

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. SGX-ST had, on 31 May 2016, granted the Company an extension of 12 months up to 3 June 2017 to meet the requirements of Rule 1314 of the Listing Manual of the SGX-ST (“Rule 1314”) and apply for removal from the Watch-list.

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 reported a higher revenue of \$10.2 million for 9 months ended 30 September (“YTD 3Q”) 2016 compared to \$9.6 million for YTD 3Q 2015. The growth in occupancy and average room rate at Copthorne Hotel Cameron Highlands contributed to the increase in the Group’s revenue, which resulted in a higher Group operating profit (before the share of results of associate and joint ventures, other income and finance costs) of \$1.2 million for YTD 3Q 2016 *vis-à-vis* \$0.9 million of the same period in 2015.

As disclosed in the Company’s results announcement today, the Group’s share of loss incurred by Copthorne Hotel Qingdao Co Ltd (“CHQ”) was recognized up to 23 February 2016. The share of net loss after tax from associate and joint ventures for YTD 3Q 2016 was \$0.8 million, a decline of \$1.2 million compared to the corresponding period of 2015.

The Group continued to incur interest expense of \$1.2 million and also recognised an exchange loss amounting to \$0.5 million for YTD 3Q 2016.

The net loss attributable to shareholders of the Company was \$1.1 million for YTD 3Q 2016 compared to the net loss of \$2.3 million for YTD 3Q 2015.

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 September 2016 released on 3 November 2016.

3. UPDATE ON FUTURE DIRECTION

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

Further to the Company's announcement dated 31 May 2016, the Company's wholly-owned subsidiary, LKN Investment International Pte Ltd and its joint venture partner in CHQ, CAAC East China Regional Administration Authority Service Center ("CAAC") had, after studying the available options, decided to proceed with another round of bidding for the disposal of CHQ under the public tender process. CAAC is currently in the process of obtaining approval for the re-valuation price of CHQ. The Company will make further announcements in respect of the disposal of CHQ in due course in accordance with the requirements of the Listing Manual of SGX-ST.

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 sustainable and viable business 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

Foo Yang Hym

Chief Financial Officer

Singapore

3 November 2016