

SUPPLEMENTAL DISCLOSURE STATEMENT
NON-SHELL STATUS
DRAGON CAPITAL GROUP CORP.

March 22, 2023

Filer: DRAGON CAPITAL GROUP CORP. (Symbol: DRGV; the “Company” or “DRGV”)

Re: Request for removal of ‘Shell’ designation; the Company’s operating status

Staff of OTC Markets:

The Company was previously a shell company, and, as of March 1, 2023, has changed its status to a non-shell company. Hence, we hereby request the removal of the “Shell” designation which is displayed on our information page on OTCMarkets.com. Please allow this information statement to serve as notice that, as a result of the recent and ongoing business activities of the Company, DRGV qualifies as a non-shell company as defined by the SEC given all applicable criteria. Specifically, the Company is active in pursuing and growing its business, showing tangible success in that regard, owns non-nominal assets, has employees, and has active and ongoing contracts and operations each of material importance, as further detailed below.

The SEC, in Release No. 33-8869 (the “Release”), defines a “shell company” to mean a registrant, other than an asset-backed issuer, that has:

- (A) No or nominal operations; and
- (B) Either:
 - (1) No or nominal assets;
 - (2) Assets consisting solely of cash and cash equivalents; or
- (C) Assets consisting of any amount of cash and cash equivalents and nominal other assets; or

This does not include a development stage company pursuing an actual business, a business combination related shell company, as defined in Rule 405, or an asset-backed issuer, as defined in Item 1101(b) of Regulation S-K [AB].

We are considered a development stage company, given all applicable criteria as described below. Further, were we not considered a development stage company, we would still not be considered a shell. The definition above uses the word “and” after (A) above, a company must have “no or nominal operations” before the analysis even gets to “no or nominal assets” and the other items in (2). In other words, if a company can prove it has more than nominal operations, it cannot be considered a shell company as defined in the Release.

In the Release, several commenters were concerned that the definition of a shell company set forth above would capture virtually every company during its start-up phase and that the definition was therefore too broad. The SEC specifically addressed this situation in footnote 172 to the Release by saying, in applicable part:

Contrary to commenters’ concerns, Rule 144(i)(1)(i) is not intended to capture a “startup company,” or in other words, a company with a limited operating history, in the definition of a reporting or non-reporting shell company, as we believe that such a company does not meet the condition of having “no or nominal operations.”

One can carry out an analysis of a startup company's business activities during its "limited operating history" to determine whether the company has engaged in activities that are, at a minimum, sufficient to manifest a strong commitment to developing a legitimate business. These activities include, but are not limited to, the following:

1. entering into agreements with customers, vendors, manufacturers, etc.;
2. filing patent, trademark, and copyright applications with respect to the company's intellectual property;
3. executing license or sublicense agreements with respect to the company's intellectual property;
4. entering into product development agreements or similar agreements for the development of a product or service;
5. hiring employees; and
6. incurring material operating expenses such as research and development expenses;

Given these criteria, the Company cannot be considered a shell company. We are incurring material operating expenses and development expenses relating to healthcare industry, repair and renewal of body energy and biology laboratory based in North America, specifically those demonstrating modest but predictable growth and profitability over time. DRGV's commitment for all mergers and acquisitions is to affirm or establish sound business fundamentals and to drive revenue and profitability growth. The goal of DRGV is to develop and align portfolio companies into high performance industry verticals, and deliver additional value for its stakeholders. It is our assertion that since March 1, 2023, DRGV has not been a shell company.

DRGV is and intends to remain current in its reporting obligations with the SEC, we are excited about the successes we've recently realized and are on track to continue growing our business.

We invite all parties to direct any inquiries to hodgenvillecabin@sina.com.

Regards,

/s/ Chongyi Yang,