



**DRAGON GROUP INTERNATIONAL LIMITED**  
(Company Registration No. 199306761C)  
(Incorporated in the Republic of Singapore)  
(the "**Company**")

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## **QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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### **Introduction**

Dragon Group International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list pursuant to Rule 1311 of the Listing Manual (the "Listing Manual") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 4 March 2015.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the "Board") wishes to provide an update on the financial situation of the Company and the Group for the first half ended 30 June 2015 ("1H2015").

### **Update on Unaudited Financial Performance and Financial Position**

For 1H2015, the Group's revenue recorded a decrease of approximately 35% or US\$0.4 million compared to the first half last year ("1H2014"), mainly due to lower customers' demands. The gross profit margin has decreased from 31% to 18% due to changes in sales mix.

Loss for the period increased by US\$0.6 million from US\$1.2 million in 1H2014 to US\$1.8 million in 1H2015 due to decrease in demand from customers.

The Group's net assets remained unchanged at US\$25.5 million as at 30 June 2015 and as at 31 December 2014.

Cash and cash equivalents decreased US\$2.0 million from US\$13.9 million as at 31 December 2014 to US\$11.9 million as at 30 June 2015.

Net cash used in operating activities in 1H2015 amounted to US\$1.9 million.

Please refer to our result announcement for the financial period ended 30 June 2015 released on 13 August 2015 for full details.

### **Update on Future Direction and Other Material Development**

The due diligence works on Heat Tech Japan Co., Ltd ("HTJ"), a company dealing in the development of heat dissipating technologies continues. Upon the completion of this due diligence process, we will proceed to conduct our due diligence on 3DOM Inc. which is in the business of development, manufacturing and distribution of separators for batteries.

On the development project along the Yangtze Riverbank, the Group is working closely with various Chinese authorities to conceptualise the project. In view of the size of this project, we expect it will take some time to obtain the various consensus and we will keep our shareholders duly informed of our progress.

In addition to the above, the Group continues to search for opportunities that are viable for our investment.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction at the moment.

The Board will update shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

The Company is aware of the deadline given by SGX-ST for its removal from the watch-list and has been actively looking for potential opportunities for the Group to strengthen the financial position of the Group. The Company would like to reassure shareholders of the Company that it has and will endeavour to seek an exit from the SGX-ST's watch-list according to Rule 1314 of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee  
Chairman & CEO  
13 August 2015