

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

HL GLOBAL ENTERPRISES LIMITED

Securities

HL GLOBAL ENTERPRISES LIMITED - SG1AI6000003 - AVX

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Announcement Details

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Designation

Chief Financial Officer

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Please refer to the attachment.

Additional Details

For Financial Period Ended

31/12/2017

Attachments

[HLGE 2017 results.pdf](#)

Total size =381K MB

HL GLOBAL ENTERPRISES LIMITED

Company Registration No.: 196100131N

Unaudited Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2017**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	2017 \$'000	Group 2016 \$'000	Change %
Revenue		11,675	13,760	(15.2)
Cost of sales		(5,302)	(5,627)	(5.8)
Gross profit		6,373	8,133	(21.6)
Other income	(i)	87,532	1,292	NM
Selling and marketing expenses	(ii)	(248)	(304)	(18.4)
Administrative expenses		(561)	(618)	(9.2)
Finance costs	(iii)	(1,224)	(1,931)	(36.6)
Other expenses	(iv)	(5,456)	(5,517)	(1.1)
Share of results of joint ventures and associate (net of tax)	(v)	163	(699)	NM
Profit before tax		86,579	356	NM
Income tax	(vi)	(340)	(507)	(32.9)
Profit/(loss) for the year attributable to owners of the Company		86,239	(151)	NM

Notes:**(i) Other income**

	2017 \$'000	Group 2016 \$'000	Change %
Interest income	368	398	(7.5)
Licence fee	305	293	4.1
Sundry income	47	40	17.5
Fair value gain on an investment property	-	561	NM
Gain on disposal of a subsidiary	48,270	-	NM
Gain on disposal of investment in a joint venture	38,542	-	NM
	87,532	1,292	NM

(ii) Selling and marketing expenses

The decrease in selling and marketing expenses was mainly due to the reduction of advertising expenses and resignation of staff.

(iii) Finance costs

	2017 \$'000	Group 2016 \$'000	Change %
Interest expense	(813)	(1,598)	(49.1)
Currency exchange loss-net	(411)	(333)	23.4
	(1,224)	(1,931)	(36.6)

The decrease in interest expense for 2017 was due to the reduction of the unsecured loan interest amounting to \$650,000 upon full prepayment of the unsecured loan of \$68 million.

The net currency exchange loss of approximately \$0.4 million for 2017 was due to the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the weakening of the US Dollar and Renminbi against the Singapore Dollar.

(iv) Other expenses

	2017 \$'000	Group 2016 \$'000	Change %
Depreciation of property, plant and equipment	(1,921)	(2,090)	(8.1)
Staff costs/directors' fee	(2,128)	(2,141)	(0.6)
Others	(1,407)	(1,286)	9.4
	(5,456)	(5,517)	(1.1)

NM: Not meaningful

(v) Share of results of joint ventures and associate (net of tax)

The Company's wholly-owned subsidiary, LKN Investment International Pte. Ltd. ("LKNII"), together with the joint venture partner of Cophorne Hotel Qingdao Co., Ltd. ("CHQ"), had on 23 February 2016, listed the entire equity interest in CHQ on the Shanghai United Assets and Equity Exchange for sale. As a result, the investment in CHQ was reclassified as asset held for sale and the Group discontinued the use of equity method to recognize the interest in CHQ. Consequently, the Group did not share the loss incurred by CHQ for 2017. The disposal of CHQ was completed in October 2017.

(vi) Income tax

There was an overprovision of taxation of \$1,000 in respect of previous year and adjusted in 2017. (2016: There was an overprovision of taxation amounting to \$1,000.)

The tax expense arose from the income derived from overseas which could not be offset against the losses incurred by other entities within the Group.

(viii) Statement of comprehensive income

	2017 \$'000	Group 2016 \$'000	Change %
Profit/(loss) for the year	86,239	(151)	NM
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	181	(1,215)	NM
Realisation of foreign currency translation reserves upon disposal of foreign operations	(2,883)	-	NM
	(2,702)	(1,215)	122.4
	83,537	(1,366)	NM

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group 31/12/2017 \$'000	Group 31/12/2016 \$'000	Company 31/12/2017 \$'000	Company 31/12/2016 \$'000
Non-current assets					
Property, plant and equipment	1	17,679	37,140	-	-
Investment property		2,162	2,109	-	-
Subsidiaries	2	-	-	34,602	68,945
Associate		59	59	-	-
Joint ventures		538	533	-	-
Non-trade receivables	3b	127	330	5	5
Other asset	4	62	54	-	-
		20,627	40,225	34,607	68,950
Current assets					
Inventories		113	91	-	-
Development properties		4,881	4,858	-	-
Trade and other receivables	3	6,494	6,723	6,083	187
Prepayment		62	69	23	23
Cash and bank balances	5	60,486	19,806	46,525	4,005
		72,036	31,547	52,631	4,215
Asset of disposal group classified as held for sale		-	30	-	-
Total assets		92,663	71,802	87,238	73,165
Equity					
Share capital		129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(55,169)	(141,838)	(58,254)	(133,031)
Reserve of disposal group classified as held for sale		-	3,132	-	-
Total equity attributable to owners of the Company		78,604	(4,933)	75,519	742
Non-current liabilities					
Other payables	4	1,650	590	3,689	2,851
Loans and borrowings	6a&b	2,393	71,384	-	68,000
Deferred tax liabilities	1	28	147	-	-
		4,071	72,121	3,689	70,851

		Group 31/12/2017 \$'000	Group 31/12/2016 \$'000	Company 31/12/2017 \$'000	Company 31/12/2016 \$'000
Current liabilities					
Trade and other payables	7	9,981	3,804	8,021	1,563
Loans and borrowings	6b&c	4	569	-	-
Current tax payable	1	3	241	9	9
		9,988	4,614	8,030	1,572
Total liabilities		14,059	76,735	11,719	72,423
Total equity and liabilities		92,663	71,802	87,238	73,165

Notes:

- 1 The decrease was largely attributable to the de-consolidation of the financial statements of LKNII and Shanghai Hutai Real Estate Development Co. Ltd (a subsidiary of LKNII). LKNII was disposed in November 2017.
- 2 The decrease was due to the sale of the entire equity interest in LKNII.
- 3 The movement was due to:
 - a) The increase in the Company's trade and other receivables arose from the S\$5.8 million held in the escrow account pending the finalisation of tax payable in relation to the disposal of LKNII.
 - b) The reduction in the Group's non-trade receivable, trade and other receivable was mainly due to settlement of outstanding management fee, repayment of loan and advances due from a joint venture.
- 4 The increase in other asset was due to additional legal fee paid for the sale of lands at Punggol 17th Avenue ("Punggol Land"). Similarly, increase in other payable relates mainly to progress payments received for the sale of the Punggol Land. Both deferred expenses and income will be transferred to Profit or Loss upon completion of the sale.
- 5 Please refer to statement of cash flows.
- 6 The movement was due to:
 - a) full prepayment of the unsecured loan of \$68 million.
 - b) reclassification of secured loan of \$0.99 million from non-current liabilities to current liabilities.
 - c) prepayment of secured loan of \$1.55 million.
- 7 The increase was mainly due to the provision of withholding tax arising from the disposal of a subsidiary.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

- (a) the amount repayable in one year or less, or on demand;
- (b) the amount repayable after one year;
- (c) whether the amounts are secured or unsecured; and
- (d) details of any collaterals.

(a) Amount repayable in one year or less, or on demand

	Group	
	31/12/2017 \$'000	31/12/2016 \$'000
Unsecured	4	5
Secured	-	564

(b) Amount repayable after one year

	Group	
	31/12/2017 \$'000	31/12/2016 \$'000
Unsecured	-	68,003
Secured	2,393	3,381

The secured loan as at 31 December 2017 was secured on a subsidiary's freehold land and building.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Profit before tax	86,579	356
Adjustments for:		
Bad debts written off	2	-
Depreciation of property, plant and equipment	1,921	2,090
Fair value gain on an investment property	-	(561)
Impairment loss on trade and other receivables	199	2
Interest expense	813	1,598
Interest income	(368)	(398)
Gain on disposal of property, plant and equipment	-	(4)
Gain on disposal of a subsidiary	(48,270)	-
Gain on disposal of investment in a joint venture	(38,542)	-
Property, plant and equipment written off	1	1
Share of results of joint ventures and associate (net of tax)	(163)	699
Unrealised foreign exchange loss-net	247	332
Write-back of impairment on trade receivables	-	(7)
Write-back of trade and other payables	(6)	-
Operating cash flows before changes in working capital	2,413	4,108

	Group	
	2017 \$'000	2016 \$'000
Development properties	77	-
Inventories	(22)	(4)
Trade and other payables	1,059	674
Trade and other receivables	900	(531)
Cash from operating activities	4,427	4,247
Income tax paid	(552)	(468)
Interest paid	(1,133)	(1,588)
Interest received	431	313
Net cash from operating activities	3,173	2,504
Cash flows from investing activities		
Amount due from a joint venture	-	(3,126)
Dividend received from a joint venture	154	124
Repayment of loan from a joint venture	2,858	-
Net cash inflow on disposal of equity interests in a subsidiary and a joint venture	103,135	-
Less receivable of sales proceeds from buyer	(5,849)	-
Add accrued expenses on disposal of a subsidiary	7,247	-
Placement of long term fixed deposits	(15,660)	-
Proceeds from disposal of property, plant and equipment	4	4
Purchase of property, plant and equipment	(341)	(544)
Net cash from/(used in) investing activities	91,548	(3,542)
Cash flows used in financing activities		
Repayment of borrowings	(69,634)	(1,405)
Repayment of finance lease liabilities	(5)	(10)
Net cash used in financing activities	(69,639)	(1,415)
Net increase/(decrease) in cash and cash equivalents	25,082	(2,453)
Cash and cash equivalents at beginning of the year	19,806	22,487
Effect of exchange rate changes		
on balances held in foreign currencies	(62)	(228)
Cash and cash equivalents at end of the year	44,826	19,806
Long term fixed deposit	15,660	-
Cash and bank balance	60,486	19,806
Effects of disposal of interests in subsidiaries and a joint venture		
	Group	
	2017 \$'000	2016 \$'000
The carrying value of assets and liabilities disposed of are as follows:		
Property, plant and equipment	17,753	-
Trade receivables	77	-
Other receivables and deposits	2,218	-
Trade and other receivables	2,295	-
Prepayments	20	-
Cash and bank balances	1,869	-
Trade and other payable	(763)	-
Current tax payable	(9)	-
Deferred liabilities	(120)	-
Joint venture	30	-
	21,075	-
Gain on disposal of a subsidiary	48,270	-
Gain on disposal of investment in a joint venture	38,542	-
Gain on disposal of a subsidiary and investment in a joint venture	86,812	-
Realisation of foreign currency translation reserves upon disposal of foreign operations	(2,883)	-
Total consideration less cost of disposal	105,004	-
Less: Cash and bank balances of the subsidiaries disposed of	(1,869)	-
Net cash inflow on disposal of equity interest in a subsidiary and a joint venture	103,135	-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Reserve held for sale \$'000	Total equity \$'000
At 1 January 2017	129,790	3,980	3	8,529	(192)	(2,454)	(147,721)	3,132	(4,933)
Profit for the year	-	-	-	-	-	-	86,239	-	86,239
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations									
Realisation of foreign currency translation reserves upon disposal of foreign operations	-	-	-	-	-	249	-	(3,132)	(2,883)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-	430	-	(3,132)	(2,702)
Total comprehensive income/(loss) for the year	-	-	-	-	-	430	86,239	(3,132)	83,537
At 31 December 2017	129,790	3,980	3	8,529	(192)	(2,024)	(61,482)	-	78,604
Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Reserve held for sale \$'000	Total equity \$'000
At 1 January 2016	129,790	3,980	3	8,529	(192)	1,893	(147,570)	-	(3,567)
Loss for the year	-	-	-	-	-	-	(151)	-	(151)
<u>Other comprehensive loss, net of tax</u>									
Foreign currency translation differences for foreign operations									
Total comprehensive loss for the year	-	-	-	-	-	(1,215)	(151)	-	(1,366)
Others									
Reserve held for sale	-	-	-	-	-	(3,132)	-	3,132	-
Contributions by owners									
Conversion of non-redeemable convertible cumulative preference shares ("NCCPS")	#	-	(#)	-	-	-	-	-	-
At 31 December 2016	129,790	3,980	3	8,529	(192)	(2,454)	(147,721)	3,132	(4,933)

less than \$1,000

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2017	129,790	3,980	3	12,471	(145,502)	742
Profit for the year, representing total comprehensive income for the year	-	-	-	-	74,777	74,777
At 31 December 2017	129,790	3,980	3	12,471	(70,725)	75,519

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2016	129,790	3,980	3	12,471	(159,337)	(13,093)
Profit for the year, representing total comprehensive income for the year	-	-	-	-	13,835	13,835
Contributions by owners						
Conversion of NCCPS	#	-	(#)	-	-	-
At 31 December 2016	129,790	3,980	3	12,471	(145,502)	742

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Movements in the Share Capital

During the year ended 31 December 2017, there was no change in the Company's issued ordinary share capital and NCCPS share capital.

Ordinary shares

	Number of shares	Share Capital \$'000
At 1 January 2017	96,321,318	133,770
(As per Accounting and Corporate Regulatory Authority's records)		
Trust Shares	(2,418,917)	(3,980)
At 31 December 2017	93,902,401	129,790

NCCPS

	Number of shares	Share Capital \$'000
At 1 January 2017 and 31 December 2017	129,396	3

In accordance with the terms and conditions of the NCCPS, the rights of NCCPS holders to convert all or any of their NCCPS into fully paid ordinary shares in the capital of the Company had lapsed on 4 July 2016 (being the date of expiry of the NCCPS Conversion Period). NCCPS are perpetual securities and there is no mandatory conversion of the NCCPS upon the expiry of the NCCPS Conversion Period.

The Company did not hold any treasury shares as at 31 December 2017 and as at 31 December 2016.

The ordinary shares issued includes 2,418,917 ordinary shares held as Trust Shares by Amicorp Trustees (Singapore) Limited as trustee of the Trust established by the Company to facilitate the implementation of the HL Global Enterprises Share Option Scheme 2006 (the "Share Option Scheme").

Pursuant to the terms of the Trust Deed, the Trustee will, *inter alia*, acquire and hold existing shares in the capital of the Company (collectively, the "Trust Shares") for the benefit of participants who are employees of the Company and/or its subsidiaries and who have been granted share options under the Share Option Scheme (the "Beneficiaries") and transfer such Trust Shares to the Beneficiaries upon the exercise of their share options under the Share Option Scheme.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to item 1(d)(ii) above.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 December 2017.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by the auditors.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

There has been no change in the accounting policies and methods of computation adopted by the Group.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	2017	2016
	¢	¢
Earnings/(loss) per share		
(Based on the weighted average number of ordinary shares in issue)		
- Basic	91.84	(0.16)
(2017: 93,902,401, 2016: 93,901,060)		

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group	Group	Company	Company
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	\$	\$	\$	\$
Net asset/(liabilities) value per issued share, excluding Trust Shares	0.84	(0.05)	0.80	0.01

The net asset/liabilities value per issued share, excluding Trust Shares is computed based on 93,902,401 issued ordinary shares as at 31 December 2017 and 31 December 2016.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

After extensive efforts, the Group was finally able to complete the disposals of the Company's wholly-owned subsidiary, LKN Investment International Pte. Ltd. ("LKNII") (the "LKNII Disposal") and LKNII's 60% equity interest in Copthorne Hotel Qingdao Co., Ltd. ("CHQ") on 22 November 2017 and 19 October 2017 respectively (collectively, the "Disposals"). After deducting relevant expenses and estimated tax, the Group recorded a gain of \$86.8 million arising from these Disposals.

As a result of the gain, the financial results for 2017 saw a major turnaround for the Group, its net profit attributable to shareholders of the Company increased to \$86.2 million for 2017 compared to the net loss of \$0.2 million for 2016. The net tangible assets of the Group improved to \$78.6 million as at 31 December 2017 compared to the net liabilities of \$4.9 million as at 31 December 2016.

The Group's revenue declined by 15%, from \$13.8 million in 2016 to \$11.7 million in 2017. The decrease was partly due to lower revenue recorded by Elite Residences Shanghai (which was owned by LKNII) as a consequence of the LKNII Disposal. Revenue from Copthorne Hotel Cameron Highlands ("CHCH") also declined due to the increased supply of hotel rooms and serviced apartments in the vicinity of CHCH.

Consequently, the Group's operating profit in the hospitality segment decreased by \$1 million to \$2.3 million in 2017. During the year under review, the property development segment incurred an operating loss of \$0.7 million compared to \$0.3 million in the preceding year. The increase was mainly due to the provision for impairment loss on receivables and maintenance charge for the apartment units in Cameron Highlands. After taking into account the corporate expenses of \$1.5 million incurred in 2017, the Group's operating profit before the share of results of joint ventures and associate, other income and finance costs reduced from \$1.7 million in 2016 to \$108,000 in 2017.

The Group shared a net profit of \$163,000 from joint ventures and an associate for 2017 against the share of net loss of \$0.7 million for 2016. This was mainly due to the Group's discontinued recognition of the share of loss incurred by CHQ in view of the decision to dispose of its equity interest in CHQ.

Besides the gain on the Disposals, other income also included interest income and licence fees. There was a substantial decrease in interest expense for 2017 resulting from the reduction of the unsecured loan interest amounting to \$650,000 upon full prepayment of the unsecured loan of \$68 million. The Group recognised a net currency exchange loss of \$0.4 million mainly due to the revaluation of the net foreign currency monetary assets and liabilities arising from the weakening of the US Dollar and Renminbi against the Singapore Dollar.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group's performance for the year under review is in line with its expectations as disclosed in the Company's announcement of its results for nine months ended 30 September 2017 which was released on 2 November 2017.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Following the Disposals, the Group's remaining hospitality operation is CHCH which continues to operate in a challenging environment as new hotels and serviced apartments were set up in Cameron Highlands. The Group is reviewing the proposed development of its property in Melaka and will continue its efforts to source for sustainable and viable businesses.

As the Group's assets are substantially located in Malaysia, it will continue to be exposed to currency fluctuation risks.

Watch-list

The Company was placed on the watch-list of Singapore Exchange Securities Trading Limited ("SGX-ST") on 4 June 2014 (the "Watch-List") and was given further extension up to 3 June 2018 ("Expiry Date"). The Company will apply to SGX-ST for removal from the Watch-List and will announce the outcome of such application in due course. In the event that the circumstances as set out in the Company's announcement on 1 August 2017 occur in relation to the Company being unable to exit the Watch-List by the Expiry Date, the Company has undertaken to SGX-ST that the Company will take steps to provide a reasonable exit offer to the minority shareholders of the Company in compliance with Rule 1309 of SGX-ST's Listing Manual.

11 **If a decision regarding dividend has been made:-****(a) Whether an interim (final) ordinary/preference dividend has been declared (recommended)**

Name of Dividend	Proposed First and Final
Dividend Type	Cash
Dividend Amount per Share (in cents)	3 cents per ordinary share
Tax Rate	Tax Exempt (1-tier)

(b) Previous corresponding period cents

Not applicable

(c) The date the dividend is payable.

23 May 2018.

(d) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

5 p.m. on 8 May 2018.

12 **If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

13 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Investments and others	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
2017				
Revenue				
- external revenue	76	11,455	144	11,675
- inter-segment revenue	-	-	41	41
	76	11,455	185	11,716
Elimination				(41)
				11,675
Reportable segment results	(1,472)	2,274	(694)	108
Other income (excluding interest income)	87,132	13	19	87,164
Interest income	87	168	113	368
Interest expense	(616)	(197)	-	(813)
Exchange (loss)/gain	(30)	(400)	19	(411)
Share of results of joint ventures and associate	-	165	(2)	163
Profit/(loss) before tax	85,101	2,023	(545)	86,579
Income tax expense				(340)
Profit for the year				86,239
Other segment items				
Capital expenditure				
- property, plant and equipment	-	341	-	341
Depreciation	-	1,894	27	1,921
Reportable segment assets	54,793	21,720	15,553	92,066
Investment in associate	-	-	59	59
Investment in joint ventures	-	523	15	538
Consolidated total assets	54,793	22,243	15,627	92,663
Consolidated total liabilities	8,058	3,617	2,384	14,059

	Investments and others	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
2016				
Revenue				
- external revenue	136	13,624	-	13,760
- inter-segment revenue	-	-	42	42
	136	13,624	42	13,802
Elimination				(42)
				13,760
Reportable segment results	(1,305)	3,329	(330)	1,694
Other income (excluding interest income)	885	6	3	894
Interest income	65	191	142	398
Interest expense	(1,295)	(303)	-	(1,598)
Exchange loss	(1)	(282)	(50)	(333)
Share of results of joint ventures and associate	-	(696)	(3)	(699)
(Loss)/profit before tax	(1,651)	2,245	(238)	356
Income tax expense				(507)
Loss for the year				(151)
Other segment items				
Capital expenditure				
- property, plant and equipment	-	544	-	544
Depreciation	4	2,064	22	2,090
Reportable segment assets	6,306	50,111	14,793	71,210
Investment in associate	-	-	59	59
Investment in joint ventures	-	517	16	533
Consolidated total assets	6,306	50,628	14,868	71,802
Consolidated total liabilities	68,912	6,790	1,033	76,735
	Revenue		Non-current assets	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Geographical segments				
Malaysia	8,151	8,782	19,915	20,333
People's Republic of China	3,524	4,978	523	19,508
	11,675	13,760	20,438	39,841

The Group's segment revenue is based on the geographical location of operations. Segment non-current assets (excluding non-trade receivables and other asset) are based on the geographical location of the assets.

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

15 A breakdown of sales as follows:

	Group		Change %
	2017 \$'000	2016 \$'000	
Revenue reported for first half year	5,701	6,518	(12.5)
Revenue reported for second half year	5,974	7,242	(17.5)
	11,675	13,760	(15.2)
Operating loss after tax reported for the first half year	(712)	(1,652)	(56.9)
Operating profit after tax reported for the second half year	86,951	1,501	NM
	86,239	(151)	NM

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

- (a) Ordinary**
(b) Preference
(c) Total

	Latest Full Year 2017 \$'000	Previous Full Year 2016 \$'000
Ordinary	2,890	Not applicable

The proposed first and final dividend for the financial year ended 31 December ("FY") 2017 is subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held in April 2018, and calculated based on 96,321,318 ordinary shares in the capital of the Company as at 26 February 2018. There were no dividends paid in respect of FY 2016.

17 Interested persons transactions

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual").

18 Undertakings with regard to Directors and Executive Officers

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual and according to the format set out in Appendix 7.7 of the Listing Manual.

19 Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, HL Global Enterprises Limited (the "Company") confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director or substantial shareholder of the Company. The Company has not appointed a chief executive officer, and the overall management of the Group's operations and investments is currently undertaken by the Executive Committee which comprises Dato' Gan Khai Choon, Mr Philip Ting Sii Tien and Mr Andrew Goh Kia Teck, all of whom are Directors of the Company.

BY ORDER OF THE BOARD

Foo Yang Hym
 Chief Financial Officer

Singapore
 26 February 2018