period, or as further directed by the Governor of Illinois.

The Group fully complies with the Executive Order imposed by the Governor of Illinois.

Due to the temporary closedown of the warehouses and offices in Illinois, it is likely that supply chain of the Group would be disrupted for the time being. In addition, as disclosed in the announcement of annual results for the year ended 31 December 2019 of the Company dated 16 March 2020, the spread of the Pandemic to other countries in the world, including the U.S., will affect U.S. economic growth, employment, business sentiments and consumer spending. These factors will affect demand for the products of the Group. At the same time, the sales and gross margin of the Group may be negatively impacted in 2020. The Company will monitor the situation closely and do its best to proactively respond to the changing economic, social and business conditions.

Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Company's shares or other securities of the Company.

By Order of the Board
Goon Eu Jin Terence
Chairman and Executive Director

Hong Kong, 24 March 2020

As at the date of this announcement, the board of directors of the Company comprises Goon Eu Jin Terence, Wee Ai Quey and Ong Ciu Hwa as executive Directors, Kho Chuan Thye Patrick and Lim Sooi Kheng Patrick as non-executive Directors, and Lim Boon Cheng, Ng Chee Kwong, Colin and Wee Kang Keng as independent non-executive Directors.