



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 2022

Unless otherwise defined, the capitalised terms used herein shall bear the same meanings as ascribed to the those in the Group's Annual Report for financial year ended 31 December 2022 ("FY2022").

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 2022 in the Group's Annual Report 2022 (the "**Audited Financial Statements**") and the announcement on the Unaudited Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2022 made on 23 February 2023 (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 independent external auditor, RT LLP.

Shareholders of the Company are advised to read this announcement in conjunction with the Audited Financial Statements and the Notes to the Financial Statements in their entirety and to exercise caution when dealing in the shares of the Company.

Statements of Financial Position of the Group as at 31 December 2022

The material variances between the Group's Audited Financial Statements and the Unaudited Financial Statements for FY2022, and between the restated FY2021 and audited FY2021 figures are set out below:

	Audited Financial Statements 2022 US\$'000	Unaudited Financial Statements 2022 US\$'000	Difference US\$'000	Audited Financial Statements 2021 (restated) US\$'000	Audited Financial Statements 2021 US\$'000	Difference US\$'000
Investment in an associate	11,179	12,156	(977)	4,176	13,217	(9,041)
Trade payables and accruals	2,651	2,379	(272)	2,795	2,795	-

The variances were due to:

- Write-back for impairment loss of US\$8,064,000 in an associate in FY2022. FY2021 was restated to include provision for impairment loss of US\$9,041,000 in the associate. This resulted in a net decrease in investment in associate of US\$977,000. Details of the restatement are provided in Note 2.25 and Note 5 to the accounts. The Valuer had adopted the market approach as its primary approach to determine the fair value less cost of disposal of the investment.
- Additional accruals on operating expenses

Consolidated Income Statement of the Group for the year ended 31 December 2022

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	6,589	(1,473)	8,062

The variance was mainly due to:

- Write-back of impairment loss on investment in an associate of US\$8,064,000.

Cash Flow Statement of the Group as at 31 December 2022

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
Write-back of impairment loss on investment in an associate	(8,064)	-	(8,064)

The variance was due to:

- Write-back of impairment loss on investment in an associate.

By Order of the Board
Dragon Group International Limited

Chong Man Sui
Acting Chairman
24 October 2023