

## Financial Statements and Related Announcement::Third Quarter Results

## Issuer &amp; Securities

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

## Announcement Details

<b>Announcement Title</b>	Financial Statements and Related Announcement
<b>Date &amp; Time of Broadcast</b>	13-Nov-2015 17:31:47
<b>Status</b>	New
<b>Announcement Sub Title</b>	Third Quarter Results
<b>Announcement Reference</b>	SG1511130THRF2I3
<b>Submitted By (Co./ Ind. Name)</b>	DATO' MICHAEL LOH SOON GNEE
<b>Designation</b>	EXECUTIVE CHAIRMAN & CEO
<b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b>	The Board of Directors of Dragon Group International Limited releases its 3rd Quarter 2015 results announcement.

## Additional Details

<b>For Financial Period Ended</b>	30/09/2015
<b>Attachments</b>	<a href="#">DGI_3Q2015_Results_Announcement.pdf</a> Total size =140K





The Directors make the following announcement of the unaudited results for the financial period ended 30 September 2015.

1(a)(i) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Group			Group		
	Third Quarter Ended			Nine Months Ended		
	US\$'000		%	US\$'000		%
	30/09/15	30/09/14	Change	30/09/15	30/09/14	Change
Revenue	1,411	292	383%	2,098	1,345	56%
Cost of sales	(1,328)	(180)	638%	(1,895)	(906)	109%
<b>Gross profit</b>	<b>83</b>	<b>112</b>	<b>-26%</b>	<b>203</b>	<b>439</b>	<b>-54%</b>
Other operating income	23	37	-38%	59	96	-39%
Selling and marketing costs	(6)	(5)	20%	(17)	(17)	0%
General and administrative costs	(983)	(916)	7%	(2,827)	(2,367)	19%
Research and development costs	(474)	-	nm	(573)	-	nm
Foreign currency exchange (loss)/gain	(295)	39	nm	(290)	(83)	249%
Total operating expenses	(1,758)	(882)	99%	(3,707)	(2,467)	50%
<b>Operating loss</b>	<b>(1,652)</b>	<b>(733)</b>	<b>125%</b>	<b>(3,445)</b>	<b>(1,932)</b>	<b>78%</b>
Finance costs	(4)	(4)	0%	(12)	(9)	33%
Exceptional items	-	315	nm	-	315	nm
Share of results of associate	-	-	nm	(2)	-	nm
<b>Loss before taxation</b>	<b>(1,656)</b>	<b>(422)</b>	<b>292%</b>	<b>(3,459)</b>	<b>(1,626)</b>	<b>113%</b>
Taxation	(2)	-	nm	(14)	(2)	600%
<b>Loss after taxation</b>	<b>(1,658)</b>	<b>(422)</b>	<b>293%</b>	<b>(3,473)</b>	<b>(1,628)</b>	<b>113%</b>
<b>Attributable to:</b>						
Owners of the Company	(1,606)	(419)	283%	(3,356)	(1,553)	116%
Non-controlling interests	(52)	(3)	nm	(117)	(75)	56%
<b>Loss after taxation</b>	<b>(1,658)</b>	<b>(422)</b>	<b>293%</b>	<b>(3,473)</b>	<b>(1,628)</b>	<b>113%</b>

nm - Not meaningful



1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial period.

**Notes to Income Statement**

Depreciation and amortisation  
Impairment loss on club membership  
Write-back of/ (Provision for) stock obsolescence

**Exceptional items**

Gain on share swap for available-for-sale financial assets

Group			Group		
Third Quarter Ended			Nine Months Ended		
US\$'000		%	US\$'000		%
30/09/15	30/09/14	Change	30/09/15	30/09/14	Change
(38)	(39)	-3%	(116)	(119)	-3%
-	(33)	nm	-	(33)	nm
26	(2)	nm	-	(3)	nm
-	315	nm	-	315	nm

nm - Not meaningful

1(a)(iii) A statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial period.

**Net loss for the period**

**Other comprehensive income:-**

Foreign currency translation (loss)/gain  
Net (loss)/gain on fair value changes of available-for-sale financial assets

**Total comprehensive income for the period**

**Total comprehensive income attributable to :-**

Owners of the Company  
Non-controlling interests

Group			Group		
Third Quarter Ended			Nine Months Ended		
US\$'000		%	US\$'000		%
30/09/15	30/09/14	Change	30/09/15	30/09/14	Change
(1,658)	(422)	293%	(3,473)	(1,628)	113%
(112)	41	nm	(104)	(65)	60%
(2)	(37)	-95%	3	(44)	nm
(1,772)	(418)	324%	(3,574)	(1,737)	106%
(1,645)	(423)	289%	(3,391)	(1,591)	113%
(127)	5	nm	(183)	(146)	25%
(1,772)	(418)	324%	(3,574)	(1,737)	106%

nm - Not meaningful



1(b)(i) A statement of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial period.

	Group		Company	
	US\$'000		US\$'000	
	30/09/15	31/12/14	30/09/15	31/12/14
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	117	119	65	65
Property, plant and equipment	8,036	7,467	5	14
Investments in subsidiaries	-	-	711	711
Investments in associate	8	-	-	-
Available-for-sale financial assets	145	142	128	126
Amounts due from subsidiaries	-	-	5,504	5,504
	<b>8,306</b>	<b>7,728</b>	<b>6,413</b>	<b>6,420</b>
<b>Current assets</b>				
Stocks	414	425	-	-
Prepayments	114	140	36	61
Amount due from holding company	1,023	981	1,023	981
Amounts due from subsidiaries	-	-	4,659	1,802
Trade debtors	324	223	-	-
Other debtors	3,993	3,266	2,170	1,878
Tax recoverable	7	8	-	-
Cash and bank balances	11,712	13,915	10,124	13,113
	<b>17,587</b>	<b>18,958</b>	<b>18,012</b>	<b>17,835</b>
<b>TOTAL ASSETS</b>	<b>25,893</b>	<b>26,686</b>	<b>24,425</b>	<b>24,255</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade creditors and accruals	1,242	618	422	241
Other creditors	871	514	140	209
Amount due to holding company	10	12	10	12
Amounts due to subsidiaries	-	-	250	156
Provision for taxation	26	19	18	19
	<b>2,149</b>	<b>1,163</b>	<b>840</b>	<b>637</b>
<b>NET CURRENT ASSETS</b>	<b>15,438</b>	<b>17,795</b>	<b>17,172</b>	<b>17,198</b>
<b>TOTAL LIABILITIES</b>	<b>2,149</b>	<b>1,163</b>	<b>840</b>	<b>637</b>
<b>NET ASSETS</b>	<b>23,744</b>	<b>25,523</b>	<b>23,585</b>	<b>23,618</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	59,970	58,175	59,970	58,175
Capital reserve	2,525	2,525	-	-
Other reserve	18	18	-	-
Revaluation reserve	39	36	39	36
Foreign currency translation reserve	806	844	-	-
Accumulated losses	(42,490)	(39,134)	(36,424)	(34,593)
	<b>20,868</b>	<b>22,464</b>	<b>23,585</b>	<b>23,618</b>
Non-controlling interests	2,876	3,059	-	-
<b>TOTAL EQUITY</b>	<b>23,744</b>	<b>25,523</b>	<b>23,585</b>	<b>23,618</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>25,893</b>	<b>26,686</b>	<b>24,425</b>	<b>24,255</b>



1(b)(ii) **Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Amount repayable after one year

As at 30/09/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

The Group had no borrowings and debt securities as at 30 September 2015.

Details of any collateral

Not applicable



1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period.

<b>Group</b>	
US\$'000	
30/09/15	30/09/14
<b>Cashflow from operating activities</b>	
Operating loss before taxation	(3,459) (1,626)
Adjustment for:-	
Non cash items	71 (231)
<b>Operating cash flow before reinvestment in working capital</b>	<b>(3,388) (1,857)</b>
Movement in working capital	252 (1,303)
<b>Cash used in operations</b>	<b>(3,136) (3,160)</b>
Interest received	49 68
Tax paid	(6) (10)
<b>Net cash used in operating activities</b>	<b>(3,093) (3,102)</b>
<b>Cashflow from investing activities</b>	
Purchase of property, plant and equipment	(849) (105)
Cash proceeds from disposal of subsidiary	- 1,842
<b>Net cash (used in)/generated from investing activities</b>	<b>(849) 1,737</b>
<b>Cashflow from financing activities</b>	
Change in amount due to holding company	(44) -
Proceeds from share placement	1,818 -
Shares issuance expenses	(23) -
Investment in an associate	(12) -
<b>Net cash generated from financing activities</b>	<b>1,739 -</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,203) (1,365)</b>
Cash and cash equivalents at beginning of year	13,915 16,209
<b>Cash and cash equivalents at 30 September</b>	<b>11,712 14,844</b>



Results For The Financial Period Ended 30 September 2015  
Unaudited Financial Statements and Dividend Announcement

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

**Group**

**At 1 January 2015**

Loss for the period

Other comprehensive income

Foreign currency translation

Net gain on fair value changes of available-  
for-sale financial assets

Other comprehensive income for the period, net of tax

Total comprehensive income for the period

Contributions by and distributions to equity holders

Issuance of placement shares

Shares issuance expenses

Total contributions by and distributions to equity holders

**At 30 September 2015**

Attributable to owners of the Company							Equity attributable to owners of parent, Total US\$'000	Non-controlling Interests US\$'000	Equity Total US\$'000
Share Capital US\$'000	Capital Reserve US\$'000	Other Reserve US\$'000	Revaluation Reserve US\$'000	Foreign Currency Translation Reserve US\$'000	Accumulated Losses US\$'000				
58,175	2,525	18	36	844	(39,134)	22,464	3,059	25,523	
-	-	-	-	-	(3,356)	(3,356)	(117)	(3,473)	
-	-	-	-	(38)	-	(38)	(66)	(104)	
-	-	-	3	-	-	3	-	3	
-	-	-	3	(38)	-	(35)	(66)	(101)	
-	-	-	3	(38)	(3,356)	(3,391)	(183)	(3,574)	
1,818	-	-	-	-	-	1,818	-	1,818	
(23)	-	-	-	-	-	(23)	-	(23)	
1,795	-	-	-	-	-	1,795	-	1,795	
<b>59,970</b>	<b>2,525</b>	<b>18</b>	<b>39</b>	<b>806</b>	<b>(42,490)</b>	<b>20,868</b>	<b>2,876</b>	<b>23,744</b>	



Results For The Financial Period Ended 30 September 2015  
Unaudited Financial Statements and Dividend Announcement

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period - Cont'd

**Group**

**At 1 January 2014**

Loss for the period

Other comprehensive income

Gain /(loss) on foreign currency translation

Net loss on fair value changes of available-for-sale financial assets

Other comprehensive income for the period, net of tax

Total comprehensive income for the period

**At 30 September 2014**

Attributable to owners of the Company							Equity attributable to owners of parent, Total US\$'000	Non-controlling Interests US\$'000	Equity Total US\$'000
Share Capital US\$'000	Capital Reserve US\$'000	Other Reserve US\$'000	Revaluation Reserve US\$'000	Foreign Currency Translation Reserve US\$'000	Accumulated Losses US\$'000				
58,175	2,525	18	34	888	(36,750)	24,890	3,279	28,169	
-	-	-	-	-	(1,553)	(1,553)	(75)	(1,628)	
-	-	-	-	6	-	6	(71)	(65)	
-	-	-	(44)	-	-	(44)	-	(44)	
-	-	-	(44)	6	-	(38)	(71)	(109)	
-	-	-	(44)	6	(1,553)	(1,591)	(146)	(1,737)	
<b>58,175</b>	<b>2,525</b>	<b>18</b>	<b>(10)</b>	<b>894</b>	<b>(38,303)</b>	<b>23,299</b>	<b>3,133</b>	<b>26,432</b>	





1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period - Cont'd

**Company**

**At 1 January 2015**

Loss for the period

Other comprehensive income

Net gain on fair value changes of available-for-sale financial assets

Other comprehensive income for the period, net of tax

Total comprehensive income for the period

Contributions by and distributions to owners

Issuance of Placement Shares

Shares issuance expenses

Total contributions by and distributions to owners

**At 30 September 2015**

Share Capital US\$'000	Revaluation Reserve US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
58,175	36	(34,593)	23,618
-	-	(1,831)	(1,831)
-	3	-	3
-	3	-	3
-	3	(1,831)	(1,828)
1,818	-	-	1,818
(23)	-	-	(23)
1,795	-	-	(23)
<b>59,970</b>	<b>39</b>	<b>(36,424)</b>	<b>23,585</b>

**Company**

**At 1 January 2014**

Loss for the period

Other comprehensive income

Net loss on fair value changes of available-for-sale financial assets

Other comprehensive income for the period, net of tax

Total comprehensive income for the period

**At 30 September 2014**

Share Capital US\$'000	Revaluation Reserve US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
58,175	34	(32,430)	25,779
-	-	(1,468)	(1,468)
-	(44)	-	(44)
-	(44)	-	(44)
-	(44)	(1,468)	(1,512)
<b>58,175</b>	<b>(10)</b>	<b>(33,898)</b>	<b>24,267</b>



- 1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial period.

No ordinary shares were issued during the financial quarter.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediate preceding period.

	Group		Company	
	30/09/15	31/12/14	30/09/15	31/12/14
Total number of issued shares	347,944,511	320,166,733	347,944,511	320,166,733
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	347,944,511	320,166,733	347,944,511	320,166,733

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

These figures have not been audited nor reviewed by the auditors.

3. Where figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Other than the adoption of the amended Financial Reporting Standards (FRS) that are effective from the current financial year reported on, the accounting policies and methods of computation applied by the Group in the financial statements for the financial period ended 30 September 2015, are consistent with those of the audited financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the amended FRS is assessed to have no material impact to the financial position or financial performance of the Group.



6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial period, after deducting any provision for preference dividends.

	Group	
	30/09/15	30/09/14
	US\$	US\$
Loss per ordinary share for the period based on net loss attributable to owners after deducting any provision for preference dividends:-		
a) Based on weighted average number of ordinary shares in issue	(0.99) cents	(0.49) cents
Weighted average number of shares *	338,990,502	320,166,733
b) On a fully diluted basis	(0.99) cents	(0.49) cents
Adjusted weighted average number of shares *	338,990,502	320,166,733

\* Weighted average number of shares is inclusive of the 27,777,778 placement shares that had been allotted and issued to the placee on 30 March 2015.

7. Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-  
(a) current financial period reported on; and  
(b) immediately preceding financial period.

	Group		Company	
	30/09/15	31/12/14	30/09/15	31/12/14
	US\$	US\$	US\$	US\$
Net assets value per ordinary share based on issued share capital as at the end of the period reported on	6.00 cents	7.02 cents	6.78 cents	7.38 cents

Net assets value for the Group and the Company per ordinary share was calculated based on 347,944,511 and 320,166,733 ordinary shares as at 30 September 2015 and 31 December 2014 respectively.



8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

#### INCOME STATEMENT REVIEW

The increased in revenue and gross profit for period ended 30 September 2015 was mainly due to increase in sales for the distribution business.

Operating expenses increased mainly due to increase in professional fees incurred on new business evaluation and payroll related costs. Research and development costs were incurred by EoCell Limited, the new subsidiary that was set up as an investment vehicle to enter into the batteries and storage market.

#### FINANCIAL POSITION STATEMENT REVIEW

##### Assets

The increase in PPE was due to additional work done for the Treasure Boat construction, which were partially offset by the depreciation during the period and fluctuating asset values due to the volatility of the Chinese Yuan.

Investment in associate relates to the 49% acquisition of the issued share capital of APA Capital & Advisory Co., Ltd on 29 April 2015.

Trade debtors balance in 3Q2015 was higher due to the change in sales mix.

Other debtors comprised receivables from external parties which increased by US\$0.7 million during the period.

##### Liabilities

The increases in trade creditors, accruals and other creditors were in line with the increase in the Group's batteries research and development activities, as well as the higher professional fees incurred for new business evaluations and additional accrual for payroll related costs.

##### Equity

Share capital of the Company increased by US\$1.8 million as a result of the issuance of 27,777,778 new placement shares.

As at 30 September 2015, the Group has US\$15.4 million net current assets and US\$23.7 million shareholders' equity.

#### CASH FLOW STATEMENT REVIEW

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.

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.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

**10. 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.**

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.

**11. 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) Date Payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**12. If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared.

**13. 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.**

Name of Interested Person	Aggregate value of interested person transactions entered into during the financial year under review (excluding transactions below S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a))	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (1)(a) (excluding transactions below S\$100,000)
	US\$'000	US\$'000
ASTI Holdings Limited	182	-

**14. Use of proceeds arising from share placement**

The Company completed the share placement exercise on 30 March 2015 and raised S\$2,500,000 (the "Share Placement").

As at 30 September 2015, the cash proceeds of S\$2,500,000 had been utilised as follow:-

<b>Utilisation of Share Placement Proceeds</b>	<b>S\$'000</b>
General working capital	1,290
Unutilised balance of the Share Placement proceeds	1,210
<b>Total cash proceeds received from the Share Placement</b>	<b>2,500</b>

**15. Segmental revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable to quarterly announcement.

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segment.**

Please refer to note 8.

**17. A breakdown of sales.**

Please refer to note 16.

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(11) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Not applicable.

**20. 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 the Company which may render the financial statements for the first quarter ended 30 September 2015 to be false or misleading in any material aspect.

**21. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

We hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

**BY ORDER OF THE BOARD**

Dato' Michael Loh  
Chairman & CEO  
13 November 2015