

HL GLOBAL ENTERPRISES LIMITED

(Registration No. 196100131N)

Condensed interim financial statements
for the six months and full year ended
31 December 2021

HL GLOBAL ENTERPRISES LIMITED

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HL GLOBAL ENTERPRISES LIMITED

Unaudited Financial Statement Announcement for the six months ("2H") and 12 months ("FY") ended 31 December 2021

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

	Note	Group					
		2H 2021 \$'000	2H 2020 \$'000	Change %	FY 2021 \$'000	FY 2020 \$'000	Change %
Revenue	E5, F2.1	1,829	3,276	(44.2)	2,458	4,692	(47.6)
Cost of sales		(917)	(1,435)	(36.1)	(1,652)	(2,537)	(34.9)
Gross profit		912	1,841	(50.5)	806	2,155	(62.6)
Other income	E7, F2.1	387	567	(31.7)	846	1,241	(31.8)
Selling and marketing expenses	F2.1	(92)	(110)	(16.4)	(190)	(228)	(16.7)
Administrative expenses	F2.1	(133)	(113)	17.7	(292)	(292)	-
Finance costs		(2)	(3)	(33.3)	(4)	(7)	(42.9)
Other expenses		(1,306)	(1,339)	(2.5)	(2,637)	(2,721)	(3.1)
Share of results of associate and joint ventures (net of tax)		73	68	7.4	159	101	57.4
(Loss)/profit before tax	E8	(161)	911	NM	(1,312)	249	NM
Income tax expense	E10, F2.1	(24)	(7)	242.9	(66)	(43)	53.5
(Loss)/profit for the period attributable to owners of the Company		(185)	904	NM	(1,378)	206	NM
Other comprehensive income/(loss)							
Items that may be reclassified subsequently to profit or loss							
Foreign currency translation differences for foreign operations		20	204	(90.2)	(250)	7	NM
Other comprehensive income/(loss) for the period, net of tax		20	204	(90.2)	(250)	7	NM
Total comprehensive (loss)/income for the period attributable to owners of the Company		(165)	1,108	NM	(1,628)	213	NM

(Loss)/earnings per share for the period attributable to owners of the Company	Group			
	2H 2021 ¢	2H 2020 ¢	FY 2021 ¢	FY 2020 ¢
Based on weighted average number of ordinary shares in issue - note E15				
- Basic	(0.20)	0.96	(1.47)	0.22
(2H 2021, 2H 2020, FY 2021 and FY 2020: 93,915,337)				
- Diluted	(0.20)	0.96	(1.47)	0.22

NM: Not meaningful

NA: Not applicable

B. Condensed interim statements of financial position

	Note	Group		Company	
		31/12/2021 \$'000	31/12/2020 \$'000	31/12/2021 \$'000	31/12/2020 \$'000
Non-current assets					
Property, plant and equipment	E12	16,506	16,665	15	17
Investment property	E14	1,753	1,855	-	-
Subsidiaries		-	-	40,887	40,887
Associate		54	56	-	-
Joint ventures	F2.2	846	651	-	-
Other receivables		84	68	22	3
Right-of-use assets	F2.2	287	181	248	109
Deferred tax asset		182	200	-	-
		<u>19,712</u>	<u>19,676</u>	<u>41,172</u>	<u>41,016</u>
Current assets					
Inventories		88	85	-	-
Development properties	E13	3,429	3,438	-	-
Trade and other receivables	F2.2	463	543	190	214
Prepayment		24	51	6	21
Cash and bank balances		55,084	56,588	37,062	37,686
		<u>59,088</u>	<u>60,705</u>	<u>37,258</u>	<u>37,921</u>
Total assets		<u>78,800</u>	<u>80,381</u>	<u>78,430</u>	<u>78,937</u>
Equity					
Share capital	E15	129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(57,125)	(55,497)	(56,467)	(55,980)
Total equity attributable to owners of the Company		<u>76,648</u>	<u>78,276</u>	<u>77,306</u>	<u>77,793</u>
Non-current liabilities					
Lease liabilities	F2.2	168	38	159	11
		<u>168</u>	<u>38</u>	<u>159</u>	<u>11</u>
Current liabilities					
Trade and other payables		1,852	1,839	865	951
Lease liabilities	F2.2	121	148	89	102
Current tax payable	F2.2	11	80	11	80
		<u>1,984</u>	<u>2,067</u>	<u>965</u>	<u>1,133</u>
Total liabilities		<u>2,152</u>	<u>2,105</u>	<u>1,124</u>	<u>1,144</u>
Total equity and liabilities		<u>78,800</u>	<u>80,381</u>	<u>78,430</u>	<u>78,937</u>

C. Condensed interim statements of changes in equity

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Premium paid	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
				on acquisition of non- controlling interests \$'000			
At 1 January 2021	129,793	3,980	8,529	(192)	317	(64,151)	78,276
Loss for the year	-	-	-	-	-	(1,378)	(1,378)
<u>Other comprehensive loss, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	(250)	-	(250)
Total comprehensive loss for the year, net of tax	-	-	-	-	(250)	(1,378)	(1,628)
At 31 December 2021	129,793	3,980	8,529	(192)	67	(65,529)	76,648

Group	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Premium paid	Currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
				on acquisition of non- controlling interests \$'000			
At 1 January 2020	129,793	3,980	8,529	(192)	310	(64,357)	78,063
Profit for the year	-	-	-	-	-	206	206
<u>Other comprehensive income, net of tax</u>							
Foreign currency translation differences for foreign operations	-	-	-	-	7	-	7
Total comprehensive income for the year, net of tax	-	-	-	-	7	206	213
At 31 December 2020	129,793	3,980	8,529	(192)	317	(64,151)	78,276

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
Loss for the year, representing total comprehensive loss for the year	-	-	-	(487)	(487)
At 31 December 2021	129,793	3,980	12,471	(68,938)	77,306

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
Profit for the year, representing total comprehensive income for the year	-	-	-	140	140
At 31 December 2020	129,793	3,980	12,471	(68,451)	77,793

D. Condensed interim consolidated statement of cash flows

	Group	
	FY 2021	FY 2020
	\$'000	\$'000
Operating activities		
(Loss)/profit before tax	(1,312)	249
Adjustments for:		
Bad debts recovered	(1)	-
Bad debts written off	-	8
Property, plant and equipment written off	34	-
Depreciation of investment property	74	75
Depreciation of property, plant and equipment	859	817
Depreciation of right-of-use assets	155	157
Impairment loss on trade receivables	1	9
Interest expense related to lease liabilities	4	7
Interest income	(284)	(706)
Share of results of associate (net of tax)	1	1
Share of results of joint ventures (net of tax)	(160)	(102)
Unrealised currency exchange losses/(gains)-net	46	(5)
Write-back of impairment on trade and other receivables	(8)	(172)
Write-back of provision for maintenance fee and sinking funds	-	(210)
Operating cash flows before changes in working capital	(591)	128
Development properties	(42)	(15)
Inventories	(3)	9
Trade and other payables	13	(604)
Trade and other receivables and prepayment	153	246
Cash used in operating activities	(470)	(236)
Income tax paid	(136)	(37)
Interest expense related to lease liabilities	(4)	(7)
Interest received	244	1,045
Net cash (used in)/from operating activities	(366)	765
Investing activities		
Withdrawal of fixed deposits matured/ (placement of long term fixed deposits)	667	(68)
Purchase of property, plant and equipment	(898)	(880)
Net cash used in investing activities	(231)	(948)
Financing activity		
Repayment of principal portion of lease liabilities	(160)	(159)
Net cash used in financing activity	(160)	(159)
Net decrease in cash and cash equivalents	(757)	(342)
Cash and cash equivalents at beginning of the year	6,016	6,371
Effect of exchange rate changes on balances held in foreign currencies	(80)	(13)
Cash and cash equivalents at end of the year	5,179	6,016
Fixed deposits with tenures more than 3 months	49,905	50,572
Cash and bank balances	55,084	56,588

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 consolidated financial statements as at and for the six months and full year ended 31 December 2021 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 financial statements for the six months and full year ended 31 December 2021 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 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 interim financial statements for the period ended 30 June 2021.

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 2020.

3 Seasonal operations

The Group's business is normally affected significantly by seasonal factors. However seasonal factors were not relevant to the Group's business for the year under review due to movement restrictions implemented by the Malaysian Government attributed to the COVID-19 pandemic.

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 ventures 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	Investments and others	Hospitality and restaurant	Property development	Total
1 July 2021 to 31 December 2021	\$'000	\$'000	\$'000	\$'000
Revenue				
- external revenue	12	1,817	-	1,829
- inter-segment revenue	-	-	13	13
	<u>12</u>	<u>1,817</u>	<u>13</u>	<u>1,842</u>
Elimination				<u>(13)</u>
				<u>1,829</u>
Reportable segment results	(448)	(52)	(119)	(619)
Other income (excluding interest income)	129	122	-	251
Interest income	81	4	51	136
Interest expense related to lease liabilities	(1)	-	(1)	(2)
Share of results of associate and joint ventures	-	76	(3)	73
(Loss)/profit before tax	<u>(239)</u>	<u>150</u>	<u>(72)</u>	<u>(161)</u>
Income tax expense				<u>(24)</u>
Loss for the period				<u>(185)</u>

Other segment items

Capital expenditure				
- property, plant and equipment	5	325	-	330
Depreciation for the period	<u>92</u>	<u>465</u>	<u>10</u>	<u>567</u>

Reportable segment	Investments and others	Hospitality and restaurant	Property development	Total
1 July 2020 to 31 December 2020	\$'000	\$'000	\$'000	\$'000
Revenue				
- external revenue	31	3,245	-	3,276
- inter-segment revenue	-	-	20	20
	<u>31</u>	<u>3,245</u>	<u>20</u>	<u>3,296</u>
Elimination				<u>(20)</u>
				<u>3,276</u>
Reportable segment results	(428)	647	60	279
Other income (excluding interest income)	125	(2)	224	347
Interest income	145	12	63	220
Interest expense related to lease liabilities	(2)	(1)	-	(3)
Share of results of associate and joint ventures	-	71	(3)	68
(Loss)/profit before tax	<u>(160)</u>	<u>727</u>	<u>344</u>	<u>911</u>
Income tax expense				<u>(7)</u>
Profit for the period				<u>904</u>

Other segment items

Capital expenditure				
- property, plant and equipment	16	775	-	791
Depreciation for the period	<u>81</u>	<u>394</u>	<u>30</u>	<u>505</u>

Reportable segment	Investments and others	Hospitality and restaurant	Property development	Total
1 January 2021 to 31 December 2021	\$'000	\$'000	\$'000	\$'000
Revenue				
- external revenue	16	2,442	-	2,458
- inter-segment revenue	-	-	15	15
	16	2,442	15	2,473
Elimination				(15)
				2,458
Reportable segment results	(994)	(1,037)	(282)	(2,313)
Other income (excluding interest income)	272	273	17	562
Interest income	177	10	97	284
Interest expense related to lease liabilities	(2)	-	(2)	(4)
Share of results of associate and joint ventures	-	162	(3)	159
Loss before tax	(547)	(592)	(173)	(1,312)
Income tax expense				(66)
Loss for the year				(1,378)
Other segment items				
Capital expenditure				
- property, plant and equipment	5	892	1	898
Depreciation for the year	186	880	17	1,083
Reportable segment assets	39,236	18,071	20,593	77,900
Investment in associate	-	-	54	54
Investment in joint ventures	-	839	7	846
Consolidated total assets	39,236	18,910	20,654	78,800
Consolidated total liabilities	1,124	657	371	2,152
Reportable segment	Investments and others	Hospitality and restaurant	Property development	Total
1 January 2020 to 31 December 2020	\$'000	\$'000	\$'000	\$'000
Revenue				
- external revenue	46	4,646	-	4,692
- inter-segment revenue	-	-	29	29
	46	4,646	29	4,721
Elimination				(29)
				4,692
Reportable segment results	(1,040)	21	(67)	(1,086)
Other income (excluding interest income)	209	102	224	535
Interest income	470	33	203	706
Interest expense related to lease liabilities	(4)	(1)	(2)	(7)
Share of results of associate and joint ventures	-	104	(3)	101
(Loss)/profit before tax	(365)	259	355	249
Income tax expense				(43)
Profit for the year				206
Other segment items				
Capital expenditure				
- property, plant and equipment	16	864	-	880
Depreciation for the year	174	822	38	1,034

Reportable segment 1 January 2020 to 31 December 2020	Investments and others \$'000	Hospitality and restaurant \$'000	Property development \$'000	Total \$'000
Reportable segment assets	39,844	18,857	20,973	79,674
Investment in associate	-	-	56	56
Investment in joint ventures	-	642	9	651
Consolidated total assets	39,844	19,499	21,038	80,381
Consolidated total liabilities	1,144	587	374	2,105

Geographical information

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

Revenue	Group			
	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Malaysia	1,829	3,276	2,458	4,692

Non-current assets	FY 2021 \$'000	FY 2020 \$'000
	Malaysia	18,406
People's Republic of China	839	642
Singapore	285	129
	19,530	19,476

A breakdown of sales as follows:

	FY 2021 \$'000	Group FY 2020 \$'000	Change %
Revenue reported for first half year	629	1,416	(55.6)
Operating loss after tax reported for the first half year	(1,193)	(698)	70.9
Revenue reported for second half year	1,829	3,276	(44.2)
Operating (loss)/profit after tax reported for the second half year	(185)	904	(120.5)

5 Revenue

	Group			
	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Revenue from hospitality and restaurant	1,817	3,245	2,442	4,646
Rental income from investment property	12	31	16	46
	1,829	3,276	2,458	4,692

6 Fair value of assets and liabilities

Fair value hierarchy

The Group classifies fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Unobservable inputs for the asset or liability.

There have been no transfers between Level 1 to Level 3 fair value measurements during the financial years ended 31 December 2021 and 2020.

The following table shows the information about fair value measurement using significant unobservable inputs (Level 3):

	Fair value \$'000	Valuation techniques	Unobservable techniques	Inter-relationship between key unobservable inputs and fair value measurement
Investment property:				
FY 2021	2,398	Market comparison and cost method	Comparable price: \$35 to \$85 per square foot	The estimated fair value increases with higher comparable price
FY 2020	2,435	Market comparison and cost method	Comparable price: \$35 to \$85 per square foot	The estimated fair value increases with higher comparable price

Assets and liabilities measured at fair value

The Group does not have any assets and liabilities that are measured in accordance with the fair value hierarchy listed above.

Assets and liabilities not measured at fair value, for which fair value is disclosed

Details of valuation techniques and key assumptions used to estimate the fair value of the investment property are set out in the table above.

7 Other income

	Note	Group			
		2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Interest income	F2.1	136	220	284	706
Government grants	F2.1	137	14	302	163
Licence fee	F2.1	116	104	230	136
Write-back of impairment on trade and other receivables		-	172	8	172
Currency exchange gain – net		-	9	-	9
Sundry income*		(2)	48	22	55
		<u>387</u>	<u>567</u>	<u>846</u>	<u>1,241</u>

*negative amount mainly relates to the reclassification of rental rebate to depreciation of right-of-use assets.

8 (Loss)/profit before tax

The following items have been included in arriving at (loss)/profit for the year, net of tax:

	Group			
	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
Bad debts written off	-	8	-	8
Currency exchange (gains)/losses – net	(3)	(19)	48	-
Employee benefits expense:	-	-	-	-
- directors' fees	99	88	195	191
- salaries and bonuses	761	966	1,608	1,949
- employer's contribution to defined contribution plans	101	126	215	252
- other short-term benefits	73	117	157	223
Inventories recognised in cost of sales	216	470	374	701
Impairment loss on trade receivables	1	9	1	9
Audit fees to auditors of the Company	51	45	95	92
Write-back of impairment on trade and other receivables	-	172	8	172
Write-back of provision for maintenance fee	-	210	-	210

*Depreciation of right-of-use assets consists of depreciation expense of \$155,000 (FY2020:\$157,000) less rental rebates of \$5,000 (FY2020:\$15,000) received from the lessors.

9 Related party transactions**Compensation 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 management personnel as follows:

	Group			
	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Short-term employee benefits	256	177	456	384
Employer's contribution to defined contribution plans	14	2	18	7
	270	179	474	391

Sale and purchase of goods and services

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group			
	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Expenses paid/payable to related companies:				
Rental	(17)	(22)	(37)	(41)
Secretarial/consultancy fees	(26)	(18)	(75)	(77)
General and administrative expenses	(8)	(1)	(25)	(25)
Franchise and sales and marketing and reservation fees	(13)	(50)	(19)	(82)

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

Significant outstanding balances with related parties

Details of the outstanding balances with related parties are follows:

	FY 2021 \$'000	FY 2020 \$'000
	Bank balance held with related parties	29,758
Secretarial/consultancy fees	75	98

10 Taxation

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

Consolidated income statement	Group			
	2H 2021	2H 2020	FY 2021	FY 2020
	\$'000	\$'000	\$'000	\$'000
Current income tax				
- current income taxation	11	41	32	77
- (over)/under provision in respect of previous years	(2)	(22)	19	(22)
	<u>9</u>	<u>19</u>	<u>51</u>	<u>55</u>
Deferred income tax				
- deferred income tax expense	25	-	25	-
- recognition of previously unrecognised deferred tax assets	(10)	(12)	(10)	(12)
Income tax expense recognised in profit or loss	<u>24</u>	<u>7</u>	<u>66</u>	<u>43</u>

11 Net asset value

	Group		Company	
	FY 2021	FY 2020	FY 2021	FY 2020
	\$	\$	\$	\$
Net asset value per issued share, excluding Trust Shares	0.82	0.83	0.82	0.83

The net asset value per issued share, excluding Trust Shares is computed based on 93,915,337 issued ordinary shares as at 31 December 2021 and at 31 December 2020.

12 Property, plant and equipment

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. The recoverable amounts of the property, plant and equipment being the higher of the fair value less costs to sell and value-in use, were determined using fair value less costs to sell approach, and were estimated using comparison methods.

Based on the valuation performed by an external independent professional valuer, there is no impairment loss for the Group's property, plant and equipment as the estimated recoverable amount exceeded the carrying value.

Group	Freehold land*	Freehold buildings and improvements	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work-in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
At 1 January 2020	2,865	14,722	1,731	3,018	75	9	22,420
Additions	-	65	34	71	-	710	880
Write-off	-	-	-	(3)	(5)	-	(8)
Translation adjustments	-	-	(1)	(1)	-	1	(1)
At 31 December 2020 and 1 January 2021	<u>2,865</u>	<u>14,787</u>	<u>1,764</u>	<u>3,085</u>	<u>70</u>	<u>720</u>	<u>23,291</u>
Additions	-	-	88	654	-	156	898
Write-off	-	-	(106)	(13)	-	-	(119)
Transfer	-	-	547	136	-	(683)	-
Translation adjustments	(9)	(157)	(25)	(44)	(1)	(11)	(247)
At 31 December 2021	<u>2,856</u>	<u>14,630</u>	<u>2,268</u>	<u>3,818</u>	<u>69</u>	<u>182</u>	<u>23,823</u>

Group	Freehold land*	Freehold buildings and improvements	Plant and machinery	Furniture, fittings and office equipment	Motor vehicles	Capital work- in-progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated depreciation and impairment loss							
At 1 January 2020	99	2,493	978	2,177	69	-	5,816
Depreciation for the year	-	451	114	251	1	-	817
Write-off	-	-	-	(3)	(5)	-	(8)
Translation adjustments	-	1	-	(1)	1	-	1
At 31 December 2020 and 1 January 2021	99	2,945	1,092	2,424	66	-	6,626
Depreciation for the year	-	448	119	291	1	-	859
Write-off	-	-	(79)	(6)	-	-	(85)
Translation adjustments	(2)	(30)	(15)	(34)	(2)	-	(83)
At 31 December 2021	97	3,363	1,117	2,675	65	-	7,317
Net carrying amount							
At 31 December 2020	2,766	11,842	672	661	4	720	16,665
At 31 December 2021	2,759	11,267	1,151	1,143	4	182	16,506

* Freehold land includes Lot 1049 Mukim Ulu Telom Cameron Highlands, Pahang Malaysia (land area of 7,803m²).

13 Development properties

Source of estimation uncertainty

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. As the estimated net realisable value is higher than the carrying amount of the said uncompleted development property, there is no provision for impairment required on this property which the work on the development has been suspended since 1998.

14 Investment property

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

	Group	
	FY 2021 \$'000	FY 2020 \$'000
Cost		
At 1 January	2,155	2,155
Translation adjustments	(32)	-
At 31 December	2,123	2,155
Accumulated depreciation		
At 1 January	(300)	(225)
Depreciation charge for the year	(74)	(75)
Translation adjustments	4	-
At 31 December	(370)	(300)
Net carrying amount as at 31 December	1,753	1,855
At valuation (based on 31 December 2021 and 31 December 2020)	2,398	2,435

The Group is in the process of carrying out major refurbishment of the entertainment complex for conversion into additional hotel and function rooms. The relevant documents for the said conversion had been submitted to the Planning Department for their review, comments and approval.

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.

15 Share capital

During the year ended 31 December 2021, there was no change in the Company's issued ordinary Share capital.

	Group and Company Number of shares	Share Capital \$'000
Ordinary shares		
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021 (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 2020, 31 December 2020, 1 January 2021 and 31 December 2021	93,915,337	129,793

The Company did not hold any treasury shares as at 31 December 2021 and 31 December 2020.

There were no sales, transfers, cancellation and/or use of treasury shares/subsidiary holdings during the twelve months ended 31 December 2021.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2021 and 31 December 2020.

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.

16 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 31 December 2021 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 and full year then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group

2.1 Income statement

Revenue and gross profit

In view of the surge in COVID-19 cases, the Malaysian Government had implemented various movement restrictions. Interstate travelling had not been permitted since 13 January 2021 till 11 October 2021, resulting in a substantial decrease in revenue in 2H 2021 and FY 2021 compared to the corresponding periods in 2020.

Other income

Compared to 2H 2020:

- i) The decrease in interest income for 2H 2021 was due to lower interest rate.
- ii) The increase in government grant was mainly due to the subsidies from the Singapore and Malaysian government arising from COVID-19 pandemic.
- iii) Compared to FY 2020, the increase in licence fee for FY 2021 was due to the increase in revenue recorded by Hotel Equatorial Shanghai ("HES") as licence fee is charged as a percentage of the revenue of HES.

Selling and marketing expenses

Compared to 2H 2020, the reduction in selling and marketing expenses in 2H 2021 was mainly due to the decrease in payroll costs and decline in marketing activities arising from the movement control orders.

Income tax expense

The income tax expense consisted mainly of withholding tax on overseas income and tax on interest income.

2.2 Balance Sheet

Non current assets

Joint ventures

The increase arose from the share of profit from the joint venture, Shanghai Hengshan Equatorial Hotel Management Co Ltd.

Right-of-use asset

The increase was mainly due to the renewal of lease contract for office space.

Current assets

Trade and other receivables

The decrease was mainly due to payment from customers and lower revenue in FY 2021 compared to FY 2020.

Non-current liabilities

Lease Liabilities

The movement for lease liabilities was largely due to the renewal of lease contract for office space and the reclassification of lease payment due within 12 months from non-current liabilities to current liabilities.

Current liabilities

Lease Liabilities

The movement for lease liabilities was mainly due to the payment of lease liabilities and the reclassification of lease payment due within 12 months from non-current liabilities to current liabilities.

Current tax payable

The decrease was due to payment of tax liabilities and lower interest income received in FY 2021 which resulted in lower tax payable.

2.3 Results for 6 months ended 31 December (“2H”) 2021 versus 2H 2020

The Group’s revenue decreased substantially from \$3.3 million in 2H 2020 to \$1.8 million in 2H 2021. Copthorne Hotel Cameron Highlands' ("CHCH") operations had been adversely impacted by COVID-19 pandemic. In view of the surge in COVID-19 cases, the Malaysian Government had re-imposed a nationwide movement control order (“MCO”) from 12 May 2021 and this was followed by a full lockdown from 1 June 2021 to 5 July 2021. Subsequently, various recovery plans were introduced by the Government, but interstate travel was not permitted until 11 October 2021. In addition, the decrease in revenue was also attributed to the heavy rainfall and flooding in the East Coast of Malaysia in December 2021.

Consequently the Group reported an operating loss of \$619,000 before the share of results of joint ventures and associate, other income and finance costs for 2H 2021 versus an operating profit of \$279,000 for the corresponding period last year.

Other income comprised mainly licence fee, interest income and subsidies from the Singapore and Malaysian Governments. Interest income reduced from \$220,000 in 2H 2020 to \$136,000 in 2H 2021 due to lower interest rate.

The profit shared by the Group from its joint venture in Shanghai increased marginally to \$76,000 in 2H 2021 from \$71,000 in 2H 2020.

After taking into account the withholding tax on overseas income and income tax on interest income, the net loss attributable to shareholders of the Company for 2H 2021 was \$185,000 against profit of \$904,000 recorded for 2H 2020.

Results for 12 months ended 31 December (“FY”) 2021 versus FY 2020

The Group reported revenue of \$2.5 million in FY 2021, a decline of 47% compared to \$4.7 million in FY 2020. The decrease was mainly due to the various phases of MCO that were reinstated by the Malaysian Government since 13 January 2021 in order to curb the rising number of COVID-19 cases. A full lockdown was imposed by the Malaysian Government from 1 June 2021 to 5 July 2021 and followed by various recovery plans until 11 October 2021, thereafter interstate travel was permitted. During the year under review, travel restriction within Malaysia had disrupted CHCH operations significantly.

As a result, the hospitality segment reported an operating loss of \$1 million in FY 2021 compared to an operating profit of \$21,000 in FY 2020. The property development segment and investment and others segment (consisting of investment property operation and corporate overhead costs) incurred operating loss of \$0.3 million and \$1 million respectively. Overall, the Group registered an operating loss of \$2.3 million before the share of results of joint ventures and associate, other income and finance costs in FY 2021 versus an operating loss of \$1.1 million a year ago.

Other income consisted mainly of licence fee, interest income and subsidies from the Singapore and Malaysian Governments. Lower interest rates had resulted in a substantial drop in the interest income in FY 2021. The licence fee increased from \$136,000 in FY 2020 to \$230,000 in FY 2021 due to the increase in revenue recorded by Hotel Equatorial Shanghai (“HES”). Licence fee is charged as a percentage of the revenue of HES.

The improvement in the performance of HES in FY 2021 also contributed to the increase in the Group’s share of results of joint venture by \$58,000 to \$162,000 in FY 2021.

The net loss attributable to shareholders of the Company for FY 2021 was \$1.4 million as opposed to the profit of \$206,000 recorded for FY 2020.

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 year under review is in line with its expectations as disclosed in the Company's announcement of its results for the half year ended 30 June 2021 which was released on 4 August 2021.

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

Although the Malaysian Government has resumed interstate travel, the operations in CHCH is not expected to return to normalcy any time soon. The presence of the Omicron COVID-19 variant may have a negative impact on the country's business environment which could further limit Malaysia's economic recovery. CHCH's performance is dependent on how the variant develops, as well as the preventive measures put in place by the Malaysian Government to contain it.

CHCH had completed the renovation of its superior rooms and the upgrading of its lifts. The documents for the refurbishment of the old commercial complex into additional hotel and function rooms had been submitted to the Planning Department for their review and comments. As regards the development of the 40-unit high-rise apartments, consultants are still in the progress of preparing the documents for submitting to the relevant authority.

The Group's assets and operations are mainly located in Malaysia, it will continue to be exposed to currency fluctuation risks. The Group is still sourcing for sustainable and viable business opportunities to expand and will continue to exercise prudence in its review of any potential investments in the midst of economic uncertainties ahead arising from the COVID-19 pandemic.

5 Dividend information

No dividend has been recommended in view of the loss incurred for the year under review.

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.

8 Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

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, Andrew Goh Kia Teck and Hoh Weng Ming, Directors of the Company.

BY ORDER OF THE BOARD

Foo Yang Hym
Chief Financial Officer
Singapore
18 February 2022