



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

**RESPONSE TO QUERIES FROM SGX REGCO ON COMPANY'S ANNOUNCEMENT
DATED 13 AUGUST 2024**

The board of directors (the "Board") of Dragon Group International Limited (the "Company" and together with its subsidiaries, collectively the "Group") would like to provide the following information in response to the queries from the SGX RegCo in respect of the Company's announcement on 13 August 2024 in relation to the "APPOINTMENT OF PROVISIONAL LIQUIDATORS AND CREDITORS' VOLUNTARY LIQUIDATION" ("Liquidation Announcement").

SGX RegCo's Query:

In the Liquidation Announcement, it is stated that "the Board has assessed the current situation of the Company and has formed the opinion that the Company cannot by reason of its liabilities continue its business and that accordingly, the Company intends to proceed with a creditors' voluntary liquidation pursuant to Section 160(1)(b) of the Insolvency, Restructuring and Dissolution Act of 2018 (No. 40 of 2018) ("IRDA")."

Please disclose an update on the Company's exit offer proposal as required under Listing Rule 1309.

Company's response:

Listing Rule 1309 requires an issuer to make an exit offer to the issuer's shareholders, whereby such exit offer must be fair and reasonable, and must include a cash alternative as the default alternative. Further, Listing Rule 1306 states that the issuer or its controlling shareholder must, subject to Rule 1308, comply with the requirements of Rule 1309.

As set out in the Company's previous announcements by the previous board of directors on 12 April 2018, 1 November 2018, 5 July 2019, 8 August 2019, 12 September 2019 and 29 August 2023:

- (a) The Company received a Delisting Notification dated 11 April 2018 issued by SGX-ST pursuant to Rule 1315 of the Listing Manual.
- (b) Trading in the Company's securities were suspended on 10 May 2018, 5:00PM.

- (c) The controlling shareholder of the Company, ASTI Holdings Limited (“**ASTI**”), had been working on the cash exit offer proposal to be issued to the shareholders of the Company.
- (d) ASTI received a delisting notice on 6 June 2022, and as such, ASTI was unable to make any exit offer for the shareholders of the Company.
- (e) The Company had attempted to explore seeking funding from one potential offeror. No further update on the exit offer was provided by the previous board of directors right up to the date of the resignation of the 3 previous directors in January 2024.

The current Board comprising Kho Cheow Wah (Executive Director) and James Soh (Non-Independent Non-Executive Director) took control of the affairs of the Company in January 2024.

Please see below update on the Company’s exit offer proposal as required under Listing Rule 1309.

- (a) ASTI as the controlling shareholder of the Company did not want to continue funding the Company and did not make an exit offer for the Company.
- (b) The Company had approached various parties to consider an exit offer and as of to date, no offer was received by the current Board.
- (c) The Company does not have sufficient financial resources to make a fair and reasonable exit offer. Based on the last announced results as of 31 March 2024, the Company has significant liabilities to the tune of US\$13.6 million and does not have sufficient assets to pay its outstanding liabilities due to its creditors and continue operations. The Company is also in a net liability position as at 31 March 2024 of some US\$2.3 million.

In light of the above, the current Board evaluated the financial affairs of the Company and have determined that the Company cannot by reason of its liabilities continue its business and the Company has no other practical options except to undertake a creditors’ voluntary liquidation.

By Order of the Board
DRAGON GROUP INTERNATIONAL LIMITED

Mr. Kho Cheow Wah
Executive Director
19 August 2024