



DRAGON GROUP INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199306761C)

RESPONSE TO QUERY FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The board of directors (the "Board") of Dragon Group International Limited (the "Company" and together with its subsidiaries, collectively the "Group") sets out below its response to query from the SGX-ST received on 11 May 2020.

SGX Queries:

(i) With reference to the audited consolidated statement of cash flows on pages 15 to 16 of the Company's FY2019 Annual Report, please provide an explanation for the material difference in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the year ended 31 December 2019:

(a) The net cash generated from/(used in) operating activities of approximately US\$ (2,821,000) as compared to the amount of US\$208,000; and

(b) The net cash generated from/(used in) investing activities of approximately US\$2,359,000 as compared to the amount of US\$(670,000).

Our reply:

The material variance between the audited consolidated statement of cash flows and the unaudited consolidated statement of cash flows is set out below:

	Audited Financial Statements	Unaudited Financial Statements	Difference
	US\$'000	US\$'000	US\$'000
Net cash generated from/(used in) operating activities	(2,821)	208	(3,029)
Net cash generated from/(used in) investing activities	2,359	(670)	3,029

The variances were caused by:

- A repayment of US\$3 million loan from an associate recognized incorrectly as part of the movement in working capital in the unaudited results; and
- Construction-in-progress amounting to US\$29,000 written off directly to income statement as an expense.

By Order of the Board

Dr Daniel Yeoh Ghee Chong
Acting Chairman
Dragon Group International Limited
19 May 2020