

HL GLOBAL ENTERPRISES LIMITED

(Registration No. 196100131N)

Condensed interim financial statements
for the six months ended 30 June 2025

HL GLOBAL ENTERPRISES LIMITED

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HL GLOBAL ENTERPRISES LIMITED

Unaudited Half Year Financial Statement Announcement for the six months ended 30 June ("1H") 2025

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

		1H 2025	Group 1H 2024	Change
	Note	\$'000	\$'000	%
Revenue	E5	2,843	2,793	1.8
Cost of sales		(1,553)	(1,517)	2.4
Gross profit		1,290	1,276	1.1
Other income	E6.1	838	1,082	(22.6)
Selling and marketing expenses		(97)	(96)	1.0
Administrative expenses		(160)	(203)	(21.2)
Finance costs		(7)	(2)	250.0
Other expenses	E6.1	(1,343)	(1,216)	10.4
Share of results of a joint venture (net of tax)		-	(1)	(100.0)
Profit before tax		521	840	(38.0)
Income tax expense	E7	(70)	(70)	-
Profit for the period attributable to owners of the Company		451	770	(41.4)
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations		(174)	71	NM
Other comprehensive (loss)/income for the period, net of tax		(174)	71	NM
Total comprehensive income for the period attributable to owners of the Company		277	841	(67.1)
Earnings per share for the period attributable to the owners of the Company				
		1H 2025	Group 1H 2024	
		¢	¢	
(Based on the weighted average number of ordinary shares in issue)				
- Basic		0.48	0.82	
(1H 2025 and 1H 2024: 93,915,337)				
- Diluted		0.48	0.82	
(1H 2024 and 1H 2023: 93,915,337)				

NM: Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		30/06/2025	31/12/2024	30/06/2025	31/12/2024
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment		14,146	14,517	9	12
Investment property	E11	1,392	1,437	-	-
Subsidiaries		-	-	50,374	50,374
Associate		48	48	-	-
Joint venture		2	2	-	-
Other receivables		97	89	31	26
Right-of-use assets	E8(i)	304	359	235	293
Deferred tax asset		405	408	-	-
		16,394	16,860	50,649	50,705
Current assets					
Inventories		83	69	-	-
Development properties		3,102	3,110	-	-
Trade and other receivables	E8(ii)	1,119	1,033	538	707
Prepayment	E8(iii)	74	57	9	2
Cash and bank balances		61,432	60,951	37,528	37,790
		65,810	65,220	38,075	38,499
Total assets		82,204	82,080	88,724	89,204
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		(53,582)	(53,859)	(46,248)	(46,164)
Total equity attributable to owners of the Company		80,191	79,914	87,525	87,609
Non-current liabilities					
Lease liabilities	E8(iv)a	168	219	142	190
Deferred tax liabilities		63	63	63	63
		231	282	205	253
Current liabilities					
Trade and other payables	E8(v)	1,528	1,613	799	1,110
Lease liabilities	E8(iv)	137	142	96	105
Current tax payable		117	129	99	127
		1,782	1,884	994	1,342
Total liabilities		2,013	2,166	1,199	1,595
Total equity and liabilities		82,204	82,080	88,724	89,204

C. Condensed interim statements of changes in equity

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2025	129,793	3,980	8,529	(192)	(996)	(61,200)	79,914
Profit for the period	-	-	-	-	-	451	451
<u>Other comprehensive income, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	(174)	-	(174)
Total comprehensive (loss)/income for the period, net of tax	-	-	-	-	(174)	451	277
At 30 June 2025	129,793	3,980	8,529	(192)	(1,170)	(60,749)	80,191

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Premium paid on acquisition of non- controlling interests \$'000	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
At 1 January 2024	129,793	3,980	8,529	(192)	(2,220)	(62,841)	77,049
Profit for the period	-	-	-	-	-	770	770
<u>Other comprehensive income, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	71	-	71
Total comprehensive income for the period, net of tax	-	-	-	-	71	770	841
At 30 June 2024	129,793	3,980	8,529	(192)	(2,149)	(62,071)	77,890

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2025	129,793	3,980	12,471	(58,635)	87,609
Loss for the period, representing total comprehensive loss for the period	-	-	-	(84)	(84)
At 30 June 2025	129,793	3,980	12,471	(58,719)	87,525

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
At 1 January 2024	129,793	3,980	12,471	(64,347)	81,897
Profit for the period, representing total comprehensive income for the period	-	-	-	134	134
At 30 June 2024	129,793	3,980	12,471	(64,213)	82,031

D. Condensed interim consolidated statement of cash flows

	Group	
	1H 2025	1H 2024
	\$'000	\$'000
Operating activities		
Profit before tax	521	840
Adjustments for:		
Depreciation of investment property	35	33
Depreciation of property, plant and equipment	369	351
Depreciation of right-of-use assets	83	73
Gain on disposal of investment of a joint venture	-	(14)
Gain on disposal of property, plant and equipment	(1)	-
Interest expense related to lease liabilities	7	2
Interest income	(820)	(956)
Share of results of a joint venture (net of tax)	-	1
Unrealised currency exchange loss/(gain)-net	1	(11)
Operating cash flows before changes in working capital	195	319
Development properties	(15)	(2)
Inventories	(14)	8
Trade and other payables	(96)	(102)
Trade and other receivables and prepayment	(117)	(129)
Cash (used in)/from operating activities	(47)	94
Income tax paid	(81)	(71)
Interest expense related to lease liabilities	(7)	(2)
Interest received	840	727
Net cash from operating activities	705	748
Investing activities		
(Placement)/Withdrawal of fixed deposits matured	(42)	2,457
Proceeds from disposal of a joint venture	-	321
Proceeds from disposal of property, plant and equipment	1	-
Purchase of property, plant and equipment	(65)	(147)
Net cash (used in)/from investing activities	(106)	2,631
Financing activity		
Repayment of principal portion of lease liabilities	(80)	(74)
Net cash used in financing activity	(80)	(74)
Net increase in cash and cash equivalents	519	3,305
Cash and cash equivalents at beginning of the period	3,536	6,022
Effect of exchange rate changes on balances held in foreign currencies	(80)	36
Cash and cash equivalents at end of the period	3,975	9,363
Fixed deposits with tenures more than 3 months	57,457	49,738
Cash and bank balances	61,432	59,101

E. Notes to the condensed interim consolidated financial statements

1 Corporate information

HL Global Enterprises Limited is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the "Group").

The principal activities of the Group are investment holding, hospitality and restaurant and property development.

2 Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The Group has applied the same accounting policies and methods of computation as in the Group's most recently audited financial statements, which were prepared in accordance with SFRS(I).

The financial statements are presented in Singapore Dollar, which is the Company's functional currency and all values are rounded to the nearest thousand ("'\$'000"), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The adoption of the new and amended standards has no material impact on the condensed interim consolidated financial statements. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

3 Seasonal operations

The Group's business is normally affected significantly by seasonal factors.

4 Segment and revenue information

The Group has three reportable segments:

Investments and others:	Investment holding and others
Hospitality and restaurant:	Operating and management of hotels and restaurants
Property development:	Development of properties for sale and rental and property and development project management

Performance is measured based on segment results before other income (including interest income), interest expense, share of results of associate and joint venture and income tax, as included in the internal management reports that are reviewed by the Board of Directors. Segment results are used to measure performance as management believes that such information is the most relevant in evaluating the results of each segment.

Reportable segment**6 months ended 30 June 2025**

Revenue

- external revenue

- inter-segment revenue

Elimination

Reportable segment results

Other income (excluding interest income)

Interest income

Interest expense

Profit before tax

Income tax expense

Profit for the period

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
Revenue	15	2,828	-	2,843
- external revenue	-	-	19	19
- inter-segment revenue	15	2,828	19	2,862
Elimination				(19)
				<u>2,843</u>
Reportable segment results	(591)	386	(105)	(310)
Other income (excluding interest income)	15	1	2	18
Interest income	497	80	243	820
Interest expense	(5)	(2)	-	(7)
Profit before tax	(84)	465	140	521
Income tax expense				(70)
Profit for the period				<u>451</u>

Reportable segment**6 months ended 30 June 2024**

Revenue

- external revenue

- inter-segment revenue

Elimination

Reportable segment results

Other income (excluding interest income)

Interest income

Interest expense

Share of results of a joint venture

Profit before tax

Income tax expense

Profit for the period

	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
Revenue	14	2,779	-	2,793
- external revenue	-	-	18	18
- inter-segment revenue	14	2,779	18	2,811
Elimination				(18)
				<u>2,793</u>
Reportable segment results	(594)	440	(85)	(239)
Other income (excluding interest income)	115	-	11	126
Interest income	653	58	245	956
Interest expense	(2)	-	-	(2)
Share of results of a joint venture	-	-	(1)	(1)
Profit before tax	172	498	170	840
Income tax expense				(70)
Profit for the period				<u>770</u>

5 Revenue

Revenue from hospitality and restaurant

Rental income from investment property

	Group	
	1H 2025	1H 2024
	\$'000	\$'000
Revenue from hospitality and restaurant	2,828	2,779
Rental income from investment property	15	14
	<u>2,843</u>	<u>2,793</u>

6 Profit/(loss) before taxation**6.1 Significant items****Other Income**

Interest income
Gain on disposal of a joint venture
Gain on disposal of property, plant and equipment
Licence fee
Currency exchange gain-net
Sundry income

Group	
1H 2025	1H 2024
\$'000	\$'000
820	956
-	14
1	-
13	104
-	7
4	1
838	1,082

- (i) The decrease in interest income was due to lower interest rates on fixed deposit.
- (ii) The decrease in licence fee was due to the termination of trademark licence agreement with Shanghai International Club Co Ltd in March 2025.

Other Expenses

Depreciation of investment property, property, plant and equipment
Depreciation of right-of-use assets
Directors' fees
Employee related costs
Currency exchange loss-net
Others

Group	
1H 2025	1H 2024
\$'000	\$'000
404	384
83	73
96	96
532	497
3	-
225	166
1,343	1,216

Others - included mainly insurance, repair and maintenance and property tax. The increase in 1H 2025 was due mainly to higher repair and maintenance cost incurred.

6.2 Related party transactionsCompensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entities within the Group, directly or indirectly, including any director (whether executive or otherwise) of that entities within the Group. Key management personnel compensation comprises remuneration of directors and other key personnel as follows:

Directors' fees
Employee salaries and other short-term benefits
Employer's contribution to defined contribution plans

Group	
1H 2025	1H 2024
\$'000	\$'000
96	96
136	133
9	8
241	237

Sale and purchase of goods and services

The following significant transactions between the Group and related parties took place at terms agreed between the parties during 1H 2025 and 1H 2024:

Expenses paid/payable to related companies:

Rental
Secretarial/consultancy fees
Insurance and information technology and other services
Franchise and sales and marketing and reservation fees

Group	
1H 2025	1H 2024
\$'000	\$'000
(18)	(16)
(38)	(40)
(7)	(29)
(45)	(71)

Related companies exclude entities within the Group. Hong Leong Investment Holdings Pte. Ltd. is a controlling shareholder of these related companies.

6.2 Related party transactions (continued)

	Group	
	1H 2025	1H 2024
	\$'000	\$'000
<u>Significant outstanding balances with related parties</u>		
Bank balances held with a related party	13,131	4,630
Secretarial/consultancy fees	38	40

7 Taxation

The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	1H 2025	1H 2024
	\$'000	\$'000
Current year	72	70
Prior year	(2)	-
	70	70

8 Balance Sheet

- (i) The decrease was mainly due to depreciation.
- (ii) The increase in trade and other receivables was mainly due to higher revenue in June 2025 compared to December 2024.
- (iii) The increase was mainly due to prepayment of insurance and trustee fee.
- (iv) The movement of lease liabilities is due to:
 - a. reclassification of lease liabilities due within the next 12 months from non-current liabilities to current liabilities.
 - b. settlement of lease liabilities and translation adjustment.
- (v) The decrease was due to payment of bonus and director fees.

9 Net asset value

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	\$	\$	\$	\$
Net asset value per issued share, excluding Trust Shares	0.85	0.85	0.93	0.93

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 30 June 2025 and at 31 December 2024.

10 Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to \$65,000 (30 June 2024: \$147,000). There was a gain on disposal of \$1,000 for 1H 2025.

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

In view that there is no significant adverse factor affecting the property market in 1H 2025 and based on the latest valuation of the properties as at 31 December 2024, management does not expect material impairment to the carrying values of property, plant and equipment but has plans to obtain independent valuation report at year end.

11 Investment property

The Group's investment property is an entertainment complex at Cameron Highlands, Malaysia. The shops at the complex are leased out to third parties. The Group has no restrictions on the realisability of its investment property.

	Group	
	30/06/2025	31/12/2024
	\$'000	\$'000
Cost		
Beginning of financial year	1,991	1,880
Translation adjustments	(14)	111
End of period/year	1,977	1,991
Accumulated depreciation		
Beginning of financial year	(554)	(458)
Depreciation charge for the interim period	(35)	(67)
Translation adjustments	4	(29)
End of period/year	(585)	(554)
Net carrying amount	1,392	1,437
At valuation (based on 31 December 2024 valuation) converted at the exchange rate of RM/S\$ as at 30 June 2025 and 31 December 2024	2,445	2,462

Fair value of investment property

The Group engaged an independent professional qualified valuer to determine the fair value of investment property at the end of each financial year. The fair value of investment property is determined by the market comparison and cost methods. In valuing the investment property, due consideration is given to factors such as location and size of building, building infrastructure, market knowledge and historical comparable transactions to arrive at their opinion of value.

The building plan for the conversion of the entertainment complex into hotel and function rooms has been approved by the Cameron Highlands District Council ("CHDC"). The architect and engineer are revising the layout plan of the Entertainment Complex and resubmitting it to the relevant authority for approval. This is intended to enhance the value of the new hotel and facilitate the future sale of the MICE (Meetings, Incentives, Conferences, and Exhibitions) business. The Company plans to obtain an independent valuation report at year end.

12 Development properties

The Group estimates the net realisable values of the development properties by taking into consideration the development plans, recoverable amounts of these development properties as well as valuation of the estimated market value of the uncompleted development property in Melaka, Malaysia performed by an external independent professional valuer. The Group will engage independent real estate valuation experts to assess the net realizable values of the Group's development properties as at the end of financial year.

In view that there is no significant adverse factor affecting the property market in 1H 2025 and after taking into consideration of the inputs and assumptions used by the valuers in the valuation techniques for their valuation as at 31 December 2024, the management does not expect material impairment on the said property which the work on the development has been suspended since 1998.

13 Lease liabilities

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	\$	\$	\$	\$
<u>Amount repayable within one year</u>				
Unsecured	137	142	96	105
<u>Amount repayable after one year</u>				
Unsecured	168	219	142	190

These are lease liabilities relating to rental of office premises, warehouse and apartments for staff accommodation.

14 Share capital

	Group and Company	
	Number	Share
	of shares	Capital
		\$'000
Ordinary shares		
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025		
(As per Accounting and Corporate Regulatory Authority's records)	96,334,254	133,773
Less: Trust Shares	(2,418,917)	(3,980)
At 1 January 2024, 31 December 2024, 1 January 2025 and 30 June 2025	<u>93,915,337</u>	<u>129,793</u>

The Company did not hold any treasury shares as at 30 June 2025, 31 December 2024 and 30 June 2024.

There were no sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings during the six months ended 30 June 2025.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2025 and 31 December 2024.

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.

15 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other information required by Listing Rule Appendix 7.2**1 Review**

The condensed consolidated statement of financial position of HL Global Enterprises Limited and its subsidiaries as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group**Results for six months ended 30 June ("1H") 2025 versus 1H 2024**

The Group's revenue for 1H 2025 increased slightly to \$2.84 million from \$2.79 million in the same period of 2024. This increase was primarily due to the favorable translation effect arising from the strengthening of the Malaysian Ringgit against the Singapore Dollar when converting the financial results of a Malaysian subsidiary. In local currency terms, however, revenue from the Group's hotel operations in Malaysia declined by RM429,000 in 1H 2025 compared to 1H 2024, reflecting a reduction in underlying business performance. Both occupancy rate and average room rate declined, attributable to competition from the increased supply of new hotel apartments and homestays in Cameron Highlands.

The Group's hospitality segment saw an operating profit of \$386,000 for 1H 2025 compared to \$440,000 for 1H 2024. The decline in the result was also partly due to higher operating costs arising from (amongst other things) the implementation of minimum wage by the Malaysia Government. The property development segment, and investments and others segment (consisting of investment property operation and corporate overhead costs) incurred losses of \$105,000 and \$591,000 respectively. As such, the Group reported an operating loss of \$310,000 before the share of results of a joint venture, other income and finance costs in 1H 2025 compared to a loss of \$239,000 in 1H 2024.

Other income of \$838,000 comprised mainly interest income and licence fee. Due to the decline in interest rates in 2025, interest income in 1H 2025 was lower than that in 1H 2024. There was a reduction in licence fee as Shanghai International Club Co Ltd, the owner of Hotel Equatorial Shanghai had in February 2025 issued a notice of termination of the licence agreement which took effect on 1 March 2025.

After taking into consideration the income tax which was mainly on interest income, the Group reported a net profit of \$451,000 in 1H 2025 compared to \$770,000 in 1H 2024.

3 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 period under review is in line with its expectations as disclosed in the Company's announcement released on 21 February 2025 on the unaudited financial statement for the year ended 31 December 2024.

4 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 operating period and the next 12 months

Our hotel in Cameron Highlands continues to face persistent challenges, including intense competition and a shortage of skilled labor. Despite facing rising operating costs driven by government mandated minimum wage increases and higher food prices, the hotel is unable to raise the average room rates. This is primarily due to an oversupply of hotel apartments in the market, which limits our pricing flexibility.

The quantity surveyor is in the midst of inviting contractors to submit quotations for building the 48 high-rise apartment units in Kea Farm Brinchang, Cameron Highlands. Regarding the conversion of the Entertainment Complex into a hotel and function rooms, the architect and engineer are revising the layout plan of the Entertainment Complex and resubmitting it to the relevant authority for approval. This is intended to enhance the value of the new hotel and facilitate the future sales of the MICE (Meetings, Incentives, Conferences, and Exhibitions) business.

The Group's assets and operations are mainly located in Malaysia, it will be exposed to currency risks. The Group continues to source for sustainable and viable business and will exercise prudence in its review when such opportunities arise.

5 Dividend information

No dividend has been recommended for the period under review. The Company will review it at the end of the financial year.

6 Interested person transactions

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual of SGX-ST ("Listing Manual").

7 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its Directors and the Chief Financial Officer in compliance with the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

Confirmation by the Board

Negative confirmation pursuant to Rule 705(5)

The Board hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board which may render the Group's unaudited interim financial results for the half year ended 30 June 2025 to be false or misleading in any material aspect.

On behalf of the Board

Dato' Gan Khai Choon
Chairman

Hoh Weng Ming
Director

Singapore
4 August 2025

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer

Singapore
4 August 2025