

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

Issuer & Securities

Issuer/ Manager

HL GLOBAL ENTERPRISES LIMITED

Securities

HL GLOBAL ENTERPRISES LIMITED - SG1AI6000003 - AVX

Stapled Security

No

Announcement Details

Announcement Title

General Announcement

Date & Time of Broadcast

04-Aug-2016 20:49:28

Status

New

Announcement Sub Title

Quarterly Update Pursuant to Rule 1313 (2) of the SGX-ST Listing Manual

Announcement Reference

SG160804OTHR5RP

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 2Q quarterly%20 update.pdf](#)

Total size =21K 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. SGX-ST had, on 31 May 2016, granted the Company an extension of 12 months up to 3 June 2017 to meet the requirements of Rule 1314 of the Listing Manual (“Rule 1314”) and apply for removal from the Watch-list.

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

Revenue of the Group increased to \$6.5 million for 6 months ended 30 June (“1H”) 2016 from \$5.9 million for 1H 2015. The improvement was largely contributed by Copthorne Hotel Cameron Highlands, which resulted in an increase in Group’s operating profit (before the share of results of joint ventures, other income and finance costs) in 1H 2016 to \$0.4 million compared to \$0.2 million for the same period in 2015.

As disclosed in the Company’s results announcement today, the Group’s share of loss incurred by Copthorne Hotel Qingdao Co Ltd (“CHQ”) was up to 23 February 2016, the share of net loss after tax from joint ventures for 1H 2016 was \$0.8 million, a decline of \$0.5 million compared to the corresponding period of 2015.

Other income comprised mainly interest income and licence fee. The Group continued to incur interest expense of \$0.8 million during 1H 2016. The devaluation of Renminbi by the Chinese authority in 2015 continued to affect the Group which resulted in an exchange loss of \$0.6 million for 1H 2016 arising from the revaluation of net foreign currency monetary assets and liabilities.

The net loss attributable to shareholders of the Company was \$1.7 million for 1H 2016 compared to the net loss of \$2.5 million for 1H 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 30 June 2016 released on 4 August 2016.

3. UPDATE ON FUTURE DIRECTION

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

Further to the Company's announcement dated 31 May 2016, the Company's wholly owned subsidiary, LKN Investment International Pte Ltd and its joint venture partner in CHQ, CAAC East China Regional Administration Authority Service Center had, after studying the available options, decided to proceed for another round of bidding for the disposal of CHQ under the public tender process. Both parties are now in the process of undertaking a re-valuation of CHQ. The Company will make further announcements in respect of the disposal of CHQ in accordance with the requirements of the Listing Manual of SGX-ST.

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
4 August 2016