

**FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS**

## Issuer &amp; Securities

## Issuer/ Manager

HL GLOBAL ENTERPRISES LIMITED

## Securities

HL GLOBAL ENTERPRISES LIMITED - SG1AI6000003 - AVX

## Stapled Security

No

## Announcement Details

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Please refer to the attachment.

## Additional Details

## For Financial Period Ended

31/12/2023

## Attachments

[HLGE\\_FY2023.pdf](#)

Total size =347K MB

# **HL GLOBAL ENTERPRISES LIMITED**

**(Registration No. 196100131N)**

Condensed interim financial statements  
for the six months and full year ended  
31 December 2023

# HL GLOBAL ENTERPRISES LIMITED

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## HL GLOBAL ENTERPRISES LIMITED

### Unaudited Financial Statement Announcement for the six months ("2H") and 12 months ("FY") ended 31 December 2023

#### A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	Group					
		2H 2023 \$'000	2H 2022 \$'000	Change %	FY 2023 \$'000	FY 2022 \$'000	Change %
Revenue	E4, F2.1	3,198	3,545	(9.8)	5,869	6,705	(12.5)
Cost of sales		(1,522)	(1,757)	(13.4)	(2,993)	(3,261)	(8.2)
<b>Gross profit</b>		1,676	1,788	(6.3)	2,876	3,444	(16.5)
Other income	E6, F2.1	1,157	593	95.1	2,087	868	140.4
Selling and marketing expenses	F2.1	(89)	(118)	(24.6)	(181)	(237)	(23.6)
Administrative expenses		(190)	(154)	23.4	(335)	(295)	13.6
Finance costs		(2)	(5)	(60.0)	(8)	(10)	(20.0)
Other expenses	F2.1	(1,327)	(1,457)	(8.9)	(2,746)	(2,805)	(2.1)
Share of results of associate and joint ventures (net of tax)		(1)	56	(101.8)	7	94	(92.6)
<b>Profit before tax</b>		1,224	703	74.1	1,700	1,059	60.5
Income tax (expense)/credit	E9, F2.1	(45)	7	NM	(63)	(8)	687.5
<b>Profit for the period attributable to owners of the Company</b>	E7	1,179	710	66.1	1,637	1,051	55.8
<b>Other comprehensive loss Items that may be reclassified subsequently to profit or loss</b>							
Foreign currency translation differences for foreign operations		(182)	(725)	(74.9)	(1,138)	(1,149)	(1.0)
<b>Other comprehensive loss for the period, net of tax</b>		(182)	(725)	(74.9)	(1,138)	(1,149)	(1.0)
<b>Total comprehensive income/(loss) for the period attributable to owners of the Company</b>		997	(15)	NM	499	(98)	(609.2)

Earnings per share for the period attributable to owners of the Company	Group			
	2H 2023 ¢	2H 2022 ¢	FY 2023 ¢	FY 2022 ¢
Based on weighted average number of ordinary shares in issue - note E14				
- Basic	1.26	0.76	1.74	1.12
(2H 2023, 2H 2022, FY 2023 and FY 2022: 93,915,337)				
- Diluted	1.26	0.76	1.74	1.12

NM: Not meaningful

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

	Note	Group		Company	
		31/12/2023 \$'000	31/12/2022 \$'000	31/12/2023 \$'000	31/12/2022 \$'000
<b>Non-current assets</b>					
Property, plant and equipment	E11	14,344	15,231	2	8
Investment property	E13	1,422	1,581	-	-
Subsidiaries		-	-	44,942	45,650
Associate		46	50	-	-
Joint ventures		310	864	-	-
Other receivables		65	85	5	28
Right-of-use assets		154	262	104	205
Deferred tax asset		382	192	-	-
		<u>16,723</u>	<u>18,265</u>	<u>45,053</u>	<u>45,891</u>
<b>Current assets</b>					
Inventories		75	109	-	-
Development properties	E12	3,104	3,240	-	-
Trade and other receivables	F2.2	1,151	801	806	421
Prepayment	F2.2	37	123	1	26
Cash and bank balances		58,217	56,338	37,232	36,355
		<u>62,584</u>	<u>60,611</u>	<u>38,039</u>	<u>36,802</u>
<b>Total assets</b>		<u>79,307</u>	<u>78,876</u>	<u>83,092</u>	<u>82,693</u>
<b>Equity</b>					
Share capital	E14	129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(56,724)	(57,223)	(51,876)	(52,163)
<b>Total equity attributable to owners of the Company</b>		<u>77,049</u>	<u>76,550</u>	<u>81,897</u>	<u>81,610</u>
<b>Non-current liabilities</b>					
Lease liabilities	F2.2	20	133	11	109
		<u>20</u>	<u>133</u>	<u>11</u>	<u>109</u>
<b>Current liabilities</b>					
Trade and other payables		1,919	2,046	909	864
Lease liabilities	F2.2	141	135	97	100
Current tax payable		109	12	109	10
Deferred tax liabilities		69	-	69	-
		<u>2,238</u>	<u>2,193</u>	<u>1,184</u>	<u>974</u>
<b>Total liabilities</b>		<u>2,258</u>	<u>2,326</u>	<u>1,195</u>	<u>1,083</u>
<b>Total equity and liabilities</b>		<u>79,307</u>	<u>78,876</u>	<u>83,092</u>	<u>82,693</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 2023</b>	129,793	3,980	8,529	(192)	(1,082)	(64,478)	76,550
Profit for the year	-	-	-	-	-	1,637	1,637
<u>Other comprehensive</u> <u>loss, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	(1,138)	-	(1,138)
<b>Total comprehensive (loss)/income for the year, net of tax</b>	-	-	-	-	(1,138)	1,637	499
<b>At 31 December 2023</b>	129,793	3,980	8,529	(192)	(2,220)	(62,841)	77,049

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 year	-	-	-	-	-	1,051	1,051
<u>Other comprehensive</u> <u>loss, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	(1,149)	-	(1,149)
<b>Total comprehensive (loss)/income for the year, net of tax</b>	-	-	-	-	(1,149)	1,051	(98)
<b>At 31 December 2022</b>	129,793	3,980	8,529	(192)	(1,082)	(64,478)	76,550

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2023</b>	129,793	3,980	12,471	(64,634)	81,610
Profit for the year, representing total comprehensive income for the year	-	-	-	287	287
<b>At 31 December 2023</b>	129,793	3,980	12,471	(64,347)	81,897

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total equity \$'000
<b>At 1 January 2022</b>	129,793	3,980	12,471	(68,938)	77,306
Profit for the year, representing total comprehensive income for the year #	-	-	-	4,304	4,304
<b>At 31 December 2022</b>	129,793	3,980	12,471	(64,634)	81,610

# Profit for the year included a write-back of impairment loss of \$4.8 million. The Company had assessed that impairment loss previously recognised for the subsidiary, LKN Development Pte Ltd and its subsidiaries (LKND Group) has decreased as the recoverable amount of the asset in LKND Group exceeded its carrying amount.

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

	Group	
	FY 2023	FY 2022
	\$'000	\$'000
<b>Operating activities</b>		
Profit before tax	1,700	1,059
Adjustments for:		
Depreciation of investment property	67	71
Depreciation of property, plant and equipment	717	770
Depreciation of right-of-use assets	148	132
Gain on disposal of property, plant and equipment	(16)	(18)
Interest expense related to lease liabilities	8	10
Interest income	(1,803)	(592)
Share of results of associate (net of tax)	1	1
Share of results of joint ventures (net of tax)	(8)	(95)
Unrealised currency exchange losses - net	176	183
<b>Operating cash flows before changes in working capital</b>	990	1,521
Development properties	(53)	(5)
Inventories	34	(21)
Trade and other payables	(121)	194
Trade and other receivables and prepayment	96	(137)
<b>Cash from operating activities</b>	946	1,552
Income tax paid	(104)	(31)
Interest expense related to lease liabilities	(8)	(10)
Interest received	1,456	286
<b>Net cash from operating activities</b>	2,290	1,797
<b>Investing activities</b>		
Dividend received from a joint venture	528	-
Placement of long term fixed deposits	(1,791)	(499)
Proceeds from disposal of property, plant and equipment	19	18
Purchase of property, plant and equipment	(389)	(115)
<b>Net cash used in investing activities</b>	(1,633)	(596)
<b>Financing activity</b>		
Repayment of principal portion of lease liabilities	(144)	(129)
<b>Net cash used in financing activity</b>	(144)	(129)
<b>Net increase in cash and cash equivalents</b>	513	1,072
Cash and cash equivalents at beginning of the year	5,934	5,179
Effect of exchange rate changes on balances held in foreign currencies	(425)	(317)
<b>Cash and cash equivalents at end of the year</b>	6,022	5,934
Fixed deposits with tenures more than 3 months	52,195	50,404
<b>Cash and bank balances</b>	58,217	56,338

## **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 consolidated financial statements as at and for the six months ended 31 December 2023 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 financial statements for the six months ended 31 December 2023 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 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 interim financial statements for the period ended 30 June 2023.

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 2022.

### **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>1 July 2023 to 31 December 2023</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue				
- external revenue	14	3,184	-	3,198
- inter-segment revenue	-	-	18	18
	<u>14</u>	<u>3,184</u>	<u>18</u>	<u>3,216</u>
Elimination				(18)
				<u>3,198</u>
Reportable segment results	(544)	816	(202)	70
Other income (excluding interest income)	134	16	16	166
Interest income	674	48	269	991
Interest expense related to lease liabilities	(2)	-	-	(2)
Share of results of associate and joint ventures	-	2	(3)	(1)
Profit before tax	<u>262</u>	<u>882</u>	<u>80</u>	<u>1,224</u>
Income tax expense				(45)
<b>Profit for the period</b>				<u>1,179</u>

**Other segment items**

Capital expenditure				
- property, plant and equipment	1	201	13	215
Depreciation for the period	<u>87</u>	<u>357</u>	<u>18</u>	<u>462</u>

**Reportable segment**  
**1 July 2022 to 31 December 2022**

	<b>Investments and others</b>	<b>Hospitality and restaurant</b>	<b>Property development</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Revenue				
- external revenue	17	3,528	-	3,545
- inter-segment revenue	-	-	19	19
	<u>17</u>	<u>3,528</u>	<u>19</u>	<u>3,564</u>
Elimination				(19)
				<u>3,545</u>
Reportable segment results	(515)	814	(240)	59
Other income (excluding interest income)	82	81	3	166
Interest income	256	25	146	427
Interest expense related to lease liabilities	(4)	-	(1)	(5)
Share of results of associate and joint ventures	-	58	(2)	56
(Loss)/profit before tax	<u>(181)</u>	<u>978</u>	<u>(94)</u>	<u>703</u>
Income tax credit				7
<b>Profit for the period</b>				<u>710</u>

**Other segment items**

Capital expenditure				
- property, plant and equipment	-	58	6	64
Depreciation for the period	<u>89</u>	<u>372</u>	<u>19</u>	<u>480</u>

Reportable segment	Investments	Hospitality and	Property	Total
	and others	restaurant	development	
1 January 2023 to 31 December 2023	\$'000	\$'000	\$'000	\$'000
Revenue				
- external revenue	29	5,840	-	5,869
- inter-segment revenue	-	-	37	37
	29	5,840	37	5,906
Elimination				(37)
				5,869
Reportable segment results	(1,095)	1,141	(432)	(386)
Other income (excluding interest income)	252	16	16	284
Interest income	1,249	86	468	1,803
Interest expense related to lease liabilities	(6)	(2)	-	(8)
Share of results of associate and joint ventures	-	10	(3)	7
Profit before tax	400	1,251	49	1,700
Income tax expense				(63)
<b>Profit for the year</b>				<b>1,637</b>
<b>Other segment items</b>				
Capital expenditure				
- property, plant and equipment	1	373	15	389
Depreciation for the year	175	722	35	932
<b>Reportable segment assets</b>	39,305	19,043	20,603	78,951
Investment in associate	-	-	46	46
Investment in joint ventures	-	308	2	310
<b>Consolidated total assets</b>	<b>39,305</b>	<b>19,351</b>	<b>20,651</b>	<b>79,307</b>
<b>Consolidated total liabilities</b>	<b>1,195</b>	<b>684</b>	<b>379</b>	<b>2,258</b>
<b>Reportable segment</b>				
<b>1 January 2022 to 31 December 2022</b>				
Revenue				
- external revenue	36	6,669	-	6,705
- inter-segment revenue	-	-	39	39
	36	6,669	39	6,744
Elimination				(39)
				6,705
Reportable segment results	(1,018)	1,549	(424)	107
Other income (excluding interest income)	150	122	4	276
Interest income	358	34	200	592
Interest expense related to lease liabilities	(9)	-	(1)	(10)
Share of results of associate and joint ventures	-	97	(3)	94
(Loss)/profit before tax	(519)	1,802	(224)	1,059
Income tax expense				(8)
<b>Profit for the year</b>				<b>1,051</b>
<b>Other segment items</b>				
Capital expenditure				
- property, plant and equipment	1	83	31	115
Depreciation for the year	180	756	37	973
<b>Reportable segment assets</b>	38,522	18,950	20,490	77,962
Investment in associate	-	-	50	50
Investment in joint ventures	-	858	6	864
<b>Consolidated total assets</b>	<b>38,522</b>	<b>19,808</b>	<b>20,546</b>	<b>78,876</b>
<b>Consolidated total liabilities</b>	<b>1,083</b>	<b>886</b>	<b>357</b>	<b>2,326</b>

**Geographical information**

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

**Revenue**

Malaysia	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
Revenue from hospitality and restaurant	3,184	3,528	5,840	6,669
Rental income from investment property	14	17	29	36
	<u>3,198</u>	<u>3,545</u>	<u>5,869</u>	<u>6,705</u>

**Non-current assets**

Malaysia People's Republic of China Singapore	Group	
	FY 2023 \$'000	FY 2022 \$'000
	15,922	16,974
	308	858
	111	241
	<u>16,341</u>	<u>18,073</u>

**A breakdown of sales as follows:**

	Group		
	FY 2023 \$'000	FY 2022 \$'000	Change %
Revenue reported for first half year	2,671	3,160	(15.5)
Operating profit after tax reported for the first half year	458	341	34.3
Revenue reported for second half year	3,198	3,545	(9.8)
Operating profit after tax reported for the second half year	<u>1,179</u>	<u>710</u>	<u>66.1</u>

**5 Fair value of assets and liabilities****Fair value hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

There have been no transfers between Level 1 to Level 3 fair value measurements during the financial years ended 31 December 2023 and 2022.

The following table shows the information about fair value measurement using significant unobservable inputs (Level 3):

	Fair value \$'000	Valuation techniques	Unobservable techniques	Inter-relationship between key unobservable inputs and fair value measurement
<b>Investment property:</b>				
FY 2023	2,124	Market comparison and cost method	Comparable price: \$35 to \$85 per square foot	The estimated fair value increases with higher comparable price
FY 2022	2,257	Market comparison and cost method	Comparable price: \$35 to \$85 per square foot	The estimated fair value increases with higher comparable price

Investment property is initially measured at cost, including transaction cost. Subsequent to initial recognition, investment property is carried at cost less accumulated depreciation and accumulated impairment losses.

**Assets and liabilities measured at fair value**

The Group does not have any assets and liabilities that are measured in accordance with the fair value hierarchy listed above.

**Assets and liabilities not measured at fair value, for which fair value is disclosed**

Details of valuation techniques and key assumptions used to estimate the fair value of the investment property are set out in the table above.

**6 Other income**

	Note	Group			
		2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
Interest income	F2.1	991	427	1,803	592
Government grants		-	64	-	105
Licence fee	F2.1	133	79	249	145
Sundry income		33	23	35	26
		<u>1,157</u>	<u>593</u>	<u>2,087</u>	<u>868</u>

**7 Profit for the period, net of tax**

The following items have been included in arriving at profit for the period, net of tax:

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
Depreciation of property, plant and equipment	355	379	717	770
Depreciation of investment property	33	35	67	71
Depreciation of right-of-use assets	74	66	148	132
Currency exchange losses – net	30	118	183	194
Employee benefits expense:				
- directors' fees	99	96	195	192
- salaries and bonuses	912	1,070	1,797	1,923
- employer's contribution to defined contribution plans	111	117	216	221
- other short-term benefits	110	119	222	239
Gain on disposal of property, plant and equipment	(16)	(18)	(16)	(18)
Inventories recognised in cost of sales	431	813	858	897
Audit fees to auditors of the Company	63	54	114	101

**8 Related party transactions****Compensation of key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entities within the Group, directly or indirectly, including any director (whether executive or otherwise) of that entities within the Group. Key management personnel compensation comprises remuneration of directors and other key personnel as follows:

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
Directors' fees	99	96	195	192
Employee benefits	177	167	308	299
Employer's contribution to defined contribution plans	12	12	20	20
	<u>288</u>	<u>275</u>	<u>523</u>	<u>511</u>

**Sale and purchase of goods and services**

The following significant transactions took place at terms agreed between the Group and the related parties during the financial year:

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
Professional fee payable to a firm in which a director of the Company is a partner	25	-	25	-
Expenses paid/payable to related companies:				
Rental	17	18	34	34
Secretarial/consultancy fees	47	34	81	74
Insurance, information technology and other services	4	4	34	29
Franchise and sales and marketing and reservation fees	77	140	159	173

Related companies exclude entities within the Group. Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of these related companies.

**Significant outstanding balances with related parties**

Details of the outstanding balances with related parties are follows:

	FY 2023 \$'000	FY 2022 \$'000
	Bank balance held with a related party	9,500
Secretarial/consultancy fees	81	74

**9 Income tax expense/(credit)**

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

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
<b>Consolidated income statement</b>				
Current income tax				
- current income taxation	183	16	201	29
- overprovision in respect of previous years	-	(2)	-	-
	183	14	201	29
Deferred income tax				
- origination of temporary differences	69	-	69	-
- recognition of previously unrecognised deferred tax assets	(207)	(21)	(207)	(21)
Income tax expense/(credit) recognised in profit or loss	45	(7)	63	8

**Source of estimation uncertainty**

Uncertainties exist with respect to the interpretation of tax regulations and the amount and timing of future taxable income. Given the differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provision is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

In particular, deferred tax assets are recognised for unutilised tax losses and unutilised capital and investment tax allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits. In projecting future taxable income, the Group begins with historical results and incorporate assumptions about the future taxable income for the next 12 months. The assumptions about future taxable income require the use of significant judgement and are consistent with the plans and estimates used to manage the underlying business. Given the uncertainty of the impact of rising interest rates and inflationary pressures, deferred tax assets had not been recognized in respect of certain temporary differences arising from subsidiaries in Singapore and Malaysia.

**10 Net asset value**

	Group		Company	
	FY 2023 \$	FY 2022 \$	FY 2023 \$	FY 2022 \$
Net asset value per issued share, excluding Trust Shares	0.82	0.82	0.87	0.87

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 31 December 2023 and at 31 December 2022.

**11 Property, plant and equipment**

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 value may not be recoverable. The recoverable amounts of the property, plant and equipment being the higher of the fair value less costs to sell and value-in use, were determined using fair value less costs to sell approach, and were estimated using comparison methods.

Management has carried out the impairment assessment to assess if there is any indication that the hotel and property assets may be impaired. If such indication exists, the recoverable amounts were estimated based on external valuations undertaken by the Group. It was concluded that the recoverable amounts were higher than the carrying amount of the property assets and no provision for impairment was required.

Group	Freehold	Buildings and	Plant and	Furniture,	Motor vehicles	Capital work-	Total
	land*	on freehold	machinery	fittings and		in-progress	
	\$'000	land	\$'000	office	\$'000	\$'000	\$'000
				equipment			
				\$'000			
<b>Cost</b>							
At 1 January 2022	2,856	14,630	2,268	3,818	69	182	23,823
Additions	-	-	11	38	39	27	115
Disposals	-	-	-	-	(16)	-	(16)
Transfer	-	-	150	-	-	(150)	-
Translation adjustments	(32)	(599)	(138)	(219)	(4)	(8)	(1,000)
<b>At 31 December 2022 and 1 January 2023</b>	<b>2,824</b>	<b>14,031</b>	<b>2,291</b>	<b>3,637</b>	<b>88</b>	<b>51</b>	<b>22,922</b>
Additions	-	-	221	153	-	15	389
Disposals	-	-	(101)	-	-	-	(101)
Translation adjustments	(31)	(567)	(132)	(210)	(5)	(2)	(947)
<b>At 31 December 2023</b>	<b>2,793</b>	<b>13,464</b>	<b>2,279</b>	<b>3,580</b>	<b>83</b>	<b>64</b>	<b>22,263</b>
	Freehold	Buildings and	Plant and	Furniture,	Motor vehicles	Capital work-	Total
	land*	on freehold	machinery	fittings and		in-progress	
	\$'000	land	\$'000	office	\$'000	\$'000	\$'000
				equipment			
				\$'000			
<b>Accumulated depreciation and impairment loss</b>							
At 1 January 2022	97	3,363	1,117	2,675	65	-	7,317
Depreciation for the year	-	434	104	230	2	-	770
Disposals	-	-	-	-	(16)	-	(16)
Translation adjustments	(5)	(142)	(68)	(161)	(4)	-	(380)
<b>At 31 December 2022 and 1 January 2023</b>	<b>92</b>	<b>3,655</b>	<b>1,153</b>	<b>2,744</b>	<b>47</b>	<b>-</b>	<b>7,691</b>
Depreciation for the year	-	407	104	199	7	-	717
Disposals	-	-	(98)	-	-	-	(98)
Translation adjustments	(6)	(151)	(68)	(163)	(3)	-	(391)
<b>At 31 December 2023</b>	<b>86</b>	<b>3,911</b>	<b>1,091</b>	<b>2,780</b>	<b>51</b>	<b>-</b>	<b>7,919</b>
<b>Net carrying amount</b>							
At 31 December 2022	2,732	10,376	1,138	893	41	51	15,231
At 31 December 2023	2,707	9,553	1,188	800	32	64	14,344

\* Freehold land includes Lot 1049 Mukim Ulu Telom Cameron Highlands, Pahang Malaysia (land area of 7,803m<sup>2</sup>).

**12 Development properties****Source of estimation uncertainty**

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. As the estimated net realisable value is higher than the carrying amount of the said uncompleted development property, there is no provision for impairment required on this property which the work on the development has been suspended since 1998.

**13 Investment property**

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

	<b>Group</b>	
	<b>FY 2023</b>	<b>FY 2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>		
At 1 January	1,998	2,123
Translation adjustments	(118)	(125)
At 31 December	<u>1,880</u>	<u>1,998</u>
<b>Accumulated depreciation</b>		
At 1 January	417	370
Depreciation charge for the year	67	71
Translation adjustments	(26)	(24)
At 31 December	<u>458</u>	<u>417</u>
Net carrying amount as at 31 December	<u>1,422</u>	<u>1,581</u>
At valuation (based on 31 December 2023 and 31 December 2022)	<u>2,124</u>	<u>2,257</u>

The Group is in the process of carrying out major refurbishment of the entertainment complex for conversion into additional hotel and function rooms. The layout plan of the said conversion has been approved by the Planning Department. The consultants have also submitted detailed drawings to various departments of the Cameron Highlands District Council for review and comment.

**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.

**14 Share capital**

During the year ended 31 December 2023, there was no change in the Company's issued ordinary share capital.

	<b>Group and Company Number of shares</b>	<b>Share Capital \$'000</b>
<b>Ordinary shares</b>		
At 1 January 2022, 31 December 2022, 1 January 2023 and 31 December 2023 (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 2022, 31 December 2022, 1 January 2023 and 31 December 2023	<u>93,915,337</u>	<u>129,793</u>

The Company did not hold any treasury shares as at 31 December 2023 and 31 December 2022.

There were no sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings during the twelve months ended 31 December 2023.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2023 and 31 December 2022.

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 31 December 2023 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 and full year then ended and certain explanatory notes have not been audited or reviewed.

**2 Review of performance of the Group****2.1 Income statement****Revenue and gross profit**

The decrease in Group's revenue in 2H 2023 was mainly attributable to shorter school holiday and heavy rain in December which impacted the demand in hotel rooms.

**Other income**

Compared to 2H 2022:

- i) The increase in interest income for 2H 2023 was due to higher interest rate.
- ii) The increase in licence fee for 2H 2023 was due to improved revenue in Hotel Equatorial Shanghai ("HES"). Licence fee is charged as a percentage of the revenue of HES.

**Selling and marketing expenses**

The decrease was mainly due to lower provision for discretionary bonus for 2023.

	Group			
	2H 2023 \$'000	2H 2022 \$'000	FY 2023 \$'000	FY 2022 \$'000
<b>Other expenses</b>				
Depreciation of investment property, property, plant and equipment	388	414	784	841
Depreciation of right-of-use assets	74	66	148	132
Employee related costs/directors' fees*	663	699	1,260	1,314
Currency exchange losses - net	30	118	183	194
Others	172	160	371	324
	1,327	1,457	2,746	2,805

\*Employee related costs/directors' fees were lower than the employee benefit expenses disclosed in note E7 as the said note had taken into account the employee related costs which had been recorded in the cost of sales.

**Income tax expense**

The income tax expense consisted mainly of withholding tax on overseas income and tax on interest income.

**2.2 Balance Sheet****Non-current assets****Joint venture**

The decrease was due to profit distribution from a joint venture.

**Right-of-use assets**

The decrease was largely due to depreciation of the right-of-use assets.

**Current assets****Trade and other receivables**

Compared to 31 December 2022, the increase in trade and other receivables was mainly due to higher interest receivables.

**Prepayment**

The reduction was mainly due to reclassification of amount prepaid for laundry equipment to property, plant and equipment upon delivery and installation.

**Non-current liabilities/current liabilities****Lease liabilities**

The decrease was due to reclassification of lease liabilities due within the next 12 months from non-current liabilities to current liabilities.

### **2.3 Results for 6 months ended 31 December (“2H”) 2023 versus 2H 2022**

The Group's total revenue for 2H 2023 was \$3.2 million, representing a decline of \$347,000 as compared to 2H 2022. This was mainly attributable to shorter two weeks school holiday instead of full month and heavy rain in December which impacted the demand for hotel rooms in Copthorne Hotel Cameron Highlands (“CHCH”). In addition, residents in Malaysia have also changed their travel destination to nearby countries after a long travel drought.

Despite the decrease in revenue, the Group's hospitality segment reported an operating profit of \$816,000 in 2H 2023 as compared to \$814,000 in 2H 2022. This was largely due to lower provision in discretionary bonus in 2H 2023 and savings in energy consumption from using gas instead of diesel for certain laundry equipment. The property development segment, and investment and others segment (consisting of investment property operation and corporate overhead costs) incurred operating costs of \$202,000 and \$544,000 respectively. The overall Group operating profit before the share of results of joint ventures and an associate, other income and finance costs in 2H 2023 was \$70,000 compared to \$59,000 for the same period last year.

Other income mainly included interest income and licence fee. Higher interest income of \$991,000 in 2H 2023 compared to \$427,000 in 2H 2022 was a result of higher interest rate. The licence fee has increased by \$54,000 to \$133,000 in 2H 2023 as compared to 2H 2022. This was due to the increase in revenue generated by Hotel Equatorial Shanghai (“HES”). Licence fee is charged as a percentage of the revenue of HES.

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 increased from \$710,000 in 2H 2022 to \$1.2 million in 2H 2023.

### **Results for 12 months ended 31 December (“FY”) 2023 versus FY 2022**

The intense competition arising from the growing popularity of homestay in Cameron Highlands coupled with the local residents travelling to nearby countries had resulted in CHCH lowering its average room rate in order to maintain its market share. Hence, the Group's revenue for FY 2023 decreased from \$6.7 million in FY 2022 to \$5.9 million in FY 2023.

Accordingly, the Group's hospitality segment saw a lower operating profit of \$1.1 million for FY 2023 against an operating profit of \$1.5 million for FY 2022. The profit generated by the hospitality segment was not sufficient to cover the operating costs incurred by the property development segment, and investment and others segment (consisting of investment property operation and corporate overhead costs) of \$432,000 and \$1.1 million respectively. Consequently, the Group registered an operating loss amounting to \$386,000 before the share of results of joint ventures and an associate, other income and finance costs in FY 2023 against an operating profit of \$107,000 for the same corresponding year in FY 2022.

For FY 2023, other income comprised mainly interest income and licence fee. Higher interest rate contributed to the substantial increase in interest income from \$0.6 million in FY 2022 to \$1.8 million in FY 2023. The licence fee had increased by \$104,000 to \$249,000 in FY 2023 as a result of the improvement in the revenue of HES. The share of result of the Shanghai joint venture has reduced as it is in the midst of liquidation.

As a result of the above, the Group reported a net profit of \$1.6 million in FY 2023 compared to \$1.1 million in FY 2022.

### **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 year under review is in line with its expectations as disclosed in the Company's announcement of its results for the half year ended 30 June 2023 which was released on 4 August 2023.

**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**

Shortage of skilled labour and high staff turnover rate have been impacting the quality of services to the hotel guests of CHCH. Competition from homestay will continue to be a challenge to CHCH in terms of the average room rate and occupancy rate.

Both the layout plans of the development of 48 high-rise apartment units and the conversion of the Entertainment Complex into hotel and function rooms have been approved by the Cameron Highlands District Council ("CHDC"). The consultants have also submitted the detailed drawings to the various departments of CHDC for review and comment.

The Group is facing currency fluctuation risks as a majority of its assets and operations are located in Malaysia. The Group will continue its efforts to source for sustainable and viable business and will exercise prudence in its review when such business opportunities arise.

**5 Dividend information**

No dividend has been recommended for the year under review as the Company intends to conserve cash for operations (including asset improvements) and future investment opportunities.

**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 Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, HL Global Enterprises Limited 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, Goh Kian Chee and Hoh Weng Ming, Directors of the Company.

**BY ORDER OF THE BOARD**

Foo Yang Hym  
Chief Financial Officer

Singapore  
23 February 2024