

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

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

Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Designation	Executive Chairman & CEO
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Please see attached file.

Additional Details

For Financial Period Ended	31/03/2017
Attachments	DGI Announcement 1Q2017 announcement.pdf Total size =136K



The Directors make the following announcement of the unaudited results for the financial period 31 March 2017.

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		
	First Quarter Ended		
	US\$'000		%
	31/03/17	31/03/16	Change
Revenue	282	1,806	-84%
Cost of sales	(232)	(1,740)	-87%
Gross profit	50	66	-24%
Other operating income	17	21	-19%
Selling and marketing costs	(7)	(6)	17%
General and administrative costs	(410)	(403)	2%
Research and development costs	(337)	(334)	1%
Foreign currency exchange gain/(loss)	40	(11)	nm
Total operating expenses	(714)	(754)	-5%
Operating loss	(647)	(667)	-3%
Finance costs	(5)	(6)	-17%
Share of results of associate	(3)	(6)	-50%
Loss before taxation	(655)	(679)	-4%
Taxation	(10)	(2)	400%
Loss after taxation	(665)	(681)	-2%
Attributable to:			
Owners of the Company	(623)	(638)	-2%
Non-controlling interests	(42)	(43)	-2%
Loss after taxation	(665)	(681)	-2%

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
Allowance for stock obsolescence

Group		
First Quarter Ended		
US\$'000		%
31/03/17	31/03/16	Change
(57)	(25)	128%
(2)	(2)	0%

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
Net gain/(loss) 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		
First Quarter Ended		
US\$'000		%
31/03/17	31/03/16	Change
(665)	(681)	-2%
(9)	-	nm
4	(17)	nm
(670)	(698)	-4%
(632)	(655)	-4%
(38)	(43)	-12%
(670)	(698)	-4%

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	
	31/03/17	31/12/16	31/03/17	31/12/16
ASSETS				
Non-current assets				
Intangible assets	1,945	1,618	40	40
Property, plant and equipment	3,062	2,636	-	1
Investments in subsidiaries	-	-	40	40
Investment in associate	-	-	-	-
Available-for-sale financial assets	19	15	-	-
Prepayment	703	658	-	-
	5,729	4,927	80	81
Current assets				
Prepayments	51	48	9	7
Amounts due from subsidiaries	-	-	7,666	6,989
Stocks	58	43	-	-
Amount due from holding company	989	993	989	993
Trade debtors	226	448	-	-
Other debtors	273	277	50	60
Tax recoverable	6	6	-	-
Cash and bank balances	1,296	2,447	318	1,373
	2,899	4,262	9,032	9,422
TOTAL ASSETS	8,628	9,189	9,112	9,503
EQUITY AND LIABILITIES				
Current liabilities				
Trade creditors and accruals	751	748	108	121
Other creditors	2,022	1,938	262	192
Amount due to holding company	14	3	14	3
Amounts due to subsidiaries	-	-	122	121
Provision for taxation	45	37	7	10
	2,832	2,726	513	447
NET CURRENT ASSETS	67	1,536	8,519	8,975
Non-current liabilities				
Deferred tax liabilities	3	-	3	-
TOTAL LIABILITIES	2,835	2,726	516	447
NET ASSETS	5,793	6,463	8,596	9,056
Equity attributable to owners of the Company				
Share capital	59,970	59,970	59,970	59,970
Capital reserve	2,525	2,525	-	-
Other reserve	190	190	-	-
Revaluation reserve	3	(1)	-	-
Foreign currency translation reserve	1,108	1,121	-	-
Accumulated losses	(57,342)	(56,719)	(51,374)	(50,914)
	6,454	7,086	8,596	9,056
Non-controlling interests	(661)	(623)	-	-
TOTAL EQUITY	5,793	6,463	8,596	9,056
TOTAL EQUITY AND LIABILITIES	8,628	9,189	9,112	9,503



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

Amount repayable in one year or less, or on demand

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

Amount repayable after one year

As at 31/03/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
-	-	-	-

The Group had no borrowings and debt securities as at 31 March 2017.

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.

Cashflow from operating activities

Operating loss before taxation

Adjustment for:-

Non cash items

Operating cash flow before reinvestment in working capital

Movement in working capital

Cash used in operations

Interest received

Tax paid

Net cash used in operating activities

Cashflow from investing activities

Purchase of property, plant and equipment

Expenditure on development project

Expenditure on research and development project

Cash proceeds from disposal of club membership

Net cash used in investing activities

Cashflow from financing activities

Advance for capital injection from non-controlling interest

Net cash generated from financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of year

Cash and cash equivalents at 31 March

Group	
US\$'000	
31/03/17	31/03/16
(655)	(679)
(29)	33
(684)	(646)
310	(1,924)
(374)	(2,570)
13	14
-	(1)
(361)	(2,557)
(470)	(541)
(45)	(37)
(375)	(330)
100	-
(790)	(908)
-	309
-	309
(1,151)	(3,156)
2,447	10,426
1,296	7,270



Results For The Financial Period Ended 31 March 2017
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 2017

Loss for the period

Other comprehensive income

(Loss)/gain on 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

At 31 March 2017

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				
59,970	2,525	190	(1)	1,121	(56,719)	7,086	(623)	6,463	
-	-	-	-	-	(623)	(623)	(42)	(665)	
-	-	-	-	(13)	-	(13)	4	(9)	
-	-	-	4	-	-	4	-	4	
-	-	-	4	(13)	-	(9)	4	(5)	
-	-	-	4	(13)	(623)	(632)	(38)	(670)	
59,970	2,525	190	3	1,108	(57,342)	6,454	(661)	5,793	



Results For The Financial Period Ended 31 March 2017
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 2016

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 31 March 2016

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				
59,970	2,525	18	30	805	(49,981)	13,367	(484)	12,883	
-	-	-	-	-	(638)	(638)	(43)	(681)	
-	-	-	(17)	-	-	(17)	-	(17)	
-	-	-	(17)	-	-	(17)	-	(17)	
-	-	-	(17)	-	(638)	(655)	(43)	(698)	
59,970	2,525	18	13	805	(50,619)	12,712	(527)	12,185	



Results For The Financial Period Ended 31 March 2017
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

Company

At 1 January 2017

Loss for the period

At 31 March 2017

Share Capital US\$'000	Revaluation Reserve US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
59,970	-	(50,914)	9,056
-	-	(460)	(460)
59,970	-	(51,374)	8,596

Company

At 1 January 2016

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 31 March 2016

Share Capital US\$'000	Revaluation Reserve US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
59,970	30	(38,759)	21,241
-	-	(482)	(482)
-	(17)	-	(17)
-	(17)	-	(17)
-	(17)	(482)	(499)
59,970	13	(39,241)	20,742

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the number of issued shares excluding treasury shares and subsidiary holdings of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

No ordinary shares were issued during the financial quarter.

See below for details relating to the number of shares held as treasury shares.

There is no subsidiary holdings held against the total number of shares outstanding in a class that is listed.

- 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	
	31/03/17	31/12/16	31/03/17	31/12/16
Total number of issued shares	347,944,511	347,944,511	347,944,511	347,944,511
Less: Treasury shares	-	-	-	-
Total number of issued shares excluding treasury shares	347,944,511	347,944,511	347,944,511	347,944,511

- 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.

Please refer to note 1(d)(ii) above.

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

Not applicable. Please refer to note 1(d)(ii) above.

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 31 March 2017, are consistent with those of the audited financial statements for the financial year ended 31 December 2016.

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	
	31/03/17	31/03/16
	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	(0.18) cents	(0.18) cents
Weighted average number of shares	347,944,511	347,944,511
b) On a fully diluted basis	(0.18) cents	(0.18) cents
Adjusted weighted average number of shares	347,944,511	347,944,511

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.

Net assets value per ordinary share based on issued share capital as at the end of the period reported on

Group		Company	
31/03/17	31/12/16	31/03/17	31/12/16
US\$	US\$	US\$	US\$
1.85 cents	2.04 cents	2.47 cents	2.60 cents

Net assets value for the Group and the Company per ordinary share was calculated based on 347,944,511 ordinary shares as at 31 March 2017 and 31 December 2016 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
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current

INCOME STATEMENT REVIEW

1Q 2017

The decrease in revenue for the quarter was mainly due to decreased sales in the Group's distribution business.

The gross profit margin has increased from 3.7% to 17.7% due to changes in sales mix.

Other operating expenses remained comparable with 1Q2016.

FINANCIAL POSITION STATEMENT REVIEW

Assets

Increase in intangible assets was due to research and development expenditure incurred during the quarter.

Increase in property, plant & equipment were mainly due additional work done for Dragon Treasure Boat construction.

Prepayment in non-current assets relates to the cost incurred for the development project along the Yangtze Riverbank.

Trade debtor decreased mainly due to collection received during the quarter.

Liabilities

The increases in other creditors was due to increased in due to related parties.

Equity

As at 31 March 2017, the Group has US\$5.8 million shareholders' equity.

CASH FLOW STATEMENT REVIEW

The Group utilised US\$0.4 million for its operating activities, US\$0.5 million to purchase property, plant and equipment, US\$0.4 million was invested on research and development expenditures.

US\$0.1 million was received from disposal of club membership.

Cash and cash equivalents decreased US\$1.1 million from US\$2.4 million as at 31 December 2016 to US\$1.3 million as at 31 March 2017.



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.

EoCell's business and the Yangtze Riverbank project are progressing according to plan.

The Group continues its search for viable M&A projects.

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	-	-



14. Use of proceeds arising from share placement

Not applicable.

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 31 March 2017 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
15 May 2017