GLOBAL DRAGON LIMITED

Company Registration No.: 198102945K
(Incorporated in the Republic of Singapore)

MATERIAL VARIANCES BETWEEN THE UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

The Board of Directors (the "**Board**") of Global Dragon Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), refers to the unaudited full year results announcement for the financial year ended 30 June 2019 released on 27 August 2019 (the "**Unaudited Financial Statements**").

Pursuant to Rule 704(5) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist, the Board wishes to highlight that subsequent to the finalisation of the Group's audited financial statements for the financial year ended 30 June 2019 (the "**Audited Financial Statements**"), there were material variances between the Audited Financial Statements and Unaudited Financial Statements. Details and clarifications of the variances are as follows:

	Audited Financial Statements	**Unaudited Financial Statements**	**Variance**		
The Group	**S$'000**	**S$'000**	**S$'000**	**%**	**Explanation**
Non-current assets Property, plant and equipment	**47,385**	73	47,312	N.A.*	Due to reclassification from development properties to property, plant and equipment.
Current assets Development properties	**64,341**	111,653	(47,312)	42%	Due to reclassification from development properties to property, plant and equipment.

** N.A. – Not meaningful.*

As a result of the abovementioned reclassification, the Group has recorded net current liabilities of S$14.6 million in its Audited Financial Statements, as compared to net current assets of S$32.7 million in its Unaudited Financial Statements. Notwithstanding, the Board is of the view that, barring unforeseen circumstances, based on financial and cash flow projections, the Board and management are confident that the Group will have sufficient cash to pay its debts as and when they fall due.

BY ORDER OF THE BOARD

Koh Kian Soo
Executive Chairman
1 October 2019

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*This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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