



DRAGON GROUP INTERNATIONAL LIMITED

(Company Registration No. 199306761C)
(Incorporated in the Republic of Singapore)

MATERIAL VARIANCES BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Board of Directors (the “**Board**”) of Dragon Group International Limited (“**Company**”, and together with its subsidiaries, collectively the “**Group**”) refers to its audited financial statements for the financial year ended 31 December 2021 in the Group’s Annual Report 2021 (the “**Audited Financial Statements**”) and the announcement on the Unaudited Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2021 made on 1 March 2022 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “SGX-ST”), the Board wishes to announce and clarify the material differences between the Audited Financial Statements and the Unaudited Financial Statements after the completion of the financial audit by the Company’s external auditor.

Statements of Financial Position of the Group as at 31 December 2021

The material variance between the Group’s Audited Financial Statements and the Unaudited Financial Statements is set out below:

	Audited Financial Statements US\$’000	Unaudited Financial Statements US\$’000	Difference US\$’000
Investment in associate	13,217	3,697	9,520
Amounts due from associate	-	1,796	(1,796)
Trade payables and accruals	2,795	2,514	(281)
Other payables	2,204	2,220	16
Restructuring provision	74	85	11
Non-controlling interests	(2,354)	(2,311)	43

The variances were caused by

- The valuation of Investment in associate adjusted upwards. Management has determined the recoverable amount of the Group’s and Company’s investment in EoCell by estimating their fair value less costs of disposal (“FVLCD”) using the market approach
- Fully impaired on the amount due from associate
- Additional accruals on operating expenses
- Reversal of over-accrued expenses
- Reversal of restructuring provision that no longer required
- Share of gain to non-controlling interests

Consolidated Income Statement of the Group for the year ended 31 December 2021

The material variance between the Group's Audited Financial Statements and the Unaudited Financial Statements is set out below:

	Audited Financial Statements US\$'000	Unaudited Financial Statements US\$'000	Difference US\$'000
General and administrative costs	(3,774)	(1,584)	(2,190)
Foreign currency exchange gain	-	322	(322)
Other losses	-	(9,982)	9,982
Non-controlling interests	(25)	18	43

The variances were caused by

- Impairment loss on the amount due from associate, additional accruals on operating expenses
- Classification of "Foreign currency exchange gain" of US\$322,000 within "General and administrative costs" line item
- Reversal of other losses; impairment of investment in associate not required as valuation of Investment in associate adjusted upwards

Cash Flow Statement of the Group as at 31 December 2021

The material variance between the Group's Audited Financial Statements and the Unaudited Financial Statements is set out below:

	Audited Financial Statements US\$'000	Unaudited Financial Statements US\$'000	Difference US\$'000
Impairment loss on amount due from associate	2,258	462	1,796
Impairment loss on investment in associate	-	9,520	(9,520)

The variances were caused by

- Impairment loss on the amount due from associate.
- The valuation of Investment in associate adjusted upwards.

By Order of the Board

Chong Man Sui
Acting Chairman
Dragon Group International Limited
16 August 2023