GLOBAL DRAGON LIMITED

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

GRANT OF PROVISIONAL PERMISSION
FOR HOTEL DEVELOPMENT OF GDL PROPERTIES PTE. LTD.

---

*The Board of Directors ("**Board**" or the "**Directors**") of Global Dragon Limited (the "**Company**" and together with its subsidiaries the "**Group**"), refers to the announcement dated 7 September 2018 (the "**Announcement**") relating to the acquisition of properties at Telok Blangah Road, Singapore (the "**Telok Blangah Project**") by a wholly-owned subsidiary of the Company, GDL Properties Pte. Ltd. ("**GDL Properties**"). Unless otherwise defined herein, all capitalised terms used herein shall bear the meanings as ascribed to them in the Announcement.*

The Board wishes to inform that GDL Properties had applied to the Urban Redevelopment Authority ("**URA**") for the change of land use from commercial development to hotel development with the proposed development of one (1) block of 5-storey hotel (180 rooms) with attic, ancillary facilities and a basement carpark on Lot 03382C, 04198A at Telok Blangah Road (Bukit Merah Planning area) (the "**Change of Land Use**"). Subsequent to the application to the URA, the Board is pleased to announce that the URA has provided a grant of provisional permission for the Change of Land Use subject to the fulfilment of the conditions/plan presentation required by the URA (the "**URA Approval**").

With the URA Approval, the value of the Telok Blangah Project will see a positive impact in value. Based on the valuation report from an independent valuer, the land value and Gross Development Value ("**GDV**") of the Telok Blangah Project are as follows:

Land value	**S$105,000,000**
GDV	**S$153,000,000**

Financial Effects of the URA Approval

The financial effects of the URA Approval on the Group as set out below are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after the completion of the Telok Blangah Project. The financial effects of the URA Approval set out below have been prepared based on the Group's unaudited consolidated financial statements for FY2019, and on the following bases and assumptions:

(a) the purchase considerations for the Properties incurred in connection with the Telok Blangah Project are estimated to be approximately S$47.36 million;
(b) the development charge is estimated to be approximately S$9.01 million;
(c) the land value of the Telok Blangah Project is estimated to be approximately S$105.0 million; and
(d) the NTA per share of the Company is computed based on the 681,975,469 Shares in issue as at 30 June 2019.

Net Tangible Assets ("NTA")

The financial effects of the URA Approval on the unaudited consolidated NTA per share of the Group for FY2019, assuming that the URA Approval had been effected on 30 June 2019 being the end of the most recently completed financial year of the Company, are summarised below:

	Before the URA Approval	After the URA Approval
NTA (S$'000)	39,048	87,682
Number of Shares	681,975,469	681,975,469
NTA per share (Singapore cents)	5.73	12.86

Gearing

The financial effects of the URA Approval on the gearing of the Group for FY2019, assuming that the URA Approval had been effected on 30 June 2019, being the end of the most recently completed financial year of the Company, are summarised below:

	Before the URA Approval	After the URA Approval
Total debts (S$'000)	94,117	103,123
Total equity (S$'000)	39,048	87,682
Gearing ratio (times)	2.41	1.18

The URA Approval is expected to have a material impact on the net tangible assets of the Group for the current financial year ending 30 June 2020.

Save for their shareholdings in the Company, none of the Directors, controlling shareholders or substantial shareholders of the Company have any interest, direct or indirect, in the above transaction.

Shareholders of the Company are advised to exercise caution when dealing in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Koh Kian Soo
Executive Chairman
29 August 2019

---

*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.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.