

HL GLOBAL ENTERPRISES LIMITED

(Company Registration Number: 196100131N)

(Incorporated in the Republic of Singapore)

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

1. BACKGROUND

HL Global Enterprises Limited (the “Company”, and together with its subsidiaries, the “Group”) was placed on the Watch-List pursuant to Rule 1311 of the Listing Manual of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 4 June 2014. SGX-ST had, on 31 May 2016, granted the Company an extension of 12 months up to 3 June 2017 to meet the requirements of Rule 1314 of the Listing Manual of the SGX-ST (“Rule 1314”) and apply for removal from the Watch-list.

Pursuant to Rule 1313 (2) of the Listing Manual of 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’s revenue for the 3 months ended 31 March (“1Q”) 2017 was \$2.6 million compared to \$3.3 million for 1Q 2016. The decline was due to the influx of new hotel rooms and apartments in the vicinity of Copthorne Hotel Cameron Highlands and the implementation of the value added tax in China in May 2016 which had been absorbed by Elite Residences Shanghai.

The decrease in the Group’s revenue resulted in a lower operating profit before the share of results of joint ventures, other income and finance costs of \$9,000 for 1Q 2017 *vis-a-vis* an operating profit of \$266,000 for the same period in 2016.

As disclosed in the Company’s results announcement today, compared to a net loss after tax from joint ventures of \$828,000 in 1Q 2016, the Group shared a net profit after tax of \$23,000 from a joint venture in 1Q 2017.

After taking into account the interest expense and exchange loss, the net loss attributable to shareholders of the Company for 1Q 2017 was \$0.6 million compared to a net loss of \$1.2 million recorded for 1Q 2016.

For full details on the results and financial position of the Group, please refer to the Company’s results announcement for the financial period ended 31 March 2017 released on 2 May 2017.

3. UPDATE ON FUTURE DIRECTION

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

We refer to the Company’s announcement dated 31 March 2017 in relation to the pre-listing of the equity interest of Copthorne Hotel Qingdao Co., Ltd. (“CHQ”) on the Shanghai United Assets and Equity Exchange (“SUAEE”) for a period of 20 business days pursuant to the Public Tender Process (the “**Previous Pre-Listing Announcement**”). The Pre-Listing

period ended on 28 April 2017. The Company's wholly-owned subsidiary, LKN Investment International Pte. Ltd. ("LKNII") and its joint venture partner of CHQ, CAAC East China Regional Administration Authority Service Center ("CAAC"), are in the process of submitting the application for the formal listing of LKNII's equity interest and CAAC's equity interest in CHQ for sale pursuant to the Public Tender Process ("Formal Listing") to the SUAEE for approval.

The Company will make further announcements, in compliance with the requirements of the Listing Manual of SGX-ST, in relation to the Formal Listing.

Unless otherwise defined herein, capitalised terms used in this announcement shall bear the same meaning ascribed to them in the Previous Pre-Listing Announcement.

The Company is aware of the deadline given by SGX-ST for its removal from the Watch-List. The Company has been actively looking for sustainable and viable business to improve the financial position of the Group, and will endeavor to meet the requirements of Rule 1314 of the Listing Manual of SGX-ST for the removal of the Company from the Watch-List.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer
Singapore
2 May 2017