

# HL GLOBAL ENTERPRISES LIMITED

(Company Registration Number: 196100131N)

(Incorporated in the Republic of Singapore)

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

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### 1. BACKGROUND

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

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

### 2. UPDATE ON FINANCIAL POSITION

The Group achieved higher revenue of \$13.4 million for 2015 compared to \$10 million for 2014. The increase of 34% or \$3.4 million was largely attributed to the consolidation of the financial results of Augustland Hotel Sdn Bhd (“**AHSB**”) following the completion of the Group’s acquisition of the remaining 55% equity interest in AHSB (the “**Acquisition**”) on 8 July 2014. AHSB owns Copthorne Hotel Cameron Highlands.

For the year under review, the Group’s operating profit before the share of results of associate and joint ventures, other income and finance costs increased to \$1.5 million from \$0.4 million for 2014. The improvement was mainly contributed by AHSB which saw an increase of \$0.6 million in operating profit arising from the consolidation of its full year results.

The Group’s share of net loss after tax in associate and joint ventures increased from \$1.4 million in 2014 to \$2.5 million in 2015, largely due to oversupply of rooms, increased competition and slowdown of the hospitality business in Qingdao.

Other income decreased from \$6.8 million for 2014 to \$1.4 million for 2015. The higher amount of other income recognised in 2014 was due to the gain of \$6.2 million from the Acquisition.

For meaningful comparison, by excluding the gain of \$6.2 million from the Acquisition in 2014, the net loss attributable to shareholders of the Company for 2014 was \$2.6 million as compared to a loss of \$2.2 million for 2015.

For full details on the results and financial position of the Group, please refer to the Company’s results announcement for the financial year ended 31 December 2015 released on 18 February 2016.

### 3. UPDATE ON FUTURE DIRECTION

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

The Company is aware of the deadline given by SGX-ST for its removal from the Watch-List. The Company has been continuing its efforts to source for sustainable and viable business opportunities despite the current difficult economic environment in order to meet the requirements of Rule 1314 of the SGX-ST Listing Manual for the removal of the Company from the Watch-List.

### BY ORDER OF THE BOARD

Foo Yang Hym

Chief Financial Officer

Singapore

18 February 2016