

HL GLOBAL ENTERPRISES LIMITED

Company Registration No.: 196100131N

Unaudited Full Year Financial Statement Announcement for the year ended 31 December 2018**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

1(a)(i) An income statement and statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	2018 \$'000	Group 2017 \$'000 (Restated)	Change %
Revenue		10,744	11,675	(8.0)
Cost of sales		(5,377)	(5,302)	1.4
Gross profit		5,367	6,373	(15.8)
Other income	(1)	1,635	87,532	(98.1)
Selling and marketing expenses		(211)	(248)	(14.9)
Administrative expenses		(541)	(561)	(3.6)
Finance costs	(2)	(82)	(1,224)	(93.3)
Other expenses	(3)	(4,750)	(5,529)	(14.1)
Share of results of associate and joint ventures (net of tax)		168	163	3.1
Profit before tax		1,586	86,506	(98.2)
Income tax	(4)	79	(340)	NM
Profit for the year attributable to owners of the Company		1,665	86,166	(98.1)

1(a)(ii) Notes to the income statement

(1) Other income

	2018 \$'000	Group 2017 \$'000 (Restated)	Change %
Interest income	864	368	134.8
Sundry income	47	47	-
Licence fee	402	305	31.8
Gain on disposal of investment in a joint venture	-	38,542	NM
Gain on disposal of a subsidiary (LKN Investment International Pte Ltd ("LKNII"))	-	48,270	NM
Currency exchange gain-net	322	-	NM
	1,635	87,532	(98.1)

The increase in interest income, licence fee and currency exchange gain was mainly due to:

- (i) placement of surplus funds (sale proceeds from the disposal of LKNII) in fixed deposits;
- (ii) the licence fee charged to Copthorne Hotel Qingdao Co., Ltd.; and
- (iii) the net currency exchange gain as a result of the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the strengthening of the US Dollar and weakening of Renminbi against the Singapore Dollar.

(2) Finance costs

	2018 \$'000	Group 2017 \$'000 (Restated)	Change %
Interest expense	(82)	(813)	(89.9)
Currency exchange loss-net	-	(411)	NM
	(82)	(1,224)	(93.3)

The decrease in interest expense was due to the full prepayment of an unsecured loan of \$68 million in December 2017.

(3) Other expenses

	2018 \$'000	Group 2017 \$'000 (Restated)	Change %
Depreciation of investment property, property, plant and equipment	(986)	(1,994)	(50.6)
Staff costs/directors' fee	(1,549)	(2,128)	(27.2)
Additional withholding tax and relevant expenses on disposal of LKNII	(1,348)	-	NM
Others	(867)	(1,407)	(38.4)
	(4,750)	(5,529)	(14.1)

The decrease in depreciation of investment property, property, plant and equipment, staff costs and Others was mainly due to the deconsolidation of the financial statements of Shanghai Hutai Real Estate Development Co., Ltd ("Shanghai Hutai"), a subsidiary of LKNII. LKNII was disposed in November 2017.

NM: Not meaningful

(4) Income tax

There was an underprovision of taxation amounting to \$4,000 in respect of prior years for 2018.

(2017: There was an overprovision of taxation of \$1,000 in respect of previous year).

The income tax consisted of income tax expense of \$123,000 offsetted by the recognition of deferred tax assets of \$202,000.

There is no provision for income tax for the profit recognised from the sale of land at Punggol 17th Avenue, Singapore ("Punggol Land") due to tax losses brought forward in LKN Development Pte. Ltd., a wholly-owned subsidiary of the Company.

(5) Consolidated statement of comprehensive income

	2018 \$'000	Group 2017 \$'000 (Restated)	Change %
Profit for the year	1,665	86,166	(98.1)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(45)	178	NM
Realisation of foreign currency translation reserves upon disposal of a subsidiary and investment in a joint venture	-	(2,883)	NM
Other comprehensive loss for the year, net of tax	(45)	(2,705)	(98.3)
Total comprehensive income for the year attributable to owners of the Company	1,620	83,461	(98.1)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group 2018 \$'000	Group 2017 \$'000 (Restated)	Company 2018 \$'000	Company 2017 \$'000
Non-current assets					
Property, plant and equipment		17,314	17,679	5	-
Investment property		2,011	2,086	-	-
Subsidiaries		-	-	39,397	34,602
Associate		58	59	-	-
Joint ventures		524	538	-	-
Non-trade receivables		-	127	-	5
Other asset	1	-	62	-	-
		19,907	20,551	39,402	34,607
Current assets					
Inventories		105	113	-	-
Development properties	1	4,025	4,881	-	-
Trade and other receivables	2	1,233	6,494	312	6,083
Prepayment		59	62	22	23
Deferred tax assets		199	-	-	-
Cash and bank balances		62,730	60,486	48,120	46,525
		68,351	72,036	48,454	52,631
Total assets		88,258	92,587	87,856	87,238
Equity					
Share capital		129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(56,518)	(55,245)	(57,806)	(58,254)
Total equity attributable to owners of the Company		77,255	78,528	75,967	75,519
Non-current liabilities					
Other payables	1	-	1,650	3,022	3,689
Loans and borrowings	3	-	2,393	-	-
Deferred tax liabilities		28	28	-	-
		28	4,071	3,022	3,689
Current liabilities					
Trade and other payables	4	10,913	9,981	8,804	8,021
Loans and borrowings		-	4	-	-
Current tax payable		62	3	63	9
		10,975	9,988	8,867	8,030
Total liabilities		11,003	14,059	11,889	11,719
Total equity and liabilities		88,258	92,587	87,856	87,238

Notes:

- 1 The decrease was due to the recognition of the sale of Punggol Land, progress payments received and deferred expenses relating to the sale of the Punggol Land were transferred to Profit or Loss.
- 2 The decrease was mainly due to the transfer of retention money for tax payable in respect of the disposal of LKNII, from escrow account to the Company.
- 3 The decrease was due to the full prepayment of secured loan.
- 4 The increase was mainly due to provision made for additional withholding tax and relevant expenses in respect of the disposal of LKNII.

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

- (a) the amount repayable in one year or less, or on demand;
- (b) the amount repayable after one year;
- (c) whether the amounts are secured or unsecured; and
- (d) details of any collaterals.

Amount repayable in one year or less, or on demand

	31/12/2018	31/12/2017
	\$'000	\$'000
Unsecured	-	4

Amount repayable after one year

	Group 31/12/2018	31/12/2017
	\$'000	\$'000
Secured	-	2,393

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 2018 \$'000	2017 \$'000 (Restated)
Operating activities		
Profit before tax	1,586	86,506
Adjustments for:		
Bad debts written off	-	2
Depreciation of investment property	76	73
Depreciation of property, plant and equipment	910	1,921
Gain on disposal of a subsidiary	-	(48,270)
Gain on disposal of investment in a joint venture	-	(38,542)
Gain on disposal of property, plant and equipment	(3)	-
Property, plant and equipment written off	-	1
Impairment loss on trade and other receivables	6	199
Interest expense	82	813
Interest income	(864)	(368)
Share of results of associate and joint ventures (net of tax)	(168)	(163)
Unrealised foreign exchange (gain)/loss-net	(184)	247
Write-back of provision for impairment of other receivables	(22)	-
Write-back of trade and other payables	-	(6)
Operating cash flows before changes in working capital	1,419	2,413
Development properties	856	77
Inventories	8	(22)
Trade and other payables	(718)	1,059
Trade and other receivables	5,517	900
Cash from operating activities	7,082	4,427
Income tax paid	(64)	(552)
Interest paid	(82)	(1,133)
Interest received	816	431
Net cash from operating activities	7,752	3,173

	2018 \$'000	2017 \$'000 (Restated)
Investing activities		
Net cash inflow on disposal of a subsidiary and investment in a joint venture	-	104,533
Dividend received from a joint venture	163	154
Placement of fixed deposits for maturity more than 3 months and restricted cash at bank	(45,046)	(12,189)
Proceeds from disposal of property, plant and equipment	5	4
Purchase of property, plant and equipment	(538)	(341)
Repayment of loan due from a joint venture	-	2,858
Net cash (used in)/from investing activities	(45,416)	95,019
Financing activities		
Dividend paid to shareholders/holders of non-redeemable convertible cumulative preference shares	(2,893)	-
Repayment of borrowings	(2,393)	(69,634)
Repayment of finance lease liabilities	(4)	(5)
Net cash used in financing activities	(5,290)	(69,639)
Net (decrease)/increase in cash and cash equivalents	(42,954)	28,553
Cash and cash equivalents at beginning of the year	48,297	19,806
Effect of exchange rate changes on balances held in foreign currencies	152	(62)
Cash and cash equivalents at end of the year	5,495	48,297
Fixed deposits for maturity more than 3 months and restricted cash at bank	57,235	12,189
Cash and bank balances	62,730	60,486

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Equity capital contributed by parent	Preference shares	Special reserve	Premium paid on acquisition of non-controlling interests	Currency translation reserve	Accumulated losses	Reserve held for sale	Total equity
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2018 (as previously stated)	129,790	3,980	3	8,529	(192)	(2,024)	(61,482)	-	78,604
Transfer from translation reserve to accumulated losses (refer to item 5)	-	-	-	-	-	2,454	(2,454)	-	-
Depreciation of investment property (refer to item 5)	-	-	-	-	-	(3)	(73)	-	(76)
At 1 January 2018 (Restated)	129,790	3,980	3	8,529	(192)	427	(64,009)	-	78,528
Profit for the year	-	-	-	-	-	-	1,665	-	1,665
<u>Other comprehensive income, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	(45)	-	-	(45)
Total comprehensive (loss)/income for the year	-	-	-	-	-	(45)	1,665	-	1,620
Contributions by owners									
Conversion of non-redeemable cumulative convertible preference shares ("NCCPS")	3	-	(3)	-	-	-	-	-	-
Others									
Dividend paid to ordinary shareholders and holders of NCCPS	-	-	-	-	-	-	(2,893)	-	(2,893)
At 31 December 2018	129,793	3,980	-	8,529	(192)	382	(65,237)	-	77,255

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Premium paid on acquisition of non-controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Reserve held for sale \$'000	Total equity \$'000
At 1 January 2017 (as previously stated)	129,790	3,980	3	8,529	(192)	(2,454)	(147,721)	3,132	(4,933)
Cumulative effects of adopting SFRS(I)	-	-	-	-	-	2,454	(2,454)	-	-
At 1 January 2017 (Restated)	129,790	3,980	3	8,529	(192)	-	(150,175)	3,132	(4,933)
Profit for the year	-	-	-	-	-	-	86,166	-	86,166
<u>Other comprehensive income/(loss), net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	178	-	-	178
Realisation of foreign currency translation reserve upon disposal	-	-	-	-	-	249	-	(3,132)	(2,883)
Other comprehensive income/(loss) for the year, net of tax	-	-	-	-	-	427	-	(3,132)	(2,705)
Total comprehensive income/(loss) for the year	-	-	-	-	-	427	86,166	(3,132)	83,461
At 31 December 2017	129,790	3,980	3	8,529	(192)	427	(64,009)	-	78,528

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2018	129,790	3,980	3	12,471	(70,725)	75,519
Profit for the year, representing total comprehensive income for the year	-	-	-	-	3,341	3,341
Contributions by owners						
Conversion of NCCPS	3	-	(3)	-	-	-
Others						
Dividend paid to ordinary shareholders/holders of NCCPS	-	-	-	-	(2,893)	(2,893)
At 31 December 2018	129,793	3,980	-	12,471	(70,277)	75,967

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2017	129,790	3,980	3	12,471	(145,502)	742
Profit for the year, representing total comprehensive income for the year	-	-	-	-	74,777	74,777
At 31 December 2017	129,790	3,980	3	12,471	(70,725)	75,519

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Movements in the Share Capital

In accordance with the terms and conditions of the NCCPS, the rights of NCCPS holders to convert all or any of their NCCPS into fully paid ordinary shares in the capital of the Company had lapsed on 4 July 2016 (being the date of expiry of the NCCPS Conversion Period). NCCPS are perpetual securities and there is no mandatory conversion of the NCCPS upon the expiry of the NCCPS Conversion Period.

Notwithstanding that the NCCPS Conversion Period had expired, the ordinary shareholders of the Company had, at the Company's extraordinary general meeting held on 26 April 2018, passed special resolutions to approve (i) the amendment of the Constitution of the Company to effect the conversion of all the existing and issued NCCPS into ordinary shares (the "NCCPS Conversion") and (ii) the NCCPS Conversion at a conversion ratio of one (1) ordinary share for every 10 NCCPS ("Conversion Ratio"), any fractional entitlement to the ordinary shares arising from the application of the conversion ratio to be disregarded.

During the year ended 31 December 2018, an aggregate of 12,936 ordinary shares were issued and allotted to the NCCPS holders upon conversion of the NCCPS at the Conversion Ratio, thus bringing the total issued and paid-up ordinary share capital as at 31 December 2018 to \$133,773,351.95 comprising 96,334,254 ordinary shares.

Ordinary shares

At 1 January 2018

New ordinary shares issued arising from the conversion of NCCPS

At 31 December 2018 (As per Accounting and Corporate Regulatory Authority's records)

Trust Shares

At 31 December 2018

Number of shares	Share Capital \$'000
96,321,318	133,770
12,936	3
96,334,254	133,773
(2,418,917)	(3,980)
93,915,337	129,793

NCCPS

At 1 January 2018

Conversion of NCCPS to new ordinary shares

At 31 December 2018

Number of shares	Share Capital \$'000
129,396	3
(129,396)	(3)
-	-

As at 31 December 2018 and as at 31 December 2017, there were no ordinary shares held as treasury shares or as subsidiary holdings in the Company.

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.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

Please refer to item 1(d)(ii) above.

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings during the year ended 31 December 2018.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

The figures have not been audited or reviewed by the auditors.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group has applied the same accounting policies and methods of computation as in the Group's most recently audited annual financial statements.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**Convergence with International Financial Reporting Standards**

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on Singapore Exchange Securities Trading Limited ("SGX-ST") are required to adopt Singapore Financial Reporting Standards (International) ("SFRS(I)", a new financial reporting framework identical to International Financial Reporting Standards. The Group adopted SFRS(I) on 1 January 2018.

On transition to SFRS(I), the Group elected the option to deem cumulative translation differences for foreign operations to be zero on 1 January 2017, and accordingly, the gain or loss that will be recognised on a subsequent disposal of the foreign operations will exclude cumulative translation differences that arose before 1 January 2017. The Group reclassified an amount of \$2,454,000 of foreign currency translation reserve to the opening retained earnings as at 1 January 2017.

The Group also elected the option to treat the carrying amount of investment property amounting to \$2,109,000, revalued under the previous accounting policy as its deemed cost as at 1 January 2017 and depreciated it based on its expected useful life. Accordingly, the Group's balance sheet as at 31 December 2017 and income statement for the year ended 31 December 2017 have been restated to reflect the said adoptions. Below are the effects of the abovementioned election on the financial statements.

	Group As at 31 December 2017 \$'000 (Restated)
<u>Consolidated balance sheet</u>	
Decrease in investment property	(76)
Decrease in reserves	(76)
	Group 2017 \$'000 (Restated)
<u>Consolidated income statement</u>	
Increase in other expenses	73

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	2018	2017
	¢	¢
Earnings per share		(Restated)
(Based on the weighted average number of ordinary shares in issue)		
- Basic	1.77	91.76
(2018: 93,911,084 and 2017: 93,902,401)		
- Diluted	1.77	Note 1
(2018: 93,915,337, refer to Note 2)		

Note 1: In accordance with the terms and conditions of the NCCPS, the rights of NCCPS holders to convert all NCCPS into fully paid ordinary shares in the capital of the Company had lapsed on the expiry date of 4 July 2016 and there is no mandatory conversion of the NCCPS upon the expiry of the NCCPS Conversion Period.

Note 2: The Company had on 26 April 2018 passed a special resolution to approve the amendment of the constitution of the Company to effect the conversion of all the existing and issued NCCPS into ordinary shares.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and**
(b) immediately preceding financial year.

	Group 31/12/2018 \$	Group 31/12/2017 \$ (Restated)	Company 31/12/2018 \$	Company 31/12/2017 \$
Net asset value per issued share, excluding Trust Shares	0.82	0.84	0.81	0.80

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 31 December 2018 and 93,902,401 issued ordinary shares as at 31 December 2017.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Results for 2018 versus 2017 (restated)

Compared to 2017, despite the recognition of \$3.3 million on the sale of 2 plots of lands at Punggol 17th Avenue, Singapore ("Punggol Land") in 2018, the Group's revenue for 2018 declined by \$0.9 million to \$10.7 million. This was mainly attributed to (a) the absence of revenue contribution from Elite Residences Shanghai as a result of the disposal of the Company's wholly-owned subsidiary, LKN Investment International Pte. Ltd. ("LKNII") (which owned Elite Residences Shanghai) in November 2017; and (b) oversupply of hotel rooms/apartments in Cameron Highlands which adversely impacted the performance of Copthorne Hotel Cameron Highlands.

Nevertheless, the Group saw a higher operating profit before other income, finance costs and share of results of associate and joint ventures of \$1.2 million for 2018 compared to \$35,000 a year ago. This was substantially contributed by the sale of Punggol Land which resulted in an operating profit of \$1.5 million for the property development segment *vis-à-vis* an operating loss of \$0.7 million in the preceding year. Operating profit for the hospitality segment reduced from \$2.3 million in 2017 to \$1.2 million in 2018. During the year, the Group incurred corporate overhead costs of \$1.4 million compared to \$1.5 million in 2017.

Other income included mainly interest income, licence fee and currency exchange gain. Interest income and licence fee for 2018 were substantially higher than 2017. These were primarily due to the placement of surplus funds (sale proceeds from the disposal of LKNII) in fixed deposits and licence fee charged to Copthorne Hotel Qingdao Co., Ltd. The net currency exchange gain of approximately \$0.3 million for 2018 was largely due to the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the strengthening of the US Dollar and weakening of Renminbi against the Singapore Dollar.

Interest expense reduced substantially to \$82,000 in 2018 from \$813,000 in 2017, mainly due to the full prepayment of an unsecured loan of \$68 million in December 2017.

After taking into account the share of results of associate and joint ventures, additional withholding tax and relevant expenses in relation to the disposal of LKNII, net profit attributable to shareholders of the Company in 2018 was \$1.7 million compared to \$86.2 million (mainly contributed by the disposal of LKNII) recorded in 2017.

9 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 third quarter and nine months ended 30 September 2018 which was released on 1 November 2018.

10 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 reporting period and the next 12 months.

The number of hotels and serviced apartments opened for business in Cameron Highlands has increased tremendously in 2018. The operations of Copthorne Hotel Cameron Highlands are expected to remain challenging. As the Group's assets are substantially located in Malaysia, it will continue to be exposed to currency fluctuation risks. The Company will continue its efforts to source for sustainable and viable business opportunities.

11 If a decision regarding dividend has been made:-**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

(b)(i) Amount per share cents**(ii) Previous corresponding period cents**

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend is declared (recommended) for the year under review.

13 Interested persons transactions

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of SGX-ST ("Listing Manual").

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)****14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
2018				
Revenue	89	7,355	3,300	10,744
- external revenue	-	-	42	42
- inter-segment revenue	89	7,355	3,342	10,786
Elimination				(42)
				<u>10,744</u>
Reportable segment results	(1,486)	1,240	1,459	1,213
Other income (excluding interest income)	742	7	22	771
Interest income	643	87	134	864
Interest expense	-	(82)	-	(82)
Non-operating expenses	(1,348)	-	-	(1,348)
Share of results of associate and joint ventures	-	169	(1)	168
(Loss)/profit before tax	(1,449)	1,421	1,614	1,586
Income tax				79
Profit for the year				<u>1,665</u>
Other segment items				
Capital expenditure				
- property, plant and equipment	6	532	-	538
Depreciation	77	909	-	986
Reportable segment assets	50,470	20,470	16,736	87,676
Investment in associate	-	-	58	58
Investment in joint ventures	-	511	13	524
Consolidated total assets	<u>50,470</u>	<u>20,981</u>	<u>16,807</u>	<u>88,258</u>
Consolidated total liabilities	8,895	781	1,327	11,003

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
2017 (Restated)				
Revenue				
- external revenue	76	11,455	144	11,675
- inter-segment revenue	-	-	41	41
	76	11,455	185	11,716
Elimination				(41)
				11,675
Reportable segment results	(1,545)	2,274	(694)	35
Other income (excluding interest income)	87,132	13	19	87,164
Interest income	87	168	113	368
Interest expense	(616)	(197)	-	(813)
Currency exchange (loss)/gain-net	(30)	(400)	19	(411)
Share of results of associate and joint ventures	-	165	(2)	163
Profit/(loss) before tax	85,028	2,023	(545)	86,506
Income tax				(340)
Profit for the year				86,166

Other segment items

Capital expenditure				
- property, plant and equipment	-	341	-	341
Depreciation	73	1,894	27	1,994

Reportable segment assets

Investment in associate	54,717	21,720	15,553	91,990
Investment in joint ventures	-	-	59	59
	-	523	15	538
Consolidated total assets	54,717	22,243	15,627	92,587

Consolidated total liabilities

	8,058	3,617	2,384	14,059
--	-------	-------	-------	--------

Revenue		Non-current assets	
2018	2017	2018	2017
\$'000	\$'000	\$'000	\$'000
			(Restated)
Singapore	3,300	-	5
Malaysia	7,444	8,151	19,391
People's Republic of China	-	3,524	511
	10,744	11,675	19,907
			20,362

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

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current financial period.

- 15 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to item 8.

- 16 **A breakdown of sales as follows:**

	2018 \$'000	Group 2017 \$'000 (Restated)	Change %
Revenue reported for first half year	6,768	5,701	18.7
Revenue reported for second half year	3,976	5,974	(33.4)
	10,744	11,675	(8.0)
Operating profit/(loss) after tax reported for the first half year	1,976	(749)	NM
Operating (loss)/profit after tax reported for the second half year	(311)	86,915	NM
	1,665	86,166	(98.1)

17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

- (a) Ordinary**
(b) Preference
(c) Total

	Latest Full Year 2018 \$'000	Previous Full Year 2017 \$'000
(a) Ordinary	Not applicable	2,890
(b) Preference	Not applicable	3
(c) Total	Not applicable	2,893

18 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Company confirms that it has procured undertakings from all its Directors and Executive Officers in compliance with Rule 720(1) of the Listing Manual and according to the format set out in Appendix 7.7 of the Listing Manual.

19 Disclosure of person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company pursuant to Rule 704(13).

Pursuant to Rule 704(13) of the Listing Manual, HL Global Enterprises Limited (the "Company") 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, Tan Eng Kwee and Andrew Goh Kia Teck, Directors of the Company.

BY ORDER OF THE BOARD

Foo Yang Hym
 Chief Financial Officer

Singapore
 15 February 2019