



Company No. 199306761C

# **Dragon International Limited and its Subsidiaries**

**Condensed Interim Financial Statements  
For the Nine Months Ended 30 September 2021**

**CONDENSED BALANCE SHEETS**

AS AT 30 SEPTEMBER 2021

	Note	Group		Company	
		30-Sep-21 US\$'000	31-Dec-20 US\$'000	30-Sep-21 US\$'000	31-Dec-20 US\$'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Intangible assets		34	34	34	34
Property, plant and equipment		2	3	-	-
Investments in subsidiaries	4	-	-	-	22
Investment in associate	5	13,831	15,491	16,320	16,320
		<b>13,867</b>	<b>15,528</b>	<b>16,354</b>	<b>16,376</b>
<b>Current assets</b>					
Prepayments		21	8	15	4
Amounts due from subsidiaries		-	-	28	133
Amounts due from associate		2,258	2,258	2,258	2,258
Inventories		79	85	-	-
Trade receivables		534	656	-	-
Other receivables		98	125	4	15
Cash and bank balances		1,002	1,204	57	98
		<b>3,992</b>	<b>4,336</b>	<b>2,362</b>	<b>2,508</b>
<b>TOTAL ASSETS</b>		<b>17,859</b>	<b>19,864</b>	<b>18,716</b>	<b>18,884</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables and accruals		2,542	2,834	630	703
Other payables	6	2,375	2,226	280	141
Amount due to holding company	7	10,301	9,822	10,301	9,822
Amounts due to subsidiaries		-	-	189	103
Restructuring provision		77	76	-	-
Provision for taxation		30	46	21	27
		<b>15,325</b>	<b>15,004</b>	<b>11,421</b>	<b>10,796</b>
<b>NET CURRENT LIABILITIES</b>		<b>(11,333)</b>	<b>(10,668)</b>	<b>(9,059)</b>	<b>(8,288)</b>
<b>TOTAL LIABILITIES</b>		<b>15,325</b>	<b>15,004</b>	<b>11,421</b>	<b>10,796</b>
<b>NET ASSETS</b>		<b>2,534</b>	<b>4,860</b>	<b>7,295</b>	<b>8,088</b>
<b>Equity attributable to owners of the Company</b>					
Share capital	13	59,970	59,970	59,970	59,970
Capital reserve		2,525	2,525	-	-
Other reserve		18	18	-	-
Foreign currency translation reserve		(401)	(324)	-	-
Accumulated losses		(57,299)	(55,056)	(52,675)	(51,882)
		<b>4,813</b>	<b>7,133</b>	<b>7,295</b>	<b>8,088</b>
Non-controlling interests		(2,279)	(2,273)	-	-
<b>TOTAL EQUITY</b>		<b>2,534</b>	<b>4,860</b>	<b>7,295</b>	<b>8,088</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>17,859</b>	<b>19,864</b>	<b>18,716</b>	<b>18,884</b>

# CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Note	Group Third Quarter Ended			Group Nine Months Ended		
		30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
		US\$'000	US\$'000	%	US\$'000	US\$'000	%
Revenue	9	482	558	-14%	1,660	1,536	8%
Cost of sales		(387)	(456)	-15%	(1,307)	(1,261)	4%
<b>Gross profit</b>		<b>95</b>	<b>102</b>	<b>-7%</b>	<b>353</b>	<b>275</b>	<b>28%</b>
<b>Other operating income</b>		<b>29</b>	13	123%	<b>47</b>	65	-28%
Selling and marketing costs		(14)	(8)	75%	(41)	(25)	64%
General and administrative costs		(337)	(333)	1%	(1,119)	(1,262)	-11%
Foreign currency exchange gain		41	229	-82%	211	219	-4%
Finance income/(costs), net		137	(43)	nm	11	(178)	nm
		(173)	(155)	12%	(938)	(1,246)	-25%
Share of result of associate		(579)	(524)	10%	(1,659)	(1,201)	38%
<b>Loss before tax</b>	10	<b>(628)</b>	<b>(564)</b>	<b>11%</b>	<b>(2,197)</b>	<b>(2,107)</b>	<b>4%</b>
Income tax expense	8	(12)	(12)	0%	(27)	(19)	42%
<b>Loss for the period</b>		<b>(640)</b>	<b>(576)</b>	<b>11%</b>	<b>(2,224)</b>	<b>(2,126)</b>	<b>5%</b>
<b>Attributable to:</b>							
Owners of the Company		(656)	(588)	12%	(2,243)	(2,133)	5%
Non-controlling interests		16	12	33%	19	7	171%
		(640)	(576)	11%	(2,224)	(2,126)	5%
<u>Loss per share attributable to owners of the Company</u>							
Basic/diluted (cents)					(0.64)	(0.61)	

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Group			Group		
	Third Quarter Ended			Nine Months Ended		
	30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
US\$'000	US\$'000	%	US\$'000	US\$'000	%	
<b>Loss for the period</b>	<b>(640)</b>	(576)	11%	<b>(2,224)</b>	(2,126)	5%
<b>Other comprehensive income:-</b>						
<u>Items that may be reclassified subsequently to profit or loss</u>						
Foreign currency translation	<b>19</b>	(333)	nm	<b>(102)</b>	(207)	-51%
<b>Total comprehensive income for the period</b>	<b>(621)</b>	(909)	-32%	<b>(2,326)</b>	(2,333)	0%
<b>Total comprehensive income attributable to :-</b>						
Owners of the Company	<b>(640)</b>	(853)	-25%	<b>(2,320)</b>	(2,303)	1%
Non-controlling interests	<b>19</b>	(56)	nm	<b>(6)</b>	(30)	-80%
	<b>(621)</b>	(909)	-32%	<b>(2,326)</b>	(2,333)	0%

nm - Not meaningful

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Attributable to owners of the Company							Non-controlling Interests US\$'000	Equity Total US\$'000
	Share Capital US\$'000	Capital Reserve US\$'000	Other Reserve US\$'000	Foreign Currency Translation Reserve US\$'000	Accumulated Losses US\$'000	Equity attributable to owners of parent, Total US\$'000			
<b>2021</b>									
<b><u>Group</u></b>									
<b>At 1 January 2021</b>	59,970	2,525	18	(324)	(55,056)	7,133	(2,273)	4,860	
Loss for the period	-	-	-	-	(2,243)	(2,243)	19	(2,224)	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	(77)	-	(77)	(25)	(102)	
Other comprehensive income for the period, net of tax	-	-	-	(77)	-	(77)	(25)	(102)	
Total comprehensive income for the period	-	-	-	(77)	(2,243)	(2,320)	(6)	(2,326)	
<b>At 30 September 2021</b>	59,970	2,525	18	(401)	(57,299)	4,813	(2,279)	2,534	
<b>2020</b>									
<b>At 1 January 2020</b>	59,970	2,525	18	161	(49,861)	12,813	(2,159)	10,654	
Loss for the period	-	-	-	-	(2,133)	(2,133)	7	(2,126)	
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	-	(170)	-	(170)	(37)	(207)	
Other comprehensive income for the period, net of tax	-	-	-	(170)	-	(170)	(37)	(207)	
Total comprehensive income for the period	-	-	-	(170)	(2,133)	(2,303)	(30)	(2,333)	
<b>At 30 September 2020</b>	59,970	2,525	18	(9)	(51,994)	10,510	(2,189)	8,321	

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

	Share Capital US\$'000	Accumulated Losses US\$'000	Equity Total US\$'000
<b>2021</b>			
<b><u>Company</u></b>			
<b>At 1 January 2021</b>	59,970	(51,882)	8,088
Loss for the period	-	(793)	(793)
<b>At 30 September 2021</b>	<b>59,970</b>	<b>(52,675)</b>	<b>7,295</b>
<b>2020</b>			
<b><u>Company</u></b>			
<b>At 1 January 2020</b>	59,970	(46,235)	13,735
Loss for the period	-	(1,240)	(1,240)
<b>At 30 September 2020</b>	<b>59,970</b>	<b>(47,475)</b>	<b>12,495</b>

# CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED 30 SEPTEMBER  
2021

	Group	
	Nine Months Ended	
	30-Sep-21 US\$'000	30-Sep-20 US\$'000
<b>Cashflow from operating activities</b>		
Loss before taxation	(2,197)	(2,107)
Adjustment for:-		
Allowance on other receivables	15	15
Write-back of allowance on trade receivables	(1)	-
Depreciation of property, plant and equipment	1	1
Allowance for/(write-back of) stock obsolescence	1	(3)
Interest (income)/cost, net	(15)	174
Share of results of associate	1,659	1,201
Effects of exchange rate changes	(322)	(255)
<b>Operating cash flow before changes in working capital</b>	<b>(859)</b>	<b>(974)</b>
<u>Changes in working capital</u>		
(Increase)/decrease in:		
Stocks	6	54
Prepayments	(13)	(14)
Debtors	365	209
Amount due from associate	-	(50)
Increase/(decrease) in:		
Creditors	(138)	46
Provisions	-	3
Amount due to holding company	12	(85)
<b>Cash used in operations</b>	<b>(627)</b>	<b>(811)</b>
Tax paid	(42)	(20)
<b>Net cash used in operating activities</b>	<b>(669)</b>	<b>(831)</b>
<b>Cashflow from investing activities</b>		
Purchase of property, plant and equipment	-	(1)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(1)</b>
<b>Cashflow from financing activities</b>		
Loan from holding company	467	821
<b>Net cash generated from financing activities</b>	<b>467</b>	<b>821</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(202)</b>	<b>(11)</b>
Cash and cash equivalents at beginning of period	1,204	1,193
<b>Cash and cash equivalents at 30 September</b>	<b>1,002</b>	<b>1,182</b>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 1. CORPORATION INFORMATION

Dragon Group International Limited (the “Company”) is a limited liability company which is domiciled and incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”). The immediate and ultimate holding company is ASTI Holdings Limited (“ASTI”), also incorporated in Singapore.

The Company was placed on the watch-list under financial entry criteria pursuant to Rule 1311(1) of the Listing Manual of the SGX-ST on 4 March 2015, and under minimum trading price criteria pursuant to Rule 1311(2) of the Listing Manual of SGX-ST on 3 March 2016. The deadline for the Company to meet the financial exit criteria set out in Rule 1314(1) of the Listing Manual (the “Financial Exit Criteria”) was 3rd March 2017 pursuant to Rule 1315 of the Listing Manual. On 14 August 2017, the Company announced that SGX-ST had granted the Company an extension of time until 3rd March 2018 to meet the Financial Exit Criteria (the “Extended Deadline”). As the Company was unable to satisfy the Financial Exit Criteria on or before the expiry of the Extended Deadline, a Delisting Notification was issued by SGX-ST to the Company on 11 April 2018. Trading in the Company’s securities was ceased on 5pm, 10 May 2018 and trading will remain suspended until the completion of the exit offer. Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with Listing Rule 1309 which requires the Company or its controlling shareholder(s) to provide a reasonable exit offer to shareholders. Work on the exit proposal is on-going.

The registered office of the Company is located at 1 Robinson Road, #18-00 AIA Tower, Singapore 048542.

The principal place of business is located at Block 33, Ubi Ave 3 #08-69 Vertex, Singapore 408868.

The principal activities of the Company are those of investment holding and acting as corporate manager and advisor in relation to the administration and organisation of the businesses of its subsidiary companies.

Details of the significant subsidiary companies and their principal activities are included in Note 4.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 *Basis of preparation*

The condensed interim financial statements for the nine months ended 30 September 2021 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.2.

The condensed interim financial statements are presented in United States Dollars (“USD” or “US\$”), which is the functional currency of the Company. All values in the tables are rounded to the nearest thousand (“US\$’000”) except when otherwise indicated.

#### Going concern uncertainty

The Group recorded net loss of US\$2,224,000 (9M2020: net loss US\$2,126,000) and an operating cash outflow of US\$669,000 (2020: US\$831,000) for the financial period ended 30 September 2021 and as at that date, the Group’s and the Company’s current liabilities exceeded its current assets by US\$11,333,000 (2020: US\$10,668,000) and US\$9,059,000 (2020: US\$8,288,000) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group’s ability to continue as a going concern. These financial statements have been prepared on a going concern basis as the holding company has given an undertaking letter not to recall the amounts due to itself and provide continuing financial support to enable the Group and the Company to continue operations for the next twelve months from the date the financial statements.



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 2.1 *Basis of preparation (cont'd)*

#### Going concern uncertainty (cont'd)

If the Group is unable to continue in operational existence for the foreseeable future, the Group may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

### 2.2 *Adoption of new and amended standards and interpretations*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

- Amendments to SFRS(I)16 COVID-19 Related Rent Concessions
- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **Impairment of investment in associate**

During last financial year, the Group assessed for impairment in investment in associate, EoCell Ltd at by comparing the recoverable value against its carrying amount. Recoverable amount is the higher of the associate's fair value less costs of disposal and its value-in-use. When the fair value of such investment cannot be determined from active markets, valuation techniques including price of recent investment are used. The inputs to the valuation model are derived from market observable data where possible, but where this is not feasible, a degree of judgement is required to establish fair value. As at 31 December 2020, the Group and the Company performed an impairment assessment based on latest information and recognised an impairment loss of US\$ 3,680,000 on the Company's investment in associate.

As at 30 September 2021, the Group's and the Company's carrying value of the investment in EoCell Ltd was US\$13,831,000 (2020: US\$15,491,000) and US\$16,320,000 (2020: US\$16,320,000) respectively.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 4. SUBSIDIARIES

Company	30-Sep-21 US\$'000	31-Dec-20 US\$'000
Unquoted shares, at cost	2,282	2,282
Allowance for impairment	(2,282)	(2,260)
Carrying amount of investments	-	22
Movement in allowance account:		
At 1 January	2,260	2,256
Impairment for the period	22	4
Balance at end of the period	2,282	2,260

(a) The Group has the following significant investments in subsidiaries:

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity held by the Group	
		30-Sep-21 %	31-Dec-20 %
<b><i>Held by the Company</i></b>			
** DTB Limited (Hong Kong)	Investment holding (Hong Kong)	100	100
** Dragon Equipment & Materials Technology Ltd (Hong Kong)	Sale, distribution and acting as commission agent in equipment, materials and electronic components (Hong Kong)	100	100
<b><i>Held by subsidiary companies:</i></b>			
<b><i>Held by DTB Limited</i></b>			
** Nanjing DTB Development Co., Ltd (People's Republic of China)	Construction of antique wooden sea boat, communication of culture, exhibition and conference, etc. (People's Republic of China)	60	60
** Dragon Ventures Limited (Hong Kong)	Investment holding (Hong Kong)	100	100
<b><i>Held by Dragon Ventures Limited</i></b>			
# Dragon Tourism Management Company Limited (People's Republic of China)	Develop and manage a mixed-used property (People's Republic of China)	100	100

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 4. SUBSIDIARIES (CONT'D)

(a) The Group has the following significant investments in subsidiaries (Cont'd):

Name of company (Country of incorporation)	Principal activities (Place of business)	Percentage of equity Held by the Group	
		30-Sep-21 %	31-Dec-20 %
<b><i>Held by Dragon Equipment &amp; Materials Technology Ltd (Hong Kong)</i></b>			
* Spire Technologies Pte Ltd (Singapore)	Importing, exporting, retailing and trading in electronic components and test consumables (Singapore)	100	100
** FE Global Shanghai Ltd	Registered company in Shanghai free-trade-zone handling manpower services (People's Republic of China)	100	100
<b><i>Held by Spire Technologies Pte Ltd</i></b>			
** Spire Technologies (Taiwan) Ltd (Taiwan)	Importing, exporting, retailing and trading in electronic components and test consumables (Taiwan)	60	60

\* Audited by Ernst & Young LLP, Singapore

# Not required to be audited in country of incorporation

\*\* Audited by the following Certified Public Accounting firms:

<u>Company</u>	<u>Certified Public Accounting firm</u>
Spire Technologies (Taiwan) Ltd	YuanTeng CPAs & Consulting Inc
Dragon Equipment & Materials Technology Ltd	Y.K Leung & Co., Hong Kong
DTB Limited	Y.K Leung & Co., Hong Kong
Dragon Ventures Limited	Y.K Leung & Co., Hong Kong
Nanjing DTB Development Co., Ltd	Jiangsu LiAnDaXingYe Certified Public Accountants Co., Ltd
FE Global Shanghai Ltd Partnership	Shanghai Gaoren Certified Public Accountants

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 5. ASSOCIATES

The Group's material investment in associate is summarised below:

	Group		Company	
	30-Sep-21 US\$'000	31-Dec-20 US\$'000	30-Sep-21 US\$'000	31-Dec-20 US\$'000
EoCell Limited				
Beginning balance	15,491	19,223	20,000	20,000
Share of results of associate	(1,659)	(3,733)	-	-
Impairment loss	-	-	(3,680)	(3,680)
Others	(1)	1	-	-
Carrying amount at end of the period	13,831	15,491	16,320	16,320

Name of company (Country of incorporation)	Principal activities (Place of business)	Effective equity interest held by the Group	
		30-Sep-21 %	31-Dec-20 %
<b>Held by the Company</b>			
** EoCell Limited (Hong Kong)	Development of battery and storage solutions (Hong Kong)	40	40
<b>Held by the EoCell Limited</b>			
** EoCell Inc (United States of America)	Development of battery and storage solutions (United States of America)	40	40

\*\* Audited by the following Certified Public Accounting firms:

Company  
EoCell Limited  
EoCell Inc

Certified Public Accounting firm  
Y.K Leung & Co., Hong Kong  
Armanino LLP

## 6. OTHER PAYABLES

	Group		Company	
	30-Sep-21 US\$'000	31-Dec-20 US\$'000	30-Sep-21 US\$'000	31-Dec-20 US\$'000
Proposed Directors' fees	87	112	87	112
Sundry creditors	329	175	193	29
Advances for capital injection from non-controlling Interest	1,959	1,939	-	-
	2,375	2,226	280	141

Other payables are unsecured, interest free and repayable on demand in cash.

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 7. AMOUNT DUE TO HOLDING COMPANY

	Group		Company	
	30-Sep-21 US\$'000	31-Dec-20 US\$'000	30-Sep-21 US\$'000	31-Dec-20 US\$'000
Loan (unsecured)	9,162	8,695	9,162	8,695
Interest payable	425	425	425	425
Others - payments made on behalf	714	702	714	702
<b>Total</b>	<b>10,301</b>	<b>9,822</b>	<b>10,301</b>	<b>9,822</b>

The loan from holding company is non-trade in nature and bears interest at 3.0% (2020: 2.3% to 3.7%) per annum. The amount is repayable on demand in cash.

The others balance is non-trade in nature, interest-free and repayable on demand in cash.

A reconciliation of liabilities arising from financing activities is as follows:

	31-Dec-20		30-Sep-21	
	Cash flows	Accretion of interest	Cash flows	Accretion of interest
Loan and interest payable	9,120	467	-	9,587
<b>Total</b>	<b>9,120</b>	<b>467</b>	<b>-</b>	<b>9,587</b>

  

	2019		2020	
	Cash flows	Accretion of interest	Cash flows	Accretion of interest
Loan and interest payable	7,626	1,252	242	9,120
<b>Total</b>	<b>7,626</b>	<b>1,252</b>	<b>242</b>	<b>9,120</b>

## 8. INCOME TAX EXPENSE

Group	Third Quarter Ended		Nine Months Ended	
	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000
Income tax payable in respect of results for the period:				
Current income tax				
(i) Singapore	(3)	-	(4)	(1)
(ii) Other countries	(9)	(12)	(23)	(18)
	<b>(12)</b>	<b>(12)</b>	<b>(27)</b>	<b>(19)</b>
Income tax expense recognised in profit or loss	<b>(12)</b>	<b>(12)</b>	<b>(27)</b>	<b>(19)</b>

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 9. REVENUE

Revenue is analysed as follows:

Group	Third Quarter Ended		Nine Months Ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Primary geographical markets</b>				
Singapore	63	38	117	81
Greater China	364	492	1,383	1,340
Others	55	28	160	115
Sale of goods	<b>482</b>	<b>558</b>	<b>1,660</b>	<b>1,536</b>
<b>Timing of transfer of goods or services</b>				
At a point in time	<b>482</b>	<b>558</b>	<b>1,660</b>	<b>1,536</b>

## 10. LOSS BEFORE TAX

The following significant items have been included in arriving at loss before tax.

Group	Third Quarter Ended		Nine Months Ended	
	30-Sep-21	30-Sep-20	30-Sep-21	30-Sep-20
	US\$'000	US\$'000	US\$'000	US\$'000
Interest income	5	5	15	15
Waiver of interest/(interest expense)	134	(46)	-	(189)
Depreciation of property, plant and equipment	-	(1)	(1)	(1)
(Allowance for)/write-back of stock obsolescence	(1)	-	(1)	3
Write-back of allowance on trade receivables	35	11	1	-
Allowance on other receivables	(5)	(5)	(15)	(15)

## 11. NET ASSETS VALUE

	Group		Company	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
	US\$	US\$	US\$	US\$
Net assets value per share (cents)	<b>1.32</b>	<b>2.05</b>	<b>2.04</b>	<b>2.32</b>

Net assets value per share is calculated based on the equity attributable to the owners of the Company divided by the number of issued shares (excluding treasury shares).

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 12. LOSS PER SHARE

Basic loss per share amounts are calculated by dividing the net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted loss per share amounts are calculated by dividing the net loss for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the net loss and share data used in the computation of basic and diluted loss per share for the end of the period:

<b>Group</b>	<b>30-Sep-21</b> <b>S\$'000</b>	<b>30-Sep-20</b> <b>S\$'000</b>
Net loss attributable to owners of the Company used in the computation of basic and diluted earnings per ordinary share	<u>(2,447)</u>	<u>(2,133)</u>
Weighted average number of ordinary shares in issue applicable to basic and diluted loss per share computation (no. of shares, in '000s)	<u>347,945</u>	<u>347,945</u>

## 13. SHARE CAPITAL

<b>Group and Company</b>	<b>30-Sep-21</b> <b>No. of shares '000</b>	<b>31-Dec-20</b>	<b>30-Sep-21</b> <b>US\$'000</b>	<b>31-Dec-20</b> <b>US\$'000</b>
Issued and fully paid ordinary shares				
Balance at beginning and at end	<u>347,945</u>	<u>347,945</u>	<u>59,970</u>	<u>59,970</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## 14. SEGMENT INFORMATION

The Group has two (2020: two) main business segments that are organised and managed separately according to their respective business activities. The business segments are Electronics Distribution and Technology Investments and Others. The activities of these business segments are described as follows:

- (i) The Electronics Distribution segment is a distributor of electronic components and test consumables.
- (ii) The Technology Investments and Others segment acts as the investment arm of the Group and is involved in various investment projects such as the development of batteries solutions.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

### 14. SEGMENT INFORMATION (CONT'D)

Inter-segment sales and transfers are carried out on an arm's length basis. Segment assets consist primarily of property, plant and equipment, current assets, investments and intangible assets.

Group	Nine Months Ended							
	Electronics Distribution		Technology Investments and Others		Adjustments and Elimination		Consolidated Total	
	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000
<b>Revenue</b>								
Sales to external customers	1,660	1,536	-	-	-	-	1,660	1,536
<b>Segment results</b>	(41)	48	(496)	(767)	-	-	(537)	(719)
Depreciation of property, plant and equipment	(1)	-	-	(1)	-	-	(1)	(1)
Write-back of allowance on trade receivables	1	-	-	-	-	-	1	-
Allowance on other receivables	-	-	(15)	(15)	-	-	(15)	(15)
Interest expense	-	-	-	(189)	-	-	-	(189)
Interest income	-	-	15	15	-	-	15	15
Share of results of associate	-	-	(1,659)	(1,201)	-	-	(1,659)	(1,201)
(Allowance)/write-back of obsolete stocks	(1)	3	-	-	-	-	(1)	3
Loss before tax	(42)	51	(2,155)	(2,158)	-	-	(2,197)	(2,107)
Taxation							(27)	(19)
Loss after tax							(2,224)	(2,126)



# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 14. SEGMENT INFORMATION (CONT'D)

Group	Third Quarter Ended							
	Electronics Distribution		Technology Investments and Others		Adjustments and Elimination		Consolidated Total	
	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000
<b>Revenue</b>								
Sales to external customers	482	558	-	-	-	-	482	558
<b>Segment results</b>	(62)	167	(155)	(171)	-	-	(217)	(4)
Depreciation of property, plant and equipment	-	-	-	(1)	-	-	-	(1)
Write-back of allowance on trade receivables	35	11	-	-	-	-	35	11
Allowance on other receivables	-	-	(5)	(5)	-	-	(5)	(5)
Waiver of interest/(interest expense)	-	-	134	(46)	-	-	134	(46)
Interest income	-	-	5	5	-	-	5	5
Share of results of associate	-	-	(579)	(524)	-	-	(579)	(524)
Allowance for obsolete stocks	(1)	-	-	-	-	-	(1)	-
Loss before tax	(28)	178	(600)	(742)	-	-	(628)	(564)
Taxation							(12)	(12)
Loss after tax							(640)	(576)

# NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

## 15. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant transactions are entered with related parties and the effects of these transactions on the basis determined between the parties are reflected in these financial statements.

Group	Third Quarter Ended		Nine Months Ended	
	30-Sep-21 US\$'000	30-Sep-20 US\$'000	30-Sep-21 US\$'000	30-Sep-20 US\$'000
<u>Holding company</u>				
Management fee expense	(28)	(27)	(84)	(81)
Waiver of interest/(interest expense)	134	(46)	-	(189)

## 16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	Group		Company	
	30-Sep-21 US\$'000	31-Dec-20 US\$'000	30-Sep-21 US\$'000	31-Dec-20 US\$'000
<b>Financial assets:</b>				
Amounts due from subsidiaries	-	-	28	133
Amounts due from associate	2,258	2,258	2,258	2,258
Trade receivables	534	656	-	-
Other receivables	98	125	4	15
Cash and bank balances	1,002	1,204	57	98
	<b>3,892</b>	<b>4,243</b>	<b>2,347</b>	<b>2,504</b>
<b>Financial liabilities:</b>				
Trade payables and accruals	2,542	2,834	630	703
Other payables *	416	287	280	141
Amount due to holding company	10,301	9,822	10,301	9,822
Amounts due to subsidiaries	-	-	189	103
	<b>13,259</b>	<b>12,943</b>	<b>11,400</b>	<b>10,769</b>

\* excludes advances from capital injection from non-controlling interest

## 17. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

### OTHER INFORMATION

#### 1. REVIEW

The condensed consolidated balance sheet of Dragon Group International Limited and its subsidiaries as at 30 September 2021 and the related condensed consolidated income statement and statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six month period then ended and certain explanatory notes have not been audited or reviewed.

#### 2. WHERE THE FIGURES HAVE BEEN AUDITED OR REVIEWED, THE AUDITORS' REPORT (INCLUDING ANY MODIFICATIONS OR EMPHASIS OF MATTER)

Not applicable.

#### 2A. WHERE THE LATEST FINANCIAL STATEMENTS ARE SUBJECT TO AN ADVERSE OPINION, QUALIFIED OPINION OR DISCLAIMER OR OPINION: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable. The Group's latest audited financial statements for the financial year ended 31 December 2020 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

#### 3. CHANGES IN TREASURY SHARES

Not applicable.

#### 4. CHANGES IN SUBSIDIARY HOLDINGS

Not applicable.

#### 5. REVIEW OF PERFORMANCE OF THE GROUP

##### Consolidated Income Statement – nine months ended 30 September 2021 ("9M2021") performance

##### 3Q2021

Q32021 revenue was lower compared with Q32020, mainly due to lower demand in the quarter. The gross profit margin increased from 18.3% to 19.7% due to changes in sales mix.

Other operating income increased for the quarter due to a non-recurring item.

Selling & marketing ("S&M") costs increased for the quarter due to additional headcount compared to 3Q2020.

General and administrative ("G&A") costs remained comparable.

Finance costs decreased for the quarter due to holding company waiving off the interest on loan for FY2021.

##### 9M2021

Revenue of US\$1.7 million in 9M2021 was higher than last year, mainly due to higher customers' demands. The gross profit margin increased from 17.9% to 21.3% due to changes in the sales mix.

Other operating income decreased for the period due to lesser government incentives and grant income received.

Selling & marketing ("S&M") costs increased by US\$16,000 or 64% from US\$25,000 in 3Q2020 to US\$41,000 in 3Q2021 mainly due to additional headcount and activities.

## OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

### 5. REVIEW OF PERFORMANCE OF THE GROUP (CONT'D)

#### **9M2021 (Cont'd)**

General and administrative ("G&A") costs decreased by US\$144,000 or 11% from US\$1,262,000 in 9M2020 to US\$1,118,000 in 9M2021 mainly due to lower staff costs.

Finance costs decreased for the period due to holding company waiving off the interest on loan for FY2021.

#### **Consolidation Statement of Financial Position as at 30 September 2021**

##### **Assets**

The decrease in investment in associate was due to share of losses of associate.

Stock balance decreased due to change in purchasing strategy.

Trade receivables balance in 9M2021 was lower due to improved receivables turnover.

##### **Liabilities**

Trade creditors and accruals were lower mainly due settlement of trade creditors and reduction of cost accruals.

The increase in amounts due to holding company was in relation to the additional borrowings and proration of expenses during the period.

#### **Consolidated Statement of Cash Flows Position as at 30 September 2021**

The Group utilised US\$0.7 million for its operating activities. The Group generated US\$0.5 million from financing activities.

As at 30 September 2021 cash and cash equivalents amounted to US\$1.0 million.

### 6. WHERE A FORECAST, OR PROSPECT STATEMENT, HAS BEEN PREVIOUSLY DISCLOSED TO SHAREHOLDERS, ANY VARIANCE BETWEEN IT AND THE ACTUAL RESULTS.

Not applicable.

### 7. 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.

Work on the exit proposal is on-going and we will keep our shareholders updated at the appropriate time.

**OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

**8. 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) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived**

Not applicable

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined**

Not applicable.

**(f) If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision**

No dividend has been declared or recommended for 9M2021 as the Group is in a loss-making position in this period.

**9. 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.**

No general mandate for IPTs has been obtained from shareholders.

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)
ASTI Holdings Limited	Management fees amounting to US\$84,000	-

## **OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7C**

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

**10. CONFIRMATION OF UNDERTAKINGS FROM DIRECTORS AND EXECUTIVE OFFICERS PURSUANT TO RULE 720(1) OF THE LISTING MANUAL.**

The Company hereby confirms that it has procured undertaking from all directors and executive officers under Rule 720(1).

**11. 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 Dragon Group International Limited which may render the unaudited financial results for the financial period ended 30 September 2021 to be false or misleading in any material aspect.

**12. DISCLOSURES ON ACQUISITION AND REALISATION OF SHARES PURSUANT TO RULE 706A.**

There were no acquisitions or realisations of shares in neither any of the Group's subsidiary associated company nor incorporation of any new subsidiary or associated company by the Company or any of the Group's entities during the 9M2021.

**By Order of the Board**

Chong Man Sui  
Acting Chairman  
14 November 2021