

HL GLOBAL ENTERPRISES LIMITED

(Company Registration Number: 196100131N)

(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SIX MONTHS ("2H") AND 12 MONTHS ENDED 31 DECEMBER ("FY") 2021

The Board of Directors (the "**Board**") of HL Global Enterprises Limited (the "**Company**") wishes to state the following in response to the query raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 22 February 2022 regarding the Company's unaudited financial statement announcement for 2H and FY 2021 released via SGXNET on 18 February 2022 (the "**Announcement**").

SGX-ST's Query:

"We refer to the Company's full year results for the year ended 31 December 2021. We note that the Group has recorded significant "Other expenses" of \$2.637 million for FY2021. This is higher than its revenue of \$2.458 million. Please provide a breakdown of the significant items, along with the comparative period amounts, and elaborate on the nature of such items where necessary."

Company's Response:

Details of the breakdown in 'Other expenses', together with the comparative period amounts, are set out below:

Other expenses	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Depreciation of property, plant and equipment	458	405	859	817
Depreciation of investment property	37	38	74	75
Depreciation of right-of-use assets	72	62	150	142
Staff costs/directors' fee*	574	661	1,196	1,321
Repair and maintenance	72	112	132	171
Insurance	20	18	58	57
Currency exchange (gains)/losses-net	(3)	(19)	48	-
Others	76	62	120	138
	<u>1,306</u>	<u>1,339</u>	<u>2,637</u>	<u>2,721</u>

*Staff costs/directors' fee were lower than the employee benefit expenses disclosed in Note E8 of the Announcement as the said note had taken into account staff costs which had been recorded in cost of sales.

In comparison to FY 2020,

1. the increase in the depreciation of property, plant and equipment for FY 2021 was due to the completion of the renovation of superior rooms and upgrading of lifts of Copthorne Hotel Cameron Highlands ("**CHCH**");
2. the decrease in the staff costs was mainly due to the resignation of staff in CHCH and there was no provision of bonus for FY 2021; and
3. the decrease in repair and maintenance was partly due to the lower repair cost on the old lifts at CHCH upon completion of the upgrading of the lifts.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer /
Company Secretary
24 February 2022
Singapore