



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

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**QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**

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**Introduction**

Dragon Group International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list under financial entry criteria pursuant to Rule 1311(1) of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 4 March 2015.

Dragon Group International Limited (the "**Company**", and together with its subsidiaries, the "**Group**") was placed on the watch-list under minimum trading price entry criteria pursuant to Rule 1311(2) of the Listing Manual of the SGX-ST on 3 March 2016.

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company (the "**Board**") wishes to provide an update on the financial situation of the Company and the Group in respect of the first half ended 30 June 2018 ("**1H2018**").

**Update on Unaudited Financial Performance and Financial Position**

The Group's revenue decreased for the period ended 30 June 2018 was mainly due lower demand from customers. The gross profit margin had decreased from 17.8% to 15.2% due to changes in sales mix.

Loss for the 1H2018 was comparable with 1H2017.

As at 30 June 2018, the Group had negative US\$3.9 million in shareholders' equity.

Cash and cash equivalents remained unchanged (comparing 30 June 2018 to 31 December 2017).

The Group utilised US\$0.9 million for its operating activities. US\$0.9 million was invested in research and development activities. The Group generated US\$1.8 million from financing activities.

Please refer to our result announcement for the financial period ended 30 June 2018 released on 14 August 2018 for full details.

**Update on Future Direction and Other Material Development**

Our discussions with Zhuhai Yinlong Energy Co., Ltd and Coeur Gold Armenia Ltd are ongoing.

We will keep our shareholders posted on any developments with respect to the abovementioned.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee  
Chairman & CEO  
14 August 2018