



Company No. 199306761C

Dragon Group International Limited and its Subsidiaries

**Condensed Interim Financial Statements
For the First Quarter Ended 31 March 2024**

CONDENSED BALANCE SHEETS

AS AT 31 MARCH 2024

	Note	Group		Company	
		31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
		US\$'000	US\$'000	US\$'000	US\$'000
		Unaudited		Unaudited	
ASSETS					
Non-current assets					
Right-of-use assets		14	17	-	-
Investments in subsidiaries	4	-	-	-	-
Investment in an associate	5	9,755	10,018	11,179	11,179
		9,769	10,035	11,179	11,179
Current assets					
Prepayments		16	12	14	8
Amounts due from subsidiaries		-	-	8	16
Amounts due from associates	6	-	-	-	-
Inventories		66	212	-	-
Trade receivables		403	286	-	-
Other receivables		18	37	17	23
Cash and cash equivalents		628	744	31	82
		1,131	1,291	70	129
TOTAL ASSETS		10,900	11,326	11,249	11,308
EQUITY AND LIABILITIES					
Current liabilities					
Trade payables and accruals		2,060	2,125	117	117
Other payables	7	2,216	2,346	385	475
Amounts due to subsidiaries		-	-	822	805
Restructuring provision		66	67	-	-
Lease creditors		10	10	-	-
Provision for taxation		11	9	6	5
		4,363	4,557	1,330	1,402
NET CURRENT LIABILITIES		(3,232)	(3,266)	(1,260)	(1,273)
Non-current liabilities					
Lease creditors		4	7	-	-
Amount due to the holding company	8	12,235	12,239	12,235	12,239
		12,239	12,246	12,235	12,239
TOTAL LIABILITIES		16,602	16,803	13,565	13,641
NET LIABILITIES		(5,702)	(5,477)	(2,316)	(2,333)
Equity attributable to owners of the Company					
Share capital	14	59,970	59,970	59,970	59,970
Capital reserve		2,525	2,525	-	-
Other reserve		18	18	-	-
Foreign currency translation reserve		181	163	-	-
Accumulated losses		(66,182)	(65,949)	(62,286)	(62,303)
		(3,488)	(3,273)	(2,316)	(2,333)
Non-controlling interests		(2,214)	(2,204)	-	-
TOTAL DEFICIT		(5,702)	(5,477)	(2,316)	(2,333)
TOTAL EQUITY AND LIABILITIES		10,900	11,326	11,249	11,308

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Note	Group		
		Full Year Ended		
		31-Mar-24	31-Mar-23	Change
		US\$'000	US\$'000	%
Revenue	9	471	524	(10)
Cost of sales		(400)	(427)	(6)
Gross profit		71	97	(27)
Other income		8	16	(50)
Selling and marketing costs		(21)	(15)	40
General and administrative costs		(143)	124	NM
Foreign currency exchange gain		103	39	>100
Finance costs, net		(8)	(5)	60
Share of results of an associate		(263)	(326)	(19)
Loss before taxation	10	(253)	(70)	>100
Taxation	11	(2)	(4)	(50)
Loss for the period		(255)	(74)	>100
Attributable to:				
Owners of the Company		(233)	(64)	>100
Non-controlling interests		(22)	(10)	>100
		(255)	(74)	>100
<u>Loss per share attributable to owners of the Company</u>				
Basic/diluted (cents)	13	(0.07)	(0.02)	

NM : Not meaningful

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Group		
	Full Year Ended		
	31-Mar-24	31-Mar-23	Change
	US\$'000	US\$'000	%
Loss for the period	(255)	(74)	NM
Other comprehensive income/(loss):			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation	30	(121)	<100
Total comprehensive loss for the period	(225)	(195)	NM
Total comprehensive loss attributable to:			
Owners of the Company	(215)	(165)	NM
Non-controlling interests	(10)	(30)	(67)
	(225)	(195)	NM

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Attributable to owners of the Company							Equity Total US\$'000
	Share Capital US\$'000	Capital Reserve US\$'000	Other Reserve US\$'000	Foreign Currency Translation Reserve US\$'000	Accumulated Losses US\$'000	Equity attributable to owners of parent, Total US\$'000	Non-controlling Interests US\$'000	
2024								
<u>Group</u>								
At 1 January 2024	59,970	2,525	18	163	(65,949)	(3,273)	(2,204)	(5,477)
Loss for the period	-	-	-	-	(233)	(233)	(22)	(255)
<u>Other comprehensive loss</u>								
Foreign currency translation	-	-	-	18	-	18	12	30
Other comprehensive income for the period, net of tax	-	-	-	18	-	18	12	30
Total income/(loss) comprehensive loss for the period	-	-	-	18	(233)	(215)	(10)	(225)
At 31 March 2024	59,970	2,525	18	181	(66,182)	(3,488)	(2,214)	(5,702)
2023								
<u>Group</u>								
At 1 January 2023	59,970	2,525	18	164	(63,694)	(1,017)	(2,211)	(3,228)
Loss for the period	-	-	-	-	(64)	(64)	(10)	(74)
<u>Other comprehensive loss</u>								
Foreign currency translation	-	-	-	(101)	-	(101)	(20)	(121)
Other comprehensive loss for the period, net of tax	-	-	-	(101)	-	(101)	(20)	(121)
Total comprehensive loss for the period	-	-	-	(101)	(64)	(165)	(30)	(195)
At 31 March 2023	59,970	2,525	18	63	(63,758)	(1,182)	(2,241)	(3,423)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Share Capital US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
2024			
<u>Company</u>			
At 1 January 2024	59,970	(62,303)	(2,333)
Profit and total comprehensive loss for the period	-	17	17
At 31 March 2024	59,970	(62,286)	(2,316)
2023			
<u>Company</u>			
At 1 January 2023	59,970	(61,063)	(1,093)
Profit and total comprehensive loss for the period	-	114	114
At 31 March 2023	59,970	(60,949)	(979)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

	Group	
	31-Mar-24 US\$'000	31-Mar-23 US\$'000
Cashflow from operating activities		
Loss before taxation	(253)	(70)
Adjustment for:-		
Impairment loss on other receivables	3	10
Impairment loss on trade receivables	7	-
Depreciation of right-of-use assets	3	-
Allowance for stock obsolescence	28	4
Interest cost, net	6	4
Share of results of associate	263	326
Effects of exchange rate changes	(120)	(16)
Operating cash flow before changes in working capital	(63)	258
<u>Changes in working capital</u>		
(Increase)/decrease in:		
Inventories	122	(40)
Prepayments	(4)	(8)
Receivables	(108)	67
Increase/(decrease) in:		
Payables	(157)	(116)
Amount due to holding company	97	25
Cash (used in)/generated from operations	(113)	186
Tax paid	-	(3)
Net cash (used in)/generated from operating activities	(113)	183
Cashflow from financing activities		
Payment of lease liabilities	(3)	-
Net cash used in financing activities	(3)	-
Net (decrease)/increase in cash and cash equivalents	(116)	183
Cash and cash equivalents at beginning of period	744	995
Cash and cash equivalents at end at period	628	1,178

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

1. CORPORATION INFORMATION

Dragon Group International Limited (the “Company”) is a limited liability company which is domiciled and incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The immediate and ultimate holding company is ASTI Holdings Limited (“ASTI”), also incorporated in Singapore.

The Company was placed on the watch-list under financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the SGX-ST on 4 March 2015, and under minimum trading price criteria pursuant to Rule 1311(2) of the Listing Manual of SGX-ST on 3 March 2016. The deadline for the Company to meet the financial exit criteria set out in Rule 1314(1) of the Listing Manual (the “Financial Exit Criteria”) was 3rd March 2017 pursuant to Rule 1315 of the Listing Manual. On 14 August 2017, the Company announced that SGX-ST had granted the Company an extension of time until 3rd March 2018 to meet the Financial Exit Criteria (the “Extended Deadline”). As the Company was unable to satisfy the Financial Exit Criteria on or before the expiry of the Extended Deadline, a Delisting Notification was issued by SGX-ST to the Company on 11 April 2018. Trading in the Company’s securities was ceased on 5pm, 10 May 2018 and trading will remain suspended until the completion of the exit offer. Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to shareholders. Work on the exit proposal is on-going.

The registered office and the principal place of business the Company is located at at 33, Ubi Ave 3 #08-69 Vertex, Singapore 408868.

The principal activities of the Company are those of investment holding and acting as corporate manager and advisor in relation to the administration and organisation of the businesses of its subsidiaries.

Details of the significant subsidiaries and associates with a description of their principal activities are included in Note 4 and Note 5, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The condensed interim financial statements for the three months ended 31 March 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual audited financial statements for the year ended 31 December 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in United States Dollars (“USD” or “US\$”), which is the functional currency of the Company. All values in the tables are rounded to the nearest thousand (“US\$’000”) except when otherwise indicated.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 *Basis of preparation (cont'd)*

Going concern uncertainty

The Group recorded net loss of US\$255,000 (1Q2023: US\$74,000) and a net operating cash outflow of US\$113,000 (1Q2023: cash inflow of US\$183,000) for the financial period ended 31 March 2024 and as at that date, the Group's and the Company's current liabilities exceeded its current assets by US\$3,232,000 (2023: US\$3,266,000) and US\$1,260,000 (2023: US\$1,273,000), respectively. The Group and the Company were in a net liabilities position of US\$5,702,000 (2023: US\$5,477,000) and US\$2,316,000 (2023: US\$2,333,000), respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

In the assessment of going concern, the Board of Directors has considered the following factors:

The Company has received an undertaking letter from the Holding Company not to recall the amounts due to itself and provide continuing financial support to enable the Group and the Company to continue its operations for the next twelve months from the date the audited financial statements for the financial year ended 31 December 2022 ("FY2022") signed on 20 October 2023.

As at the date of the issuance of these financial statements, there is no indication that the amount due to the Holding Company will be recalled.

Based on current circumstances, there is uncertainty as to whether the Group and the Company are able to meet their contractual obligations in the next twelve months as and when they fall due, and consequently, there is uncertainty as to their respective abilities to continue as a going concern for the next twelve months. Notwithstanding the above, the Board of Directors has assessed and is of the view that it is appropriate that the financial statements of the Group and Company are to be prepared on a going concern basis.

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the consolidated statement of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current. No such adjustments have been made to these financial statements.

2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2024. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

- Amendments to SFRS(I) 1-1, SFRS(I) 16, SFRS(I) 1-7 and SFRS(I) 1-21
- SFRS(I) 17 and Amendments to SFRS(I)17

The Group has not early applied new and revised SFRSs that have been issued but are not yet mandatorily effective for the year beginning 1 January 2024.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated unaudited financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Impairment of investment in associate

The Group assessed for impairment of its investment in an associate, EoCell Limited by comparing the recoverable value against its carrying amount. Recoverable value is the higher of the fair value less costs of disposal and the value-in-use of the investment. When the fair value of such investment cannot be determined from active markets, valuation techniques including prices and other relevant information generated by market transactions involving identical or comparable assets are used. The inputs to the valuation models are derived from market observable data where possible, but where this is not feasible, a degree of judgement is required to establish fair value. As at 31 March 2024, there was no impairment assessment performed on the Group's and the Company's investment in associate.

As at 31 March 2024, the Group's and the Company's carrying value of the investment in EoCell Limited was US\$9,755,000 (2023: US\$10,018,000) and US\$11,179,000 (2023: US\$11,179,000), respectively.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

4. INVESTMENTS IN SUBSIDIARIES

Company	31-Mar-24 US\$'000	31-Dec-23 US\$'000
Unquoted shares, at cost	1,055	1,055
Allowance for impairment	(1,055)	(1,055)
Carrying amount of investments	-	-
Movement in allowance account:		
At 1 January	1,055	1,055
charge for the period/year	-	-
Balance at end of the period/year	1,055	1,055

(a) The Group has the following significant investments in subsidiaries:

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest	
		31-Mar-24 %	31-Dec-23 %
<i>Held by the Company</i>			
DTB Limited (Hong Kong)	Investment holding (Hong Kong)	100	100
Dragon Equipment & Materials Technology Limited (Hong Kong)	Sale, distribution and acting as commission agent in equipment, materials and electronic components (Hong Kong)	100	100
<i>Held by subsidiaries:</i>			
<i>Held by DTB Limited</i>			
Nanjing DTB Development Co., Ltd (People's Republic of China)	Construction of antique wooden sea boat, communication of culture, exhibition and conference, etc. (People's Republic of China)	60	60

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

4. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) The Group has the following significant investments in subsidiaries (Cont'd):

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest	
		31-Mar-24 %	31-Dec-23 %
<i>Held by Dragon Equipment & Materials Technology Limited (Hong Kong)</i>			
Spire Technologies Pte Ltd (Singapore)	Importing, exporting, retailing and trading in electronic components and test consumables (Singapore)	100	100
<i>Held by Spire Technologies Pte Ltd</i>			
Spire Technologies (Taiwan) Limited (Taiwan)	Importing, exporting, retailing and trading in electronic components and test consumables (Taiwan)	60	60

5. INVESTMENT IN ASSOCIATE

The Group's material investment in associate is summarised below:

	Group		Company	
	31-Mar-24 US\$'000	31-Dec-23 US\$'000	31-Mar-24 US\$'000	31-Dec-23 US\$'000
EoCell Limited				
Beginning balance	10,018	11,179	11,179	11,179
Share of results of associate	(263)	(1,161)	-	-
Carrying amount at end of the period/year	9,755	10,018	11,179	11,179

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest	
		31-Mar-24 %	31-Dec-23 %
<i>Held by the Company</i>			
EoCell Limited (Hong Kong)	Investment holding (Hong Kong)	40	40
<i>Held by EoCell Limited</i>			
EoCell Inc (United States of America)	Development of battery and storage solutions (United States of America)	100	100

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

6. AMOUNTS DUE FROM ASSOCIATES

	Group		Company	
	31-Mar-24 US\$'000	31-Dec-23 US\$'000	31-Mar-24 US\$'000	31-Dec-23 US\$'000
Amounts due from associates	3,166	3,166	3,166	3,166
Allowance for impairment	(3,166)	(3,166)	(3,166)	(3,166)
	-	-	-	-
Movement in allowance account:				
At 1 January	3,166	2,373	3,166	2,373
Charge for the period/year	-	793	-	793
Balance at end of the period/year	3,166	3,166	3,166	3,166

The amount due from associates are non-trade in nature, unsecured and to be settled in cash.

7. OTHER PAYABLES

	Group		Company	
	31-Mar-24 US\$'000	31-Dec-23 US\$'000	31-Mar-24 US\$'000	31-Dec-23 US\$'000
Proposed Directors' fees	148	163	148	163
Sundry creditors	315	400	237	312
Advances for capital injection from non-controlling interest	1,753	1,783	-	-
	2,216	2,346	385	475

Other payables are unsecured, interest free and repayable on demand in cash.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

8. AMOUNT DUE TO HOLDING COMPANY

	Group		Company	
	31-Mar-24	31-Dec-23	31-Mar-24	31-Dec-23
	US\$'000	US\$'000	US\$'000	US\$'000
Loan (unsecured)	10,347	10,445	10,347	10,445
Interest payable	423	426	423	426
Others - payments made on behalf	1,465	1,368	1,465	1,368
Total	12,235	12,239	12,235	12,239

The loan from holding company is non-trade in nature and bears interest at Nil (2023: Nil) per annum. The amount is repayable on demand in cash.

The others – payment made on behalf is non-trade in nature, interest-free and repayable on demand in cash.

A reconciliation of liabilities arising from financing activities is as follows:

	2023		1Q2024	
	US\$'000	Cash flows US\$'000	Foreign exchange movement US\$'000	US\$'000
Loan and interest payable	10,871	-	(101)	10,770
Total	10,871	-	(101)	10,770
	2022		2023	
	US\$'000	Cash flows US\$'000	Foreign exchange movement US\$'000	US\$'000
Loan and interest payable	10,624	152	95	10,871
Total	10,624	152	95	10,871

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

9. REVENUE

Revenue is analysed as follows:

Group	First Quarter Ended	
	31-Mar-24 US\$'000	31-Mar-23 US\$'000
Primary geographical markets		
Malaysia	70	77
Greater China	275	424
Korea	124	23
Others	2	-
Sale of goods	471	524
Timing of transfer of goods or services		
At a point in time	471	524

10. LOSS BEFORE TAXATION

Loss before taxation is stated after charging:

Group	First Quarter Ended	
	31-Mar-24 US\$'000	31-Mar-23 US\$'000
Interest expense	(6)	(4)
Depreciation on right-of-use assets	(3)	-
Allowance for of stock obsolescence	(28)	(4)
Impairment loss on trade receivables	(7)	-
Impairment loss on other receivables	(3)	(10)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

11. TAXATION

Group	First Quarter Ended	
	31-Mar-24 US\$'000	31-Mar-23 US\$'000
Income tax payable in respect of results for the period:		
Current income tax		
(i) Singapore	(2)	(2)
(ii) Other countries	-	(2)
	<u>(2)</u>	<u>(4)</u>
Income tax expense recognised in profit or loss	<u>(2)</u>	<u>(4)</u>

12. NET ASSETS VALUE

	Group		Company	
	31-Mar-24 US\$	31-Dec-23 US\$	31-Mar-24 US\$	31-Dec-23 US\$
Net assets value per share (cents)	<u>(1.00)</u>	<u>(0.94)</u>	<u>(0.67)</u>	<u>(0.67)</u>
Based on number of shares (in '000s)	<u>347,945</u>	<u>347,945</u>	<u>347,945</u>	<u>347,945</u>

Net assets value per share is calculated based on the equity attributable to the owners of the Company divided by the number of issued shares (excluding treasury shares).

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

13. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share amounts are calculated by dividing the net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the net loss and share data used in the computation of basic and diluted loss per share for the financial period ended:

Group	31-Mar-24 S\$'000	31-Mar-23 S\$'000
Net loss attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	<u>(233)</u>	<u>(64)</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted loss per share computation (no. of shares, in '000s)	<u>347,945</u>	<u>347,945</u>

14. SHARE CAPITAL

Group and Company	31-Mar-24 No. of shares '000	31-Dec-23	31-Mar-24 US\$'000	31-Dec-23 US\$'000
Issued and fully paid ordinary shares				
Balance at beginning and at end	<u>347,945</u>	<u>347,945</u>	<u>59,970</u>	<u>59,970</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

15. SEGMENT INFORMATION

The Group has two (2023: two) main business segments that are organised and managed separately according to their respective business activities. The business segments are Electronics Distribution and Technology Investments and Others. The activities of these business segments are described as follows:

- (i) The Electronics Distribution segment is a distributor of electronic components and test consumables.
- (ii) The Technology Investments and Others segment acts as the investment arm of the Group and is involved in various investment projects such as the development of batteries solutions.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

15. SEGMENT INFORMATION (CONT'D)

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets, investments and intangible assets.

Group	First Quarter Ended							
	Electronics Distribution		Technology Investments and Others		Adjustments and Elimination		Consolidated Total	
	31-Mar-24 US\$'000	31-Mar-23 US\$'000	31-Mar-24 US\$'000	31-Mar-23 US\$'000	31-Mar-24 US\$'000	31-Mar-23 US\$'000	31-Mar-24 US\$'000	31-Mar-23 US\$'000
Revenue								
Sales to external customers	471	524	-	-	-	-	471	524
Segment results	75	68	(18)	206	-	-	57	274
Depreciation on right-of-use assets	(3)	-	-	-	-	-	(3)	-
Impairment loss on trade receivables	(7)	-	-	-	-	-	(7)	-
Impairment loss on other receivables	-	-	(3)	(10)	-	-	(3)	(10)
Interest expense	-	-	(6)	(4)	-	-	(6)	(4)
Share of results of an associate	-	-	(263)	(326)	-	-	(263)	(326)
Allowance for stock obsolescence	(28)	(4)	-	-	-	-	(28)	(4)
Loss before taxation	37	64	(290)	(134)	-	-	(253)	(70)
Taxation							(2)	(4)
Loss after taxation							(255)	(74)

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

16. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions are entered with related parties and the effects of these transactions on the basis determined between the parties are reflected in these financial statements.

Group	First Quarter Ended	
	31-Mar-24 US\$'000	31-Mar-23 US\$'000
<u>Holding company</u>		
Expenses recharged	-	8

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	31-Mar-24 US\$'000	31-Dec-23 US\$'000	31-Mar-24 US\$'000	31-Dec-23 US\$'000
Financial assets:				
Amounts due from subsidiaries	-	-	8	16
Trade receivables	403	286	-	-
Other receivables	18	37	17	23
Cash and bank balances	628	744	31	82
	1,049	1,067	56	121
Financial liabilities:				
Trade payables and accruals	2,060	2,125	117	117
Other payables *	463	563	385	475
Amount due to holding company	12,235	12,239	12,235	12,239
Amounts due to subsidiaries	-	-	822	805
	14,758	14,927	13,559	13,636

* excludes advances from capital injection from non-controlling interest

18. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

OTHER INFORMATION

1. REVIEW

The condensed consolidated balance sheet of Dragon Group International Limited and its subsidiaries as at 31 March 2024 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the first quarter ended and certain explanatory notes have not been audited or reviewed.

2. WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY MODIFICATIONS OR EMPHASIS OF MATTER)

Not applicable.

2A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OF OPINION: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

In the Group's latest audited financial statements for the financial year ended 31 December 2022 ("FY2022"), RT LLP, the Group's auditors, have issued a disclaimer of opinion in respect of the existence of a material uncertainty which may cast significant doubt about the Group's and Company's ability to continue as a going concern.

The financial statements were prepared on a going concern basis based on an undertaking letter from ASTI Holdings Limited (the "Holding Company") not to recall the amounts due to itself and provide continuing financial support to enable the Group and the Company to continue its operations for the next twelve months from the date of the financial statements signed on 20 October 2023.

The Company announced on 17 and 23 January 2024 detailing the resignation of all the Company's Directors, all except Mr. Soh Pock Kheng, who is the Company's Non-executive and Non-independent Director, and the appointment of Mr. Kho Cheow Wah, as the Executive Director. Please also refer to announcement made by the Holding Company on 24 January 2024, wherein detailed the formation of the new board of directors ("new ASTI Board").

As the Company is dependent on financial support from the Holding Company and the new ASTI Board will require time to deliberate on the funding support to the Company. Consequently, the Company needed more time to obtain the letter of financial support from the Holding Company. As at the date of announcement, the audit for FY2023 is currently still put on hold.

The Company has submitted an application to SGX on 8 February 2024 for an extension of time to hold the FY2023 AGM.

On 8 April 2024, the Company has announced that SGX has granted extensions of time to hold its FY2023 AGM by 31 July 2024.

3. CHANGES IN TREASURY SHARES

Not applicable.

4. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

5. REVIEW OF PERFORMANCE OF THE GROUP

Consolidated Income Statement – first quarter (“1Q2024”) performance

1Q2024

The revenue for the quarter decreased mainly due to lower customers' demands. The gross profit margin decreased from 18.5% to 15.1% due to changes in sales mix.

Selling & marketing costs increased due to additional headcount in 2Q2023.

General and administrative costs increased mainly due to reversal of accrued operating expenses in 1Q2023.

Consolidation Statement of Financial Position as at 31 March 2024

Assets

The decrease in investment in an associate was due to share of losses.

Inventories balance decreased due to change in purchasing strategy.

Trade receivables balance was higher due to higher revenue in this quarter.

Liabilities

Trade payables and accruals were lower mainly due to lower trade payables balance and accrued expenses.

Other payables decreased mainly due to lower sundry creditors.

The decrease in amount due to holding company were mainly due to foreign exchange volatility on the SGD loan amount and offset by proration of expenses during the period.

Consolidated Statement of Cash Flows Position as at 31 March 2024

The Group utilised US\$0.1 million for its operating activities.

As at 31 March 2024, cash and cash equivalents amounted to US\$0.6 million.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

6. **WHERE A FORECAST, OR PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.**

Not applicable.

7. **A COMMENTARY AT THE DATE OF THE ANNOUNCEMENT OF THE SIGNIFICANT TRENDS AND COMPETITIVE CONDITIONS OF THE INDUSTRY IN WHICH THE GROUP OPERATES AND ANY KNOWN FACTORS OR EVENTS THAT MAY AFFECT THE GROUP IN THE NEXT REPORTING PERIOD AND THE NEXT 12 MONTHS.**

The Company continues to work on the exit proposal and other available options and we will keep our shareholders updated at the appropriate time.

8. **DIVIDEND**

- (a) **Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

None

- (b) **Corresponding Period of the immediately preceding financial year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived**

Not applicable

- (d) **The date the dividend is payable**

Not applicable.

- (e) **The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not applicable.

- (f) **If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for 1Q2024 as the Group is in a loss-making position in this period.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

FOR THE FIRST QUARTER ENDED 31 MARCH 2024

9. IF THE GROUP HAS OBTAINED A GENERAL MANDATE FROM SHAREHOLDERS FOR IPTS, THE AGGREGATE VALUE OF SUCH TRANSACTIONS AS REQUIRED UNDER RULE 920(1)(A)(II). IF NO IPT MANDATE HAS BEEN OBTAINED, A STATEMENT TO THAT EFFECT.

No general mandate for IPTs has been obtained from shareholders.

10. CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1) OF THE LISTING MANUAL.

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).

11. NEGATIVE CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5).

To the best of our knowledge, nothing has come to the attention of the Board of Directors of Dragon Group International Limited which may render the unaudited financial results for the financial period ended 31 March 2024 to be false or misleading in any material aspect.

12. DISCLOSURES ON ACQUISITION AND REALISATION OF SHARES PURSUANT TO RULE 706A.

Disposal of indirect subsidiary

On 21 February 2024, the Company has announced that FE Global Shanghai Ltd, a wholly-owned subsidiary of Dragon Equipment & Materials Technology Limited, a wholly-owned subsidiary of the Company was being disposed.

Incorporation of a wholly-owned direct subsidiary

On 26 February 2024, the Company has announced that Shanghai Dengyi International Trade Co., Ltd, a wholly-owned subsidiary of the Company, was formed on 17 July 2023 with a paid-up capital of US\$1 for the purpose of import and export of goods and services, and sales and marketing representation.

By Order of the Board

Kho Cheow Wah
Executive Director
14 May 2024