

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 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

For the 6 months ended 30 June 2014 (“**1H 2014**”), the Group reported revenue of \$2.9 million compared to \$3.2 million for the 6 months ended 30 June 2013 (“**1H 2013 (Restated)**”). Despite an increase in revenue contribution from the hospitality segment, the lower sales of apartment units in Cameron Highlands attributed to the drop in the Group’s revenue for 1H 2014.

The Group registered a lower operating loss before the share of results of associate and joint ventures, other income and finance costs of \$0.1 million in 1H 2014 against an operating loss of \$0.3 million for 1H 2013 (Restated) (excluding the loss on sale of equity in Shanghai International Equatorial Hotel Company Ltd and Scientex Park (M) Sdn Bhd amounting to \$4 million in 1H 2013 (Restated)). This improvement was attributed to the increase in revenue contribution from the hospitality segment.

For 1H 2014, the share of net loss after tax in associate and joint ventures increased to \$1 million from \$0.8 million in 1H 2013 (Restated). This was largely due to intense competition faced by Copthorne Hotel Qingdao and the slowdown of its overall business in spite of the improved results in Copthorne Hotel Cameron Highlands by \$0.3 million over the same period.

The total assets and total liabilities were \$63.5 million and \$70.7 million respectively and the working capital was \$34.1 million as at 30 June 2014.

For full details on the results and financial position of the Group, please refer to the Company results announcement for the financial period ended 30 June 2014 released on 1 August 2014.

3. UPDATE ON FUTURE DIRECTION

Save as disclosed in the announcement made on 8 July 2014 concerning the completion of the Group’s acquisition of the remaining issued ordinary shares and preference shares in the capital of Augustland Hotel Sdn Bhd, there are no material developments that may have significant impact on the financial position of the Group.

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

The Group is aware of the deadline given by SGX-ST for its removal from the Watch-List. The Group will actively look for potential opportunities to improve the financial position of the Group. The Company will endeavor 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

Aw Siew Yen, Patricia
Yeo Swee Gim, Joanne
Company Secretaries

1 August 2014
Singapore