



Company No. 199306761C

# **Dragon Group International Limited and its Subsidiaries**

**Condensed Interim Financial Statements  
For the First Quarter Ended 31 March 2023**

# CONDENSED BALANCE SHEETS

AS AT 31 MARCH 2023

	Note	Group		Company	
		31-Mar-23	31-Dec-22	31-Mar-23	31-Dec-22
		US\$'000	US\$'000	US\$'000	US\$'000
		Unaudited	Unaudited	Unaudited	Unaudited
<b>ASSETS</b>					
<b>Non-current assets</b>					
Investments in subsidiaries	4	-	-	-	-
Investment in an equity-accounted investee	5	11,830	12,156	15,633	15,633
		<b>11,830</b>	<b>12,156</b>	<b>15,633</b>	<b>15,633</b>
<b>Current assets</b>					
Prepayments		16	8	14	4
Amounts due from subsidiaries		-	-	20	17
Inventories		132	97	-	-
Trade receivables		515	619	-	-
Other receivables		35	31	13	10
Cash and bank balances		1,178	995	103	107
		<b>1,876</b>	<b>1,750</b>	<b>150</b>	<b>138</b>
<b>TOTAL ASSETS</b>		<b>13,706</b>	<b>13,906</b>	<b>15,783</b>	<b>15,771</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables and accruals		2,231	2,379	181	487
Other payables	6	2,293	2,232	323	304
Amount due to holding company	7	11,253	11,172	11,253	11,172
Amounts due to subsidiaries		-	-	403	297
Restructuring provision		4	4	-	-
Provision for taxation		43	42	34	36
		<b>15,824</b>	<b>15,829</b>	<b>12,194</b>	<b>12,296</b>
<b>NET CURRENT LIABILITIES</b>		<b>(13,948)</b>	<b>(14,079)</b>	<b>(12,044)</b>	<b>(12,158)</b>
<b>TOTAL LIABILITIES</b>		<b>15,824</b>	<b>15,829</b>	<b>12,194</b>	<b>12,296</b>
<b>NET (LIABILITIES)/ASSETS</b>		<b>(2,118)</b>	<b>(1,923)</b>	<b>3,589</b>	<b>3,475</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	13	59,970	59,970	59,970	59,970
Capital reserve		2,525	2,525	-	-
Other reserve		18	18	-	-
Foreign currency translation reserve		62	163	-	-
Accumulated losses		(62,524)	(62,460)	(56,381)	(56,495)
		<b>51</b>	<b>216</b>	<b>3,589</b>	<b>3,475</b>
Non-controlling interests		(2,169)	(2,139)	-	-
<b>TOTAL (DEFICIT)/EQUITY</b>		<b>(2,118)</b>	<b>(1,923)</b>	<b>3,589</b>	<b>3,475</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,706</b>	<b>13,906</b>	<b>15,783</b>	<b>15,771</b>

**CONDENSED CONSOLIDATED INCOME STATEMENT**

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

	Note	Group		
		First Quarter Ended		
		31-Mar-23	31-Mar-22	Change
		US\$'000	US\$'000	%
Revenue	8	524	934	(44)
Cost of sales		(427)	(754)	(43)
<b>Gross profit</b>		<b>97</b>	180	(46)
<b>Other income</b>		<b>16</b>	15	7
Selling and marketing costs		(15)	(14)	7
General and administrative costs		124	(164)	NM
Foreign currency exchange gain		39	10	>100
Finance costs, net		(5)	(3)	67
Share of results of an equity-accounted investee		(326)	(365)	(11)
<b>Loss before taxation</b>	9	<b>(70)</b>	(341)	(79)
Income tax expense	10	(4)	(20)	(80)
<b>Loss for the period</b>		<b>(74)</b>	(361)	(80)
<b>Attributable to:</b>				
Owners of the Company		(64)	(380)	(83)
Non-controlling interests		(10)	19	NM
		<b>(74)</b>	(361)	(80)
<u>Loss per share attributable to owners of the Company</u>				
Basic/diluted (cents)	12	<b>(0.02)</b>	(0.11)	

NM : Not meaningful

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

	Group		
	First Quarter Ended		
	31-Mar-23	31-Mar-22	Change
	US\$'000	US\$'000	%
<b>Loss for the period</b>	(74)	(361)	(80)
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation	(121)	(62)	95
<b>Total comprehensive income for the period</b>	<b>(195)</b>	<b>(423)</b>	<b>(54)</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(165)	(423)	(61)
Non-controlling interests	(30)	-	NM
	<b>(195)</b>	<b>(423)</b>	<b>(54)</b>

NM - Not meaningful

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

	Attributable to owners of the Company						Non-controlling Interests US\$'000	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		
<b>2023</b>								
<b>Group</b>								
<b>At 1 January 2023</b>	59,970	2,525	18	163	(62,460)	216	(2,139)	(1,923)
Loss for the period	-	-	-	-	(64)	(64)	(10)	(74)
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	-	(101)	-	(101)	(20)	(121)
Other comprehensive income for the period, net of tax	-	-	-	(101)	-	(101)	(20)	(121)
Total comprehensive income for the period	-	-	-	(101)	(64)	(165)	(30)	(195)
<b>At 31 March 2023</b>	59,970	2,525	18	62	(62,524)	51	(2,169)	(2,118)
<b>2022</b>								
<b>At 1 January 2022</b>	59,970	2,525	18	(523)	(60,357)	1,633	(2,282)	(649)
(Loss)/profit for the period	-	-	-	-	(380)	(380)	19	(361)
<u>Other comprehensive income</u>								
Foreign currency translation	-	-	-	(43)	-	(43)	(19)	(62)
Other comprehensive income for the period, net of tax	-	-	-	(43)	-	(43)	(19)	(62)
Total comprehensive income for the period	-	-	-	(43)	(380)	(423)	-	(423)
<b>At 31 March 2022</b>	59,970	2,525	18	(566)	(60,737)	1,210	(2,282)	(1,072)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

	Share Capital US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
<b>2023</b>			
<b><u>Company</u></b>			
<b>At 1 January 2023</b>	59,970	(56,495)	3,475
Profit for the period	-	114	114
<b>At 31 March 2023</b>	<b>59,970</b>	<b>(56,381)</b>	<b>3,589</b>
<b>2022</b>			
<b><u>Company</u></b>			
<b>At 1 January 2022</b>	59,970	(55,950)	4,020
Loss for the period	-	(117)	(117)
<b>At 31 March 2022</b>	<b>59,970</b>	<b>(56,067)</b>	<b>3,903</b>

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

	Group	
	31-Mar-23 US\$'000	31-Mar-22 US\$'000
<b>Cashflow from operating activities</b>		
Loss before taxation	(70)	(341)
Adjustment for:-		
Impairment loss on other receivables	10	-
Impairment loss on trade receivables	-	7
Allowance for/(write-back of) stock obsolescence	4	(6)
Interest cost, net	4	2
Share of results of an equity-accounted investee	326	365
Effects of exchange rate changes	(16)	(69)
<b>Operating cash flow before changes in working capital</b>	<b>258</b>	<b>(42)</b>
<u>Changes in working capital</u>		
(Increase)/decrease in:		
Inventories	(40)	37
Prepayments	(8)	(11)
Receivables	67	(216)
Increase/(decrease) in:		
Payables	(116)	279
Amount due to holding company	25	11
<b>Cash generated from operations</b>	<b>186</b>	<b>58</b>
Tax paid	(3)	-
<b>Net cash generated from operating activities</b>	<b>183</b>	<b>58</b>
<b>Net increase in cash and cash equivalents</b>	<b>183</b>	<b>58</b>
Cash and cash equivalents at beginning of year	995	1,199
<b>Cash and cash equivalents at 31 March</b>	<b>1,178</b>	<b>1,257</b>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 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 of the Company is located at 1 Robinson Road, #18-00 AIA Tower, Singapore 048542.

The principal place of business is located at Block 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 subsidiary companies.

Details of the significant subsidiary companies and their principal activities are included in Note 4.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The condensed interim financial statements for the three months ended 31 March 2023 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.

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 2023

## 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\$74,000 (1Q 2022: net loss US\$361,000) and an operating cash inflow of US\$183,000 (1Q 2022: US\$58,000) for the financial period ended 31 March 2023 and as at that date, the Group's and the Company's current liabilities exceeded its current assets by US\$13,948,000 (2022: US\$14,079,000) and US\$12,044,000 (2022: US\$12,158,000) respectively. The Group's net liabilities position was US\$2,118,000 (2022: US\$1,923,000) and Company's net assets position was US\$3,589,000 (2022: US\$3,475,000) 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. These financial statements have been prepared on a going concern basis as the holding company has given an undertaking letter not to recall the amounts due to itself and provide continuing financial support to enable the Group to continue operations for the next twelve months from the date the financial statements.

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 balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. 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 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

- Amendments to SFRS(I) 3, SFRS(I) 1-16 and SFRS(I) 1-37
- IFRS 9 Financial Instruments

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 2023.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 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 2022.

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 equity-accounted investee**

During last financial year, the Group assessed for impairment in investment in associate, EoCell Ltd at by comparing the recoverable value against its carrying amount. Recoverable amount is the higher of the associate's fair value less costs of disposal and its value-in-use. When the fair value of such investment cannot be determined from active markets, valuation techniques including price of recent investment are used. The inputs to the valuation model 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 2023, the Group's and the Company's carrying value of the investment in EoCell Ltd was US\$11,830,000 (2022: US\$12,156,000) and US\$15,633,000 (2022: US\$15,633,000) respectively.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 4. INVESTMENTS IN SUBSIDIARIES

Company	31-Mar-23 US\$'000	31-Dec-22 US\$'000
Unquoted shares, at cost	2,282	2,282
Allowance for impairment	(2,282)	(2,282)
Carrying amount of investments	-	-
Movement in allowance account:		
At 1 January	2,282	2,282
Impairment for the period	-	-
Balance at end of the period	2,282	2,282

(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-23 %	31-Dec-22 %
<b><i>Held by the Company</i></b>			
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
<b><i>Held by subsidiary companies:</i></b>			
<b><i>Held by DTB Limited</i></b>			
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 2023

## 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-23 %	31-Dec-22 %
<b><i>Held by Dragon Equipment &amp; Materials Technology Limited (Hong Kong)</i></b>			
Spire Technologies Pte Ltd (Singapore)	Importing, exporting, retailing and trading in electronic components and test consumables (Singapore)	<b>100</b>	100
FE Global Shanghai Ltd (People's Republic of China)	Registered company in Shanghai free-trade-zone handling manpower services (People's Republic of China)	<b>100</b>	100
<b><i>Held by Spire Technologies Pte Ltd</i></b>			
Spire Technologies (Taiwan) Limited (Taiwan)	Importing, exporting, retailing and trading in electronic components and test consumables (Taiwan)	<b>60</b>	60

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 5. INVESTMENT IN AN EQUITY-ACCOUNTED INVESTEE

The Group's material investment in an equity-accounted investee is summarised below:

	Group		Company	
	31-Mar-23 US\$'000	31-Dec-22 US\$'000	31-Mar-23 US\$'000	31-Dec-22 US\$'000
EoCell Limited				
Beginning balance	12,156	13,217	15,633	15,633
Share of results of associate	(326)	(1,061)	-	-
Carrying amount at end of the period	11,830	12,156	15,633	15,633

Name of company (Country of incorporation)	Principal activities (Place of business)	Proportion of ownership interest	
		31-Mar-23 %	31-Dec-22 %
<b><i>Held by the Company</i></b>			
EoCell Limited (Hong Kong)	Development of battery and storage solutions (Hong Kong)	40	40
<b><i>Held by the EoCell Limited</i></b>			
EoCell Inc (United States of America)	Development of battery and storage solutions (United States of America)	100	100

## 6. OTHER PAYABLES

	Group		Company	
	31-Mar-23 US\$'000	31-Dec-22 US\$'000	31-Mar-23 US\$'000	31-Dec-22 US\$'000
Proposed Directors' fees	188	167	188	167
Sundry creditors	262	247	135	137
Advances for capital injection from non-controlling interest	1,843	1,818	-	-
	2,293	2,232	323	304

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

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 7. AMOUNT DUE TO HOLDING COMPANY

	Group		Company	
	31-Mar-23 US\$'000	31-Dec-22 US\$'000	31-Mar-23 US\$'000	31-Dec-22 US\$'000
Loan (unsecured)	10,256	10,201	10,256	10,201
Interest payable	424	423	424	423
Others - payments made on behalf	573	548	573	548
<b>Total</b>	<b>11,253</b>	<b>11,172</b>	<b>11,253</b>	<b>11,172</b>

The loan from holding company is non-trade in nature and bears interest at Nil (2022: Nil) per annum. The amount is repayable on demand in cash.

The others balance is non-trade in nature, interest-free and repayable on demand in cash.

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

	2022		1Q2023	
	Cash flows	Foreign exchange movement	Cash flows	Foreign exchange movement
Loan and interest payable	10,624	-	56	10,680
<b>Total</b>	<b>10,624</b>	<b>-</b>	<b>56</b>	<b>10,680</b>
	2021		2022	
	Cash flows	Foreign exchange movement	Cash flows	Foreign exchange movement
Loan and interest payable	10,596	-	28	10,624
<b>Total</b>	<b>10,596</b>	<b>-</b>	<b>28</b>	<b>10,624</b>

## 8. REVENUE

Revenue is analysed as follows:

Group	First Quarter Ended	
	31-Mar-23 US\$'000	31-Mar-22 US\$'000
<b>Primary geographical markets</b>		
Singapore	-	63
Malaysia	77	78
Greater China	424	758
Others	23	35
Sale of goods	<b>524</b>	934
<b>Timing of transfer of goods or services</b>		
At a point in time	<b>524</b>	934

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 9. LOSS BEFORE TAX

The following significant items have been included in arriving at loss before tax.

### Additional Information

Loss before taxation is stated after (charging)/crediting:

Group	First Quarter Ended	
	31-Mar-23 US\$'000	31-Mar-22 US\$'000
Interest expense	(4)	(2)
(Allowance for)/write-back of stock obsolescence	(4)	6
Impairment loss on trade receivables	-	(7)
Impairment loss on other receivables	(10)	-
	<u>(18)</u>	<u>(3)</u>

## 10. INCOME TAX EXPENSE

Group	First Quarter Ended	
	31-Mar-23 US\$'000	31-Mar-22 US\$'000
Income tax payable in respect of results for the period:		
Current income tax		
(i) Singapore	(2)	(2)
(ii) Other countries	(2)	(18)
Income tax expense recognised in profit or loss	<u>(4)</u>	<u>(20)</u>

## 11. NET ASSETS VALUE

	Group		Company	
	31-Mar-23 US\$	31-Dec-22 US\$	31-Mar-23 US\$	31-Dec-22 US\$
Net assets value per share (cents)	<u>0.01</u>	0.06	<u>1.03</u>	1.00
Based on number of shares (in '000s)	<u>347,945</u>	347,945	<u>347,945</u>	347,945

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 2023

## 12. 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:

<b>Group</b>	<b>31-Mar-23</b> <b>S\$'000</b>	<b>31-Mar-22</b> <b>S\$'000</b>
Net loss attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	<u>(64)</u>	<u>(380)</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>

## 13. SHARE CAPITAL

<b>Group and Company</b>	<b>31-Mar-23</b> <b>No. of shares '000</b>	<b>31-Dec-22</b> <b>No. of shares '000</b>	<b>31-Mar-23</b> <b>US\$'000</b>	<b>31-Dec-22</b> <b>US\$'000</b>
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.

## 14. SEGMENT INFORMATION

The Group has two (2022: 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 2023

## 14. 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-23 US\$'000	31-Mar-22 US\$'000	31-Mar-23 US\$'000	31-Mar-22 US\$'000	31-Mar-23 US\$'000	31-Mar-22 US\$'000	31-Mar-23 US\$'000	31-Mar-22 US\$'000
<b>Revenue</b>								
Sales to external customers	524	934	-	-	-	-	524	934
<b>Segment results</b>	68	114	206	(87)	-	-	274	27
Impairment loss on trade receivables	-	(7)	-	-	-	-	-	(7)
Impairment loss on other receivables	-	-	(10)	-	-	-	(10)	-
Interest expense	-	-	(4)	(2)	-	-	(4)	(2)
Share of results of an equity-accounted investee (Allowance for)/write-back of stock obsolescence	(4)	6	(326)	(365)	-	-	(326)	(365)
Loss before tax	64	113	(134)	(454)	-	-	(70)	(341)
Income tax expense							(4)	(20)
Loss after tax							(74)	(361)

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## 15. 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-23 US\$'000	31-Mar-22 US\$'000
<u>Holding company</u>		
Cost recovery	8	9

## 16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	31-Mar-23 US\$'000	31-Dec-22 US\$'000	31-Mar-23 US\$'000	31-Dec-22 US\$'000
<b>Financial assets:</b>				
Amounts due from subsidiaries	-	-	20	17
Trade receivables	515	619	-	-
Other receivables	35	31	13	10
Cash and bank balances	1,178	995	103	107
	<b>1,728</b>	1,645	<b>136</b>	134
<b>Financial liabilities:</b>				
Trade payables and accruals	2,231	2,379	181	487
Other payables *	450	414	323	304
Amount due to holding company	11,253	11,172	11,253	11,172
Amounts due to subsidiaries	-	-	403	297
	<b>13,934</b>	13,965	<b>12,160</b>	12,260

\* excludes advances from capital injection from non-controlling interest

## 17. 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 7C

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

## OTHER INFORMATION

### 1. REVIEW

The condensed consolidated balance sheet of Dragon Group International Limited and its subsidiaries as at 31 March 2023 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 OR 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.

Not applicable.

### 3. CHANGES IN TREASURY SHARES

Not applicable.

### 4. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable.

### 5. REVIEW OF PERFORMANCE OF THE GROUP

#### **Consolidated Income Statement – first quarter ended 31 March 2023 (“1Q2023”) performance**

##### **1Q2023**

The revenue for the quarter decreased due to lower demand from customers. The gross profit margin decreased from 19.3% to 18.5% due to changes in sales mix.

Selling & marketing costs remained constant for the quarter.

General and administrative costs reduced mainly due to reversal of accrued operating expenses.

#### **Consolidation Statement of Financial Position as at 31 March 2023**

##### **Assets**

The decrease in investment in an equity-accounted investee was due to share of losses.

Inventories balance increased in expectation of higher demand in coming quarter.

Trade receivables balance in 1Q2023 was lower due to improved receivables turnover.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

### 5. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

#### **Consolidation Statement of Financial Position as at 31 March 2023 (Cont'd)**

##### **Liabilities**

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

Other payables increased due to higher sundry creditors, provision of directors' fees and revaluation of advances due to foreign exchange translation.

The increase in "Amount due to holding company" was mainly due to foreign exchange translation pertaining to the Singapore Dollar loan amount and proration of expenses during the period.

#### **Consolidated Statement of Cash Flows Position as at 31 March 2023**

The Group generated US\$183,000 from its operating activities.

As at 31 March 2023, cash and cash equivalents amounted to US\$1.2 million.

### 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 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.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE FIRST QUARTER ENDED 31 MARCH 2023

**8. DIVIDEND (CONT'D)**

- (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 1Q2023 as the Group is in a loss-making position in this year.

**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 2023 to be false or misleading in any material aspect.

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

There were no acquisitions or realisations of shares in neither any of the Group's subsidiary associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the financial period ended 31 March 2023.

**By Order of the Board**

Chong Man Sui  
Acting Chairman  
15 May 2023