

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

31/12/2019

Attachments

[HLGE_Dec2019results.pdf](#)

Total size =458K MB

HL GLOBAL ENTERPRISES LIMITED

Company Registration No.: 196100131N

Unaudited Full Year Financial Statement Announcement for the year ended 31 December 2019**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

- 1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Note	2019 \$'000	Group 2018 \$'000	Change %
Revenue	(1)	7,064	10,744	(34.3)
Cost of sales		(3,825)	(5,377)	(28.9)
Gross profit	(1)	3,239	5,367	(39.6)
Other income	(2)	1,402	1,635	(14.3)
Selling and marketing expenses	(3)	(236)	(211)	11.8
Administrative expenses	(4)	(473)	(541)	(12.6)
Finance costs	(5)	(10)	(82)	(87.8)
Other expenses	(6)	(3,115)	(4,752)	(34.4)
Share of results of associate and joint ventures (net of tax)		177	168	5.4
Profit before tax		984	1,584	(37.9)
Income tax (expense)/credit	(7)	(104)	81	NM
Profit for the year attributable to owners of the Company		880	1,665	(47.1)

- 1(a)(ii) **Notes to the income statement**

(1) Revenue and gross profit

Compared to 2018, the decline in revenue and gross profit in 2019 was mainly due to the absence of revenue contribution from the Group's property development segment. Cost of sales in 2019 also included a provision for impairment of development property in Malaysia of \$600,000 and write-back of provision for maintenance fee of \$412,000.

(2) Other income

	2019 \$'000	Group 2018 \$'000	Change %
Interest income	1,020	864	18.1
Licence fee	362	402	(10.0)
Currency exchange gains-net	-	322	NM
Write-back of impairment on other receivables	1	22	(95.5)
Sundry income	19	25	(24.0)
	1,402	1,635	(14.3)

Compared to 2018:

- i) The increase in interest income was mainly due to higher interest rates on fixed deposit placements in 2019.
- ii) The decrease in licence fee for 2019 was due to lower revenue recorded by Hotel Equatorial Shanghai ("HES") as licence fee is charged as a percentage of the revenue of HES.
- iii) The decline in sundry income was mainly due to the termination of a tenancy agreement by a tenant of the old commercial complex in Cameron Highlands.

(3) Selling and marketing expenses

The increase was largely attributed to the recruitment of additional staffs and increase in travelling expenses.

(4) Administrative expenses

Compared to 2018, the reduction in administrative expenses in 2019 was mainly due to reduction in corporate expenses.

(5) Finance costs

	2019 \$'000	Group 2018 \$'000	Change %
Interest expense on bank borrowings	-	(82)	NM
Interest expense relates to lease liabilities	(10)	-	NM
	(10)	(82)	(87.8)

There was no interest expense on bank borrowings in 2019 as the secured loan was fully prepaid in 2018.

NM: Not meaningful

(6) Other expenses

	2019	Group	Change
	\$'000	2018	%
		\$'000	
Depreciation of investment property, property, plant and equipment	(955)	(986)	(3.1)
Depreciation of right-of-use assets	(141)	-	NM
Staff costs/directors' fee	(1,471)	(1,551)	(5.2)
Additional withholding tax and relevant expenses on disposal of LKN Investment International Pte. Ltd. ("LKNII")	-	(1,348)	NM
Other operating expenses	(548)	(867)	(36.8)
	<u>(3,115)</u>	<u>(4,752)</u>	<u>(34.4)</u>

The decrease in other operating expenses was primarily due to:

- a) lower office rental expense and reclassification of office and warehouse rental expenses under depreciation of right-of-use assets in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 - Leases.
- b) decrease in repair and maintenance expenses for property, plant and equipment.

(7) Income tax (expense)/credit

There was over provision of tax amounting to \$11,000 in respect of prior years for 2019.

(2018: There was an underprovision of taxation amounting to \$4,000 in respect of prior years).

The income tax (expense)/credit consisted mainly of current income tax expense and utilisation of deferred tax assets amounting to \$330,000 and offset by the recognition of deferred tax assets of \$215,000.

(8) Consolidated statement of comprehensive income

	2019	Group	Change
	\$'000	2018	%
		\$'000	
Profit for the year	880	1,665	(47.1)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(72)	(45)	60.0
Total comprehensive income for the year attributable to owners of the Company	<u>808</u>	<u>1,620</u>	<u>(50.1)</u>

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	Group	Company	Company
		2019	2018	2019	2018
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		16,604	17,314	4	5
Investment property		1,930	2,011	-	-
Subsidiaries		-	-	40,425	39,397
Associate		57	58	-	-
Joint ventures		525	524	-	-
Right-of-use assets	1	245	-	177	-
Deferred tax asset		215	199	-	-
		<u>19,576</u>	<u>20,106</u>	<u>40,606</u>	<u>39,402</u>
Current assets					
Inventories		94	105	-	-
Development properties	2	3,422	4,025	-	-
Trade and other receivables	3	1,058	1,233	490	312
Prepayment	4	46	59	21	22
Cash and bank balances	5	56,875	62,730	37,807	48,120
		<u>61,495</u>	<u>68,152</u>	<u>38,318</u>	<u>48,454</u>
Total assets		<u>81,071</u>	<u>88,258</u>	<u>78,924</u>	<u>87,856</u>

		Group 2019 \$'000	Group 2018 \$'000	Company 2019 \$'000	Company 2018 \$'000
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		(55,710)	(56,518)	(56,120)	(57,806)
Total equity attributable to owners of the Company		<u>78,063</u>	<u>77,255</u>	<u>77,653</u>	<u>75,967</u>
Non-current liabilities					
Other payables		-	-	-	3,022
Lease liabilities	1	113	-	83	-
Deferred tax liabilities		28	28	-	-
		<u>141</u>	<u>28</u>	<u>83</u>	<u>3,022</u>
Current liabilities					
Trade and other payables	5	2,653	10,915	1,015	8,806
Lease liabilities	1	138	-	98	-
Current tax payable		76	60	75	61
		<u>2,867</u>	<u>10,975</u>	<u>1,188</u>	<u>8,867</u>
Total liabilities		<u>3,008</u>	<u>11,003</u>	<u>1,271</u>	<u>11,889</u>
Total equity and liabilities		<u>81,071</u>	<u>88,258</u>	<u>78,924</u>	<u>87,856</u>

Notes:

- 1 Please refer to item 5 relating to SFRS (I) 16 Leases.
- 2 The decrease was mainly due to a provision made for impairment of development property in Malaysia of \$600,000.
- 3 The net decrease was mainly due to:
 - the collection of final settlement of \$330,000 from the sale of the land at Punggol 17th Avenue, Singapore;
 - the reduction in rental deposit of \$47,000 arising from the decrease in office rental; and
 - the increase in the accrual of fixed deposit interest amounting to \$255,000.
- 4 The decrease was partly due to certain prepayment made for minor works in 2018 which was reclassified to property, plant and equipment upon completion.
- 5 The decrease in cash and bank balances and trade and other payables was mainly due to the payment of tax and relevant expenses in January 2019 in relation to the disposal of the entire equity interest in the Company's wholly-owned subsidiary, LKNII in 2017.

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) the amount repayable in one year or less, or on demand;

	Group	
	31/12/2019	31/12/2018
	\$'000	\$'000
Unsecured	<u>138</u>	-

(b) the amount repayable after one year;

	Group	
	31/12/2019	31/12/2018
	\$'000	\$'000
Unsecured	<u>113</u>	-

These are lease liabilities relating to rental of office premises, warehouse and apartments for staff accommodation.

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	
	2019	2018
	\$'000	\$'000
Operating activities		
Profit before tax	984	1,584
Adjustments for:		
Bad debts written off	-	1
Depreciation of investment property	75	76
Depreciation of property, plant and equipment	880	910
Depreciation of right-of-use assets	141	-
Gain on disposal of property, plant and equipment	-	(3)
Impairment loss on trade and other receivables	49	6
Interest expense	-	82
Interest expense relates to lease liabilities	10	-
Interest income	(1,020)	(864)
Provision for impairment of development property	600	-
Share of results of associate and joint ventures (net of tax)	(177)	(168)
Unrealised foreign exchange losses/(gains)-net	43	(184)
Write-back of provision for maintenance fee	(412)	-
Write-back of impairment on other receivables	(1)	(22)
Operating cash flows before changes in working capital	<u>1,172</u>	<u>1,418</u>
Development properties	(14)	856
Inventories	11	8
Trade and other payables	(61)	(716)
Trade and other receivables and prepayment	397	(386)
Cash from operating activities	<u>1,505</u>	<u>1,180</u>
Income tax paid	(104)	(64)
Interest expense relates to lease liabilities	(10)	-
Interest paid	-	(82)
Interest received	765	816
Net cash from operating activities	<u>2,156</u>	<u>1,850</u>
Investing activities		
Dividend received from a joint venture	162	163
Net cash inflow on disposal of a subsidiary and investment in a joint venture	-	5,902
Proceeds from disposal of property, plant and equipment	-	5
Purchase of property, plant and equipment	(204)	(538)
Tax and relevant expenses in relation to the disposal of LKNII	(7,789)	-
Withdrawal of fixed deposits matured/(placement of fixed deposits with tenure more than 3 months and restricted cash at bank)	6,731	(45,046)
Net cash used in investing activities	<u>(1,100)</u>	<u>(39,514)</u>
Financing activities		
Dividend paid to ordinary shareholders and holders of non-redeemable convertible cumulative preference shares ("NCCPS")	-	(2,893)
Repayment of borrowings	-	(2,393)
Repayment of finance lease liabilities	-	(4)
Repayment of lease liabilities	(135)	-
Net cash used in financing activities	<u>(135)</u>	<u>(5,290)</u>
Net increase/(decrease) in cash and cash equivalents	921	(42,954)
Cash and cash equivalents at beginning of the year	5,495	48,297
Effect of exchange rate changes on balances held in foreign currencies	(45)	152
Cash and cash equivalents at end of the year	<u>6,371</u>	<u>5,495</u>
Fixed deposits with tenure more than 3 months and restricted cash at bank	50,504	57,235
Cash and bank balances	<u>56,875</u>	<u>62,730</u>

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	Total equity \$'000
At 1 January 2019	129,793	3,980	-	8,529	(192)	382	(65,237)	77,255
Profit for the year	-	-	-	-	-	-	880	880
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(72)	-	(72)
Total comprehensive (loss)/ income for the year	-	-	-	-	-	(72)	880	808
At 31 December 2019	129,793	3,980	-	8,529	(192)	310	(64,357)	78,063

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	Total equity \$'000
At 1 January 2018 (as previously stated)	129,790	3,980	3	8,529	(192)	(2,024)	(61,482)	78,604
Cumulative effects of adopting SFRS(I)								
Transfer from translation reserve to accumulated losses	-	-	-	-	-	2,454	(2,454)	-
Depreciation of investment property	-	-	-	-	-	(3)	(73)	(76)
At 1 January 2018	129,790	3,980	3	8,529	(192)	427	(64,009)	78,528
Profit for the year	-	-	-	-	-	-	1,665	1,665
<u>Other comprehensive loss, net of tax</u>								
Foreign currency translation differences for foreign operations	-	-	-	-	-	(45)	-	(45)
Total comprehensive (loss)/ income for the year	-	-	-	-	-	(45)	1,665	1,620
Contributions by owners								
Conversion of non-redeemable convertible cumulative preference shares ("NCCPS")	3	-	(3)	-	-	-	-	-
Others								
Dividend paid to ordinary shareholders and holders of NCCPS	-	-	-	-	-	-	(2,893)	(2,893)
At 31 December 2018	129,793	3,980	-	8,529	(192)	382	(65,237)	77,255

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2019	129,793	3,980	-	12,471	(70,277)	75,967
Profit for the year, representing total comprehensive income for the year	-	-	-	-	1,686	1,686
At 31 December 2019	129,793	3,980	-	12,471	(68,591)	77,653

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2018	129,790	3,980	3	12,471	(70,725)	75,519
Profit for the year, representing total comprehensive income for the year	-	-	-	-	3,341	3,341
Contributions by owners						
Conversion of NCCPS	3	-	(3)	-	-	-
Others						
Dividend paid to ordinary shareholders and holders of NCCPS	-	-	-	-	(2,893)	(2,893)
At 31 December 2018	129,793	3,980	-	12,471	(70,277)	75,967

1(d)(ii) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2019, there was no change in the Company's issued ordinary share capital.

	Number of shares	Share Capital \$'000
Ordinary shares		
At 1 January 2019 and 31 December 2019 (As per Accounting and Corporate Regulatory Authority's records)	96,334,254	133,773
Less: Trust Shares	(2,418,917)	(3,980)
At 1 January 2019 and 31 December 2019	93,915,337	129,793

As at 31 December 2019 and 31 December 2018, there were no ordinary shares held as treasury shares or as subsidiary holdings in the Company.

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, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of treasury shares as at the year ended 31 December 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at the year ended 31 December 2019.

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 modifications or emphasis of a matter).

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

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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

Except as disclosed in item 5 below, 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.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

On the adoption of SFRS(I) 16, the Group measured lease liability based on remaining lease payments discounted using the incremental borrowing rate at the date of initial application, 1 January 2019. Right-of-use asset was measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets of \$338,590 and lease liabilities of \$338,590 for its leases previously classified as operating leases as of 1 January 2019.

- 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:-**
(a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	2019	2018
	¢	¢
Earnings per share		
(Based on the weighted average number of ordinary shares in issue)		
- Basic	0.94	1.77
(2019: 93,915,337 and 2018: 93,911,084)		
- Diluted	NA	1.77
(2019 and 2018: 93,915,337)		

- 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
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	\$	\$	\$	\$
Net asset value per issued share, excluding Trust Shares	0.83	0.82	0.83	0.81

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 31 December 2019 and at 31 December 2018.

- 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.

In the absence of revenue contribution from the sale of development property, the Group's revenue declined from \$10.7 million for 2018 to \$7.1 million for 2019. The weaker consumer spending in Malaysia has resulted in the drop of local travellers to Cameron Highlands in 2019. To maintain the market share in the highly competitive hospitality market in Cameron Highlands, Copthorne Hotel Cameron Highlands ("CHCH") lowered its room rate and registered an average occupancy rate of 64% in 2019, approximately 2 percentage points higher than 2018. It contributed a revenue of \$7.0 million against \$7.4 million in 2018.

The property development segment did not generate revenue for the year under review and reported an operating loss of \$433,000 for 2019 against operating profit of \$1.5 million in the preceding year. The loss consisted of a provision of \$600,000 for impairment of the development property in Malaysia and overhead costs of \$245,000 after offsetting the write-back of provision for maintenance fee of \$412,000 for the apartment units in Cameron Highlands. The hospitality segment also saw a decrease in operating profit by \$31,000 to \$1.2 million in 2019. After taking into account the loss incurred by investment segment (comprising investment property operations and corporate overhead costs) of \$1.4 million, the Group incurred an operating loss of \$585,000 before the share of results of associate and joint ventures, other income and finance costs in 2019 versus an operating profit of \$1.2 million in 2018.

The Group's share of results of associate and joint ventures increased from \$168,000 in 2018 to \$177,000 in 2019. Other income for 2019 comprised mainly the interest income and licence fee. Arising from higher interest rate, interest income increased by \$156,000 to \$1 million for 2019.

The net profit attributable to shareholders of the Company for 2019 was \$0.9 million compared to \$1.7 million for 2018.

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 the third quarter and nine months ended 30 September 2019 which was released on 8 November 2019.

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.

The slowdown in the hospitality business and the oversupply of hotel rooms and apartments in Cameron Highlands will continue to adversely impact the operations in CHCH. To maintain its competitiveness with those newly built hotel and apartments, plans are underway to renovate the superior rooms and upgrade the lifts and other facilities to make it more comfortable for its guests.

Barring unforeseen circumstances, the Group intends to proceed with the development of 40-unit high-rise apartment building and the major refurbishment of the old commercial complex into additional hotel rooms and meeting facilities in Cameron Highlands.

The Group continues to face currency fluctuation risks as the majority of its assets and operations are located in Malaysia. In the meantime, the Company is still continuing its efforts to source for sustainable and viable business opportunities despite the current challenging economic environment.

Risk-based Approach to Quarterly Reporting

Following the amendment to the Singapore Exchange Securities Trading Limited's Listing Rules on Risk-based Approach to Quarterly Reporting which took effect on 7 February 2020, the Company will not be required to release its financial statements on quarterly basis.

Accordingly, the next announcement of the Group's financial statement will be in respect of the 6 months period ending 30 June 2020.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b)(i) Amount per share cents

(ii) Previous corresponding period cents

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) 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.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been recommended for the year under review. The Company intends to conserve cash for future investment opportunities.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST ("Listing Manual").

14 Negative confirmation pursuant to Rule 705(5). (Not required for announcement on full year results)

Not applicable.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its Directors and the Chief Financial Officer in compliance with the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

16 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 \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
2019				
Revenue				
- external revenue	74	6,990	-	7,064
- inter-segment revenue	-	-	42	42
	<u>74</u>	<u>6,990</u>	<u>42</u>	<u>7,106</u>
Elimination				<u>(42)</u>
				<u>7,064</u>
Reportable segment results	(1,361)	1,209	(433)	(585)
Other income (excluding interest income)	379	-	3	382
Interest income	691	69	260	1,020
Interest expense relates to lease liabilities	(7)	(3)	-	(10)
Share of results of associate and joint ventures	-	179	(2)	177
(Loss)/profit before tax	<u>(298)</u>	<u>1,454</u>	<u>(172)</u>	<u>984</u>
Income tax expense				<u>(104)</u>
Profit for the year				<u>880</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	1	203	-	204
Depreciation for the year	<u>185</u>	<u>871</u>	<u>40</u>	<u>1,096</u>
Reportable segment assets	40,339	19,731	20,419	80,489
Investment in associate	-	-	57	57
Investment in joint ventures	-	514	11	525
Consolidated total assets	<u>40,339</u>	<u>20,245</u>	<u>20,487</u>	<u>81,071</u>
Consolidated total liabilities	<u>1,271</u>	<u>820</u>	<u>917</u>	<u>3,008</u>

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
2018				
Revenue				
- external revenue	89	7,355	3,300	10,744
- inter-segment revenue	-	-	42	42
	89	7,355	3,342	10,786
Elimination				(42)
				10,744
Reportable segment results	(1,488)	1,240	1,459	1,211
Other income (excluding interest income)	742	7	22	771
Interest income	643	87	134	864
Interest expense	-	(82)	-	(82)
Non-operating expenses	(1,348)	-	-	(1,348)
Share of results of associate and joint ventures	-	169	(1)	168
(Loss)/profit before tax	(1,451)	1,421	1,614	1,584
Income tax credit				81
Profit for the year				1,665
Other segment items				
Capital expenditure				
- property, plant and equipment	6	532	-	538
Depreciation for the year	77	909	-	986
Reportable segment assets	50,470	20,470	16,736	87,676
Investment in associate	-	-	58	58
Investment in joint ventures	-	511	13	524
Consolidated total assets	50,470	20,981	16,807	88,258
Consolidated total liabilities	8,895	781	1,327	11,003
	Revenue	Revenue	Non-current assets	Non-current assets
	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000
Geographical segments				
Singapore	-	3,300	181	5
Malaysia	7,064	7,444	18,666	19,391
People's Republic of China	-	-	514	511
	7,064	10,744	19,361	19,907

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.

17 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.

18 A breakdown of sales as follows:

	2019 \$'000	Group 2018 \$'000	Change %
Revenue reported for first half year	3,103	6,768	(54.2)
Revenue reported for second half year	3,961	3,976	(0.4)
	7,064	10,744	(34.3)
Operating profit after tax reported for the first half year	374	1,976	(81.1)
Operating profit/(loss) after tax reported for the second half year	506	(311)	NM
	880	1,665	(47.1)

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

- 19 **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

Not applicable.

- 20 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, 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 Messrs Gan Khai Choon, Tan Eng Kwee and Andrew Goh Kia Teck, Directors of the Company.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer

Singapore
20 February 2020