

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

ANNOUNCEMENT

RESPONSE TO SGX'S QUERIES REGARDING TRADING ACTIVITY

The Board of Directors of Dragon Group International Limited (the "Company") refers to the queries raised by the Singapore Exchange Securities Trading Limited ("SGX-ST") regarding trading activity on 13 October 2016. The Company appends the SGX-ST's queries and its responses as follows:

Question 1: Are you (the issuer) aware of any information not previously announced concerning you, your subsidiaries or associated companies which, if known, might explain the trading? Such information may include events that are potentially material and price sensitive, such as discussions and negotiations that may lead to joint ventures, mergers, acquisitions or purchase or sale of a significant asset. You may refer to paragraph 8 in Appendix 7.1 of the Mainboard Rules for further examples.

- If yes, the information shall be announced immediately.

Company's Response: The Company is not aware of any information not previously announced concerning the Company or its subsidiaries or associated companies that might explain the trading in shares of the Company. The Company will make an appropriate announcement if and when there are any material developments.

Question 2: Are you aware of any other possible explanation for the trading? Such information may include public circulation of information by rumours or reports.

Company's Response: The Company is not aware of any other possible explanation for the trading.

Question 3: Can you confirm your compliance with the listing rules and, in particular, Mainboard Rule 703?

Company's Response: The Company confirms that it is in compliance with the listing rules in the listing manual of the SGX-ST (the "**Listing Manual**") and, in particular, listing rule 703 of the Listing Manual regarding disclosure of material information.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee Executive Chairman and Group CEO 13 October 2016