

GENERAL ANNOUNCEMENT::QUARTERLY UPDATE PURSUANT TO RULE 1313 (2) OF THE SGX-ST LISTING MANUAL

Issuer & Securities

Issuer/ Manager

HL GLOBAL ENTERPRISES LIMITED

Securities

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No

Announcement Details

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General Announcement

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Quarterly Update Pursuant to Rule 1313 (2) OF THE SGX-ST Listing Manual

Announcement Reference

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Submitted By (Co./ Ind. Name)

Foo Yang Hym

Designation

Chief Financial Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

Attachments

[HLGE quarterly update.pdf](#)

Total size = 75K MB

HL GLOBAL ENTERPRISES LIMITED

(Company Registration Number: 196100131N)

(Incorporated in the Republic of Singapore)

QUARTERLY UPDATE PURSUANT TO RULE 1313 (2) OF THE SGX-ST LISTING MANUAL

1. BACKGROUND

HL Global Enterprises Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 4 June 2014.

Pursuant to Rule 1313 (2) of the Listing Manual of the SGX-ST, the Board of Directors (“**Board**”) of the Company wishes to provide the following updates on the Group’s financial situation, including its future direction or other material development that may impact its financial position.

2. UPDATE ON FINANCIAL POSITION

The Group’s revenue rose to \$3.3 million for the 3 months ended 31 March (“1Q”) 2016 from \$2.7 million for 1Q 2015. Compared to 1Q 2015, the improvement was substantially contributed by Copthorne Hotel Cameron Highlands (“CHCH”) which achieved a 45% growth in its revenue.

For the period under review, the Group reported an operating profit of \$0.3 million before the share of results of joint ventures, other income and finance costs vis-à-vis an operating loss of \$0.2 million for 1Q 2015. The Group’s operating profit was mainly boosted by CHCH’s improved performance.

The Group shared a net loss of \$0.83 million from joint ventures in 1Q 2016 compared to a net loss of \$0.96 million for the corresponding period last year. The Company’s wholly-owned subsidiary, LKN Investment International Pte Ltd, together with the joint venture partner of Copthorne 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 only shared the loss incurred by CHQ up to 23 February 2016 instead of 31 March 2016. Following the said reclassification, the investment in CHQ is then measured at the lower of its carrying amount and fair value less cost to sell.

The net loss attributable to shareholders of the Company was \$1.2 million for 1Q 2016, which is comparable to the net loss of \$1.3 million recorded for 1Q 2015.

For full details on the results and financial position of the Group, please refer to the Company’s results announcement for the financial period ended 31 March 2016 released on 29 April 2016.

3. UPDATE ON FUTURE DIRECTION

The Group will continue to contain costs and increase productivity where possible.

The Company is aware of the deadline given by SGX-ST for its removal from the Watch-List. The Company has been actively looking for sustainable and viable business to improve the financial position of the Group, and will endeavor to meet the requirements of Rule 1314 of the SGX-ST Listing Manual for the removal of the Company from the Watch-List.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer
Singapore
29 April 2016