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## Issuer & Securities

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### Issuer/ Manager

HL GLOBAL ENTERPRISES LIMITED

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## FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::HALF YEARLY RESULTS

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HL GLOBAL ENTERPRISES LIMITED - SG1A10000005 - AVA

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### Stapled Security

No

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## Announcement Details

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### Announcement Title

Financial Statements and Related Announcement

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### Submitted By (Co./ Ind. Name)

Foo Yang Hym

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### Designation

Chief Financial Officer

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### Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Please refer to the attachment.

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## Additional Details

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### For Financial Period Ended

30/06/2022

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## Attachments

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[HLGE\\_1H2022\\_results.pdf](#)

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Total size =315K MB

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**HL GLOBAL ENTERPRISES LIMITED**  
(Registration No. 196100131N)

Condensed interim financial statements  
for the six months ended 30 June 2022

# HL GLOBAL ENTERPRISES LIMITED

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**HL GLOBAL ENTERPRISES LIMITED****Unaudited Half Year Financial Statement Announcement for the six months ended 30 June ("1H") 2022****A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	1H 2022 \$'000	Group 1H 2021 \$'000	Change %
Revenue	E5	3,160	629	402.4
Cost of sales		(1,504)	(735)	104.6
<b>Gross profit/(loss)</b>		1,656	(106)	NM
Other income	E6.1	275	459	(40.1)
Selling and marketing expenses	E6.2	(119)	(98)	21.4
Administrative expenses		(141)	(159)	(11.3)
Finance costs		(5)	(2)	150.0
Other expenses	E6.1	(1,348)	(1,331)	1.3
Share of results of joint ventures (net of tax)		38	86	(55.8)
<b>Profit/(loss) before tax</b>		356	(1,151)	NM
Income tax expense	E7	(15)	(42)	(64.3)
<b>Profit/(loss) for the period attributable to owners of the Company</b>		341	(1,193)	NM
<b>Other comprehensive loss</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign currency translation differences for foreign operations		(424)	(270)	57.0
<b>Other comprehensive loss for the period, net of tax</b>		(424)	(270)	57.0
<b>Total comprehensive loss for the period attributable to owners of the Company</b>		(83)	(1,463)	(94.3)

	Group 1H 2022 ¢	Group 1H 2021 ¢
<b>Earnings/(loss) per share for the period attributable to the owners of the Company</b>		
(Based on the weighted average number of ordinary shares in issue)		
- Basic (1H 2022 and 1H 2021: 93,915,337)	0.36	(1.27)
- Diluted (1H 2022 and 1H 2021: 93,915,337)	0.36	(1.27)

NM: Not meaningful

**B. Condensed interim statements of financial position**

	Note	Group		Company	
		30/06/2022 \$'000	31/12/2021 \$'000	30/06/2022 \$'000	31/12/2021 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		15,936	16,506	12	15
Investment property		1,676	1,753	-	-
Subsidiaries		-	-	40,887	40,887
Associate		53	54	-	-
Joint ventures		872	846	-	-
Other receivables		89	84	28	22
Right-of-use assets	E8(i)	220	287	197	248
Deferred tax asset		178	182	-	-
		<u>19,024</u>	<u>19,712</u>	<u>41,124</u>	<u>41,172</u>
<b>Current assets</b>					
Inventories		90	88	-	-
Development properties		3,333	3,429	-	-
Trade and other receivables	E8(ii)	556	463	272	190
Prepayment		56	24	10	6
Cash and bank balances		55,596	55,084	36,577	37,062
		<u>59,631</u>	<u>59,088</u>	<u>36,859</u>	<u>37,258</u>
<b>Total assets</b>		<u>78,655</u>	<u>78,800</u>	<u>77,983</u>	<u>78,430</u>
<b>Equity</b>					
Share capital		129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(57,208)	(57,125)	(56,775)	(56,467)
<b>Total equity attributable to owners of the Company</b>		<u>76,565</u>	<u>76,648</u>	<u>76,998</u>	<u>77,306</u>
<b>Non-current liabilities</b>					
Lease liabilities	E8(iii)	119	168	119	159
		<u>119</u>	<u>168</u>	<u>119</u>	<u>159</u>
<b>Current liabilities</b>					
Trade and other payables		1,856	1,852	776	865
Lease liabilities	E8(iii)	106	121	81	89
Current tax payable		9	11	9	11
		<u>1,971</u>	<u>1,984</u>	<u>866</u>	<u>965</u>
<b>Total liabilities</b>		<u>2,090</u>	<u>2,152</u>	<u>985</u>	<u>1,124</u>
<b>Total equity and liabilities</b>		<u>78,655</u>	<u>78,800</u>	<u>77,983</u>	<u>78,430</u>

**C. Condensed interim statements of changes in equity**

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2022</b>	129,793	3,980	8,529	(192)	67	(65,529)	76,648
Profit for the period	-	-	-	-	-	341	341
<u>Other comprehensive loss, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	(424)	-	(424)
<b>Total comprehensive (loss)/ income for the period, net of tax</b>	-	-	-	-	(424)	341	(83)
<b>At 30 June 2022</b>	<b>129,793</b>	<b>3,980</b>	<b>8,529</b>	<b>(192)</b>	<b>(357)</b>	<b>(65,188)</b>	<b>76,565</b>

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2021</b>	129,793	3,980	8,529	(192)	317	(64,151)	78,276
Loss for the period	-	-	-	-	-	(1,193)	(1,193)
<u>Other comprehensive loss, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	(270)	-	(270)
<b>Total comprehensive loss for the period, net of tax</b>	-	-	-	-	(270)	(1,193)	(1,463)
<b>At 30 June 2021</b>	<b>129,793</b>	<b>3,980</b>	<b>8,529</b>	<b>(192)</b>	<b>47</b>	<b>(65,344)</b>	<b>76,813</b>

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>At 1 January 2022</b>	129,793	3,980	12,471	(68,938)	77,306
Loss for the period, representing total comprehensive loss for the period	-	-	-	(308)	(308)
<b>At 30 June 2022</b>	<b>129,793</b>	<b>3,980</b>	<b>12,471</b>	<b>(69,246)</b>	<b>76,998</b>

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>At 1 January 2021</b>	129,793	3,980	12,471	(68,451)	77,793
Loss for the period, representing total comprehensive loss for the period	-	-	-	(273)	(273)
<b>At 30 June 2021</b>	<b>129,793</b>	<b>3,980</b>	<b>12,471</b>	<b>(68,724)</b>	<b>77,520</b>

**D. Condensed interim consolidated statement of cash flows**

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating activities</b>		
Profit/(loss) before tax	356	(1,151)
Adjustments for:		
Bad debt recovered	-	(1)
Depreciation of investment property	36	37
Depreciation of property, plant and equipment	391	401
Depreciation of right-of-use assets	66	78
Interest expense related to lease liabilities	5	2
Interest income	(165)	(148)
Share of results of joint ventures (net of tax)	(38)	(86)
Unrealised currency exchange loss-net	73	51
Write-back of impairment of trade receivables	-	(8)
<b>Operating cash flows before changes in working capital</b>	<b>724</b>	<b>(825)</b>
Development properties	(3)	-
Inventories	(2)	(5)
Trade and other payables	4	(388)
Trade and other receivables and prepayment	(77)	109
<b>Cash from/(used in) operating activities</b>	<b>646</b>	<b>(1,109)</b>
Income tax paid	(23)	(76)
Interest expense related to lease liabilities	(5)	(2)
Interest received	121	82
<b>Net cash from/(used in) operating activities</b>	<b>739</b>	<b>(1,105)</b>
<b>Investing activities</b>		
Withdrawal of fixed deposits matured	513	338
Purchase of property, plant and equipment	(51)	(568)
<b>Net cash from/(used in) investing activities</b>	<b>462</b>	<b>(230)</b>
<b>Financing activity</b>		
Repayment of principal portion of lease liabilities	(63)	(83)
<b>Net cash used in financing activity</b>	<b>(63)</b>	<b>(83)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,138</b>	<b>(1,418)</b>
Cash and cash equivalents at beginning of the period	5,179	6,016
Effect of exchange rate changes on balances held in foreign currencies	(113)	(78)
<b>Cash and cash equivalents at end of the period</b>	<b>6,204</b>	<b>4,520</b>
Fixed deposits with tenures more than 3 months	49,392	50,234
<b>Cash and bank balances</b>	<b>55,596</b>	<b>54,754</b>

## **E. Notes to the condensed interim consolidated financial statements**

### **1 Corporate information**

HL Global Enterprises Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are investment holding, hospitality and restaurant and property development.

### **2 Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2021.

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements, which were prepared in accordance with SFRS(I).

The financial statements are presented in Singapore Dollar, which is the Company's functional currency and all values are rounded to the nearest thousand ("'\$'000"), except when otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

The adoption of the new and amended standards has no material impact on the condensed interim consolidated financial statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

### **3 Seasonal operations**

The Group's business is normally affected significantly by seasonal factors.

### **4 Segment and revenue information**

The Group has three reportable segments:

Investments and others:	Investment holding and others
Hospitality and restaurant:	Operating and management of hotels and restaurants
Property development:	Development of properties for sale and rental and property and development project management

Performance is measured based on segment results before other income (including interest income), interest expense, share of results of associate and joint ventures and income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment.



<b>Reportable segment</b>	<b>Investments and others</b>	<b>Hospitality and restaurant</b>	<b>Property development</b>	<b>Total</b>
<b>6 months ended 30 June 2022</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue				
- external revenue	19	3,141	-	3,160
- inter-segment revenue	-	-	20	20
	19	3,141	20	3,180
Elimination				(20)
				<u>3,160</u>
Reportable segment results	(503)	735	(184)	48
Other income (excluding interest income)	68	41	1	110
Interest income	102	9	54	165
Interest expense	(5)	-	-	(5)
Share of results of joint ventures	-	39	(1)	38
(Loss)/profit before tax	(338)	824	(130)	356
Income tax expense				(15)
<b>Profit for the period</b>				<u>341</u>

<b>Reportable segment</b>	<b>Investments and others</b>	<b>Hospitality and restaurant</b>	<b>Property development</b>	<b>Total</b>
<b>6 months ended 30 June 2021</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue				
- external revenue	4	625	-	629
- inter-segment revenue	-	-	2	2
	4	625	2	631
Elimination				(2)
				<u>629</u>
Reportable segment results	(546)	(985)	(163)	(1,694)
Other income (excluding interest income)	143	151	17	311
Interest income	96	6	46	148
Interest expense	(1)	-	(1)	(2)
Share of results of a joint venture	-	86	-	86
Loss before tax	(308)	(742)	(101)	(1,151)
Income tax expense				(42)
<b>Loss for the period</b>				<u>(1,193)</u>

## 5 Revenue

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Revenue from hospitality and restaurant	3,141	625
Rental income from investment property	19	4
	<u>3,160</u>	<u>629</u>

The Malaysian Government had lifted movement control restrictions since October 2021, hence resulted in the increase in revenue in 1H 2022 compared to 1H 2021.

**6 Profit/(loss) before taxation**

## 6.1 Significant items

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Income</b>		
Interest income	165	148
Government grants	41	165
Licence fee	66	114
Sundry income	3	32
	<u>275</u>	<u>459</u>

- (i) Government grants were the subsidies granted by the Singapore and Malaysian Governments to support businesses during the COVID-19 pandemic.
- (ii) The decrease in licence fee was due to lower revenue recorded by Hotel Equatorial Shanghai ("HES") attributed to the lockdown in Shanghai arising from the outbreak of Omicron variant. Licence fee is charged as a percentage of the revenue of HES.

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Other Expenses</b>		
Depreciation of investment property, property, plant and equipment	427	438
Depreciation of right-of-use assets	66	78
Employee related costs/directors' fee	615	622
Currency exchange loss-net	76	51
Others	164	142
	<u>1,348</u>	<u>1,331</u>

- (i) The increase in currency exchange loss was mainly due to the translation of foreign currency balances arising from the weakening of the Malaysian Ringgit against the Singapore Dollar.
- (ii) The other expenses included mainly insurance, repair and maintenance and property tax.

## 6.2 Selling and marketing expenses

The Group's hospitality operation increased its marketing activity in 1H 2022 after the Malaysian Government allowed interstate travel.

## 6.3 Related party transactions

Compensation of key management personnel

Key management personnel compensation comprises remuneration of directors and other key management personnel as follows:

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Directors' fee/short-term employee benefits	228	216
Employer's contribution to defined contribution plans	8	7
	<u>236</u>	<u>223</u>

Sale and purchase of goods and services

The following significant transactions between the Group and related parties took place at terms agreed between the parties during 1H 2022 and 1H 2021:

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Expenses paid/payable to related companies:		
Rental	16	20
Secretarial/consultancy fees	40	49
Insurance and information technology services	25	17
Franchise and sales and marketing and reservation fees	33	6
	<hr/>	<hr/>
<u>Significant outstanding balances with related parties</u>		
Bank balances held with a related party	19,739	30,136
Secretarial/consultancy fees	40	49
	<hr/>	<hr/>

**7 Taxation**

The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>1H 2022</b>	<b>1H 2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Current income tax		
- current income taxation	13	21
- underprovision in respect of previous years	2	21
	<hr/>	<hr/>
	15	42
	<hr/>	<hr/>

**8 Balance Sheet**

- (i) The decrease in right-of-use assets was mainly due to depreciation of the said assets.
- (ii) Trade and other receivables as at 30 June 2022 was higher than 31 December 2021, this was mainly due to improvement in revenue in the hospitality segment in 1H 2022 compared to the financial year 2021.
- (iii) The decline was due to the payment of lease liabilities and reclassification of lease payment due within 12 months from non-current liabilities to current liabilities.

**9 Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2022</b>	<b>31/12/2021</b>	<b>30/06/2022</b>	<b>31/12/2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net asset value per issued share, excluding Trust Shares	0.82	0.82	0.82	0.82
	<hr/>	<hr/>	<hr/>	<hr/>

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 30 June 2022 and at 31 December 2021.

**10 Property, plant and equipment**

During the six months ended 30 June 2022, the Group acquired assets amounting to \$51,000 (30 June 2021: \$568,000). There was no disposal during this period.

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

In view that there is no significant adverse factor affecting the property market in 1H 2022 and based on the latest valuation of the properties as at 31 December 2021, management does not expect material impairment to the carrying values of property, plant and equipment but has plans to obtain independent valuation report at year end.

**11 Investment property**

The Group's investment property is an entertainment complex at Cameron Highlands, Malaysia. The shops at the complex are leased out to third parties. The Group has no restrictions on the realisability of its investment property.

	<b>Group</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>		
Beginning of financial year	2,123	2,155
Translation adjustments	(50)	(34)
End of interim period	<u>2,073</u>	<u>2,121</u>
<b>Accumulated depreciation</b>		
Beginning of financial year	(370)	(300)
Depreciation charge for the interim period	(36)	(37)
Translation adjustments	9	5
End of interim period	<u>(397)</u>	<u>(332)</u>
Net carrying amount as at 30 June	<u>1,676</u>	<u>1,789</u>
At valuation (based on 31 December 2021 valuation) converted at the exchange rate of RM/S\$ as at 30 June 2022 and 30 June 2021	<u>2,342</u>	<u>2,396</u>

**Fair value of investment property**

The Group engaged an independent professional qualified valuer to determine the fair value of investment property at the end of each financial year. The fair value of investment property is determined by the market comparison and cost methods. In valuing the investment property, due consideration is given to factors such as location and size of building, building infrastructure, market knowledge and historical comparable transactions to arrive at their opinion of value.

The Group has submitted documents relating to the conversion of the entertainment complex into additional hotel and function rooms to the Planning Department for comment and approval. Management foresees the conversion will enhance the value of the investment property. The Company plans to obtain an independent valuation report at year end.

**12 Development properties**

The Group estimates the net realisable values of the development properties by taking into consideration the development plans, recoverable amounts of these development properties as well as valuation of the estimated market value of the uncompleted development property in Melaka, Malaysia performed by an external independent professional valuer. The Group will engage independent real estate valuation experts to assess the net realizable values of the Group's development properties as at the end of financial year.

In view that there is no significant adverse factor affecting the property market in 1H 2022 and after taking into consideration of the inputs and assumptions used by the valuers in the valuation techniques for their valuation as at 31 December 2021, the management does not expect material impairment on the said property which the work on the development has been suspended since 1998.

**13 Lease liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>30/06/2022</b>	<b>31/12/2021</b>	<b>30/06/2022</b>	<b>31/12/2021</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<u>Amount repayable within one year</u>				
Unsecured	106	121	81	89
<u>Amount repayable after one year</u>				
Unsecured	119	168	119	159

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

**14 Share capital**

	<b>Group and Company Number of shares</b>	<b>Share Capital \$'000</b>
<b><u>Ordinary shares</u></b>		
At 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022 (As per Accounting and Corporate Regulatory Authority's records)	96,334,254	133,773
Less: Trust Shares	<u>(2,418,917)</u>	<u>(3,980)</u>
At 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	<u>93,915,337</u>	<u>129,793</u>

The Company did not hold any treasury shares as at 30 June 2022, 31 December 2021 and 30 June 2021.

There were no sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings during the six months ended 30 June 2022.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2022 and 31 December 2021.

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.

**15 Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

## **F. Other information required by Listing Rule Appendix 7.2**

### **1 Review**

The condensed consolidated statement of financial position of HL Global Enterprises Limited and its subsidiaries as at 30 June 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2 Review of performance of the Group**

#### **Results for 6 months ended 30 June (“1H”) 2022 versus 1H 2021**

The Group’s hospitality business in Copthorne Hotel Cameron Highlands (“CHCH”) has returned to normalcy for the time being after the Malaysian Government had resumed interstate travel since October 2021. The Group reported revenue of \$3.2 million in 1H 2022 compared to the revenue of \$0.6 million in 1H 2021. The increase was mainly contributed by CHCH.

As a result, the Group’s hospitality segment achieved an operating profit of \$735,000 in 1H 2022 compared to an operating loss of \$985,000 in 1H 2021. The property development segment and investment and others segment (consisting of investment property operation and corporate overhead costs) incurred operating loss of \$0.2 million and \$0.5 million respectively. The overall Group operating profit before the share of results of joint ventures, other income and finance costs in 1H 2022 was \$48,000 versus an operating loss of \$1.7 million for the same period last year.

Other income mainly consisted of interest income and licence fee. The licence fee has decreased from \$114,000 in 1H 2021 to \$66,000 in 1H 2022 due to the decrease in revenue recorded by Hotel Equatorial Shanghai (“HES”). The business in HES was adversely impacted by the lockdown in Shanghai attributed to the outbreak of Omicron variant. Licence fee is charged as a percentage of the revenue of HES. Correspondingly, the results of the joint venture in Shanghai which provides hotel management services to HES, was also affected by the said outbreak and reported a decline in the share of results by \$47,000 to \$39,000 in 1H 2022.

After taking into account the withholding tax on overseas income and income tax on interest income, the net profit attributable to shareholders of the Company for 1H 2022 was \$341,000 against a net loss of \$1.2 million registered for 1H 2021.

### **3 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 period under review is in line with its expectations as disclosed in the Company’s announcement released on 18 February 2022 on the unaudited financial statement for the year ended 31 December 2021.

#### **4 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 operating period and the next 12 months**

Although the business in CHCH has recovered to pre-COVID-19 levels, it is uncertain if this trend of business recovery is sustainable. Currently, the hospitality sector in Malaysia is facing a severe shortage of manpower, and hotel operators are under pressure to maintain operations with minimum manpower during peak seasons. CHCH also encountered the same issue and has not been able to achieve optimal occupancy due to insufficient manpower in the housekeeping department. The COVID-19 pandemic and the war in Ukraine have caused significant disruptions to supply chains which had led to the increase in the prices of goods. The overall rise in the cost of living is going to impact the consumers' spending power. CHCH will continue to be impacted by the said challenges faced by the hospitality industry.

The revised site and layout plans for the refurbishment of the old commercial complex into additional hotel and function rooms were re-submitted to the Planning Department of the Cameron Highlands District Council in July 2022 for their approval. The site and layout plans for the development of the 40-unit high-rise apartment were also submitted to the said authority on the same date. Approval on the above development plans are being awaited.

The Group's assets are substantially located in Malaysia, it will continue to be exposed to currency fluctuation risks. The Group will continue to look for sustainable and viable growth expansion elsewhere and will continue to exercise prudence in its review of such business opportunities.

#### **5 Dividend information**

No dividend has been recommended for the period under review. The Company will review it at the end of the financial year.

#### **6 Interested person transactions**

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").

#### **7 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.

#### **8 Confirmation by the Board**

##### **Negative confirmation pursuant to Rule 705(5)**

The Board hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the Group's unaudited interim financial results for the half year ended 30 June 2022 to be false or misleading in any material aspect.

On behalf of the Board

Dato' Gan Khai Choon  
Chairman

Hoh Weng Ming  
Director

Singapore  
3 August 2022

##### **BY ORDER OF THE BOARD**

Foo Yang Hym  
Chief Financial Officer

Singapore  
3 August 2022