

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

The Group’s revenue increased to \$5.9 million for the 6 months ended 30 June (“**1H**”) 2015 compared to \$2.9 million for 1H 2014. The increase was primarily due to the consolidation of the financial results of Augustland Hotel Sdn Bhd (“**AHSB**”) which became the Group’s wholly-owned subsidiary in July 2014. As a result of which, the Group reported an operating profit of \$157,000 before the share of results of associate and joint ventures, other income and finance costs in 1H 2015 *vis-a-vis* an operating loss of \$139,000 for the same corresponding period in 2014.

The net loss attributable to shareholders of the Company was \$2.5 million for 1H 2015 compared to a loss of \$2.1 million for 1H 2014. The increase in the net loss was mainly due to the recognition of a higher exchange loss of \$0.6 million for 1H 2015 versus a loss of \$0.3 million for 1H 2014. The exchange loss for 1H 2015 was mainly due to the revaluation of the net foreign currency monetary assets and liabilities arising from the weakening of the Malaysian Ringgit against the Singapore Dollar and the weakening of the Malaysian Ringgit against the US Dollar.

Share of net loss after tax in associate and joint ventures for 1H 2015 increased to \$1.3 million from \$1.0 million in 1H 2014. This was primarily due to the intense competition faced by Copthorne Hotel Qingdao and the exclusion of AHSB’s net profit.

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 30 June 2015 released on 6 August 2015.

3. UPDATE ON FUTURE DIRECTION

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

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 potential opportunities to improve the financial position of the Group, and 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

Singapore

6 August 2015