


General Announcement::QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL**Issuer & Securities**

Issuer/ Manager	DRAGON GROUP INTL LIMITED
Securities	DRAGON GROUP INTL LIMITED - SG2C50963991 - MT1
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	13-Nov-2015 17:32:02
Status	New
Announcement Sub Title	QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF THE LISTING MANUAL
Announcement Reference	SG1511130THRSQ7S
Submitted By (Co./ Ind. Name)	DATO' MICHAEL LOH SOON GNEE
Designation	EXECUTIVE CHAIRMAN & CEO
Description (Please provide a detailed description of the event in the box below)	Dragon Group International Limited was placed on the watch-list pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited on 4 March 2015. Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors of the Company wishes to provide an update on the financial situation of the Company and the Group for the third quarter ended 30 September 2015.
Attachments	<p> DGI Quarterly Update 3Q2015.pdf</p> <p>Total size =38K</p>





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

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

Introduction

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

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 for the 9 months ended 30 September 2015 ("9M2015").

Update on Unaudited Financial Performance and Financial Position

The Group recorded an increase in revenue of approximately 56% or US\$0.8 million compared to the previous year ("9M2014"), mainly due to increase in sales for the distribution business. The gross profit margin has decreased from 33% to 10% due to changes in sales mix.

Loss for the period increased by US\$1.9 million from US\$1.6 million in 9M2014 to US\$3.5 million in 9M2015 due to overall increase in operating expenses. This was mainly due to increase in professional fees, payroll related costs and research and development costs.

The Group's net assets has decreased US\$1.8 million from US\$25.5 million as at 31 December 2014 to US\$23.7 million as at 30 September 2015.

Cash and cash equivalents decreased US\$2.2 million from US\$13.9 million as at 31 December 2014 to US\$11.7 million as at 30 September 2015.

The Group used US\$3.1 million for its operating activities and US\$0.8 million for increase of property, plant and equipment. A net amount of US\$1.8 million was received from a share placement exercise.

Please refer to our result announcement for the financial period ended 30 September 2015 released on 13 November 2015 for full details.

Update on Future Direction and Other Material Development

On 23 October 2015, we completed the acquisition of the 19% interests in Heat Tech Japan Co., Ltd ("HTJ"). The Company still has an option to acquire 47.67% interests in HTJ and 20% interests in 3DOM Inc. at a future date. For more details, please refer to our announcement made on 23 October 2015.

On the progress of the development project along the Yangtze Riverbank, the Group is working closely with various Chinese authorities to finalise the proposed concepts and plans. We will keep our shareholders duly informed of our progress.

The Group will be spending more time and resources on projects that have materialised to ensure that they progress according to plan. At the same time, we remain open to consider viable business propositions from the market.

Save for the above and as previously announced, there are no other material developments that may have a significant impact on the financial position of the Group or on its future direction at the moment.

The Board will update shareholders on any material developments in due course and the Company will make further announcements as and when there are any subsequent developments.

The Company is aware of the deadline given by SGX-ST for its removal from the watch-list and has been actively looking for potential opportunities for the Group to strengthen the financial position of the Group. The Company would like to reassure shareholders of the Company that it has and will endeavour to seek an exit from the SGX-ST's watch-list according to Rule 1314 of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Dato' Michael Loh Soon Gnee
Chairman & CEO
13 November 2015