

**HL GLOBAL ENTERPRISES LIMITED**

Company Registration No.: 196100131N

Unaudited Full Year Financial Statement Announcement for the year ended 31 December 2016

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

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

		2016	Group 2015	Change
	Note	\$'000	\$'000	%
Revenue		13,760	13,433	2.4
Cost of sales		(5,627)	(5,465)	3.0
<b>Gross profit</b>		<b>8,133</b>	<b>7,968</b>	<b>2.1</b>
Other income	(i)	1,292	1,427	(9.5)
Selling and marketing expenses		(304)	(334)	(9.0)
Administrative expenses	(ii)	(618)	(516)	19.8
Finance costs	(iii)	(1,931)	(2,037)	(5.2)
Other expenses	(iv)	(5,517)	(5,629)	(2.0)
Share of results of associate and joint ventures (net of tax)	(v)	(699)	(2,531)	(72.4)
<b>Profit/(loss) before tax</b>		<b>356</b>	<b>(1,652)</b>	<b>NM</b>
Income tax	(vi)	(507)	(544)	(6.8)
<b>Loss for the year attributable to owners of the Company</b>		<b>(151)</b>	<b>(2,196)</b>	<b>(93.1)</b>

**Notes:****(i) Other income**

	2016	Group 2015	Change
	\$'000	\$'000	%
Interest income	398	309	28.8
Licence fee	293	302	(3.0)
Sundry income	40	37	8.1
Fair value gain on an investment property	561	-	NM
Forfeiture of deposit on sale of land	-	53	NM
Gain on liquidation of a joint venture	-	76	NM
Write-back of allowance for anticipated losses on development properties	-	650	NM
	<b>1,292</b>	<b>1,427</b>	<b>(9.5)</b>

**(ii) Administrative expenses**

The increase in administrative expenses for 2016 was mainly due to the increase in expenses related to corporate exercise.

**(iii) Finance costs**

	2016	Group 2015	Change
	\$'000	\$'000	%
Interest expense	(1,598)	(1,659)	(3.7)
Currency exchange loss-net	(333)	(378)	(11.9)
	<b>(1,931)</b>	<b>(2,037)</b>	<b>(5.2)</b>

The net currency exchange loss of approximately \$0.3 million for 2016 was due to the revaluation of the net foreign currency monetary assets and liabilities arising mainly from the weakening of the Renminbi against the Singapore Dollar.

**(iv) Other expenses**

	2016	Group 2015	Change
	\$'000	\$'000	%
Depreciation of property, plant and equipment	(2,090)	(2,197)	(4.9)
Staff costs/directors' fee	(2,141)	(2,207)	(3.0)
Others	(1,286)	(1,225)	5.0
	<b>(5,517)</b>	<b>(5,629)</b>	<b>(2.0)</b>

**(v) Share of results of associate and joint ventures (net of tax)**

The Company's wholly-owned subsidiary, LKN Investment International Pte Ltd, together with the joint venture partner of Copthorne Hotel Qingdao Co Ltd ("CHQ"), had on 23 February 2016, listed the entire equity interest in CHQ on the Shanghai United Assets and Equity Exchange for sale. As a result, the investment in CHQ was reclassified as asset held for sale and the Group discontinued the use of equity method to recognize the interest in CHQ. Consequently, the Group only shared the loss incurred by CHQ up to 23 February 2016 instead of 31 December 2016. The Group remains committed to the sale of the equity interest in CHQ.

NM: Not meaningful

**(vi) Income tax**

There was an overprovision of taxation of \$1,000 in respect of prior years for 2016.

(2015: There was an overprovision of taxation amounting to \$9,000 and underprovision of deferred tax of \$27,000.)

The tax expense of \$0.5 million for 2016 arose mainly from the income derived from overseas which could not be offset against the losses incurred by other entities within the Group.

**(vii) Statement of comprehensive income**

	2016 \$'000	Group 2015 \$'000	Change %
Loss for the year	(151)	(2,196)	(93.1)
<b>Other comprehensive loss</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation differences for foreign operations	(1,215)	(1,082)	12.3
Realisation of foreign currency translation reserves upon liquidation of a joint venture	-	(64)	NM
<b>Other comprehensive loss for the year, net of tax</b>	<b>(1,215)</b>	<b>(1,146)</b>	<b>6.0</b>
<b>Total comprehensive loss for the year attributable to owners of the Company</b>	<b>(1,366)</b>	<b>(3,342)</b>	<b>(59.1)</b>

**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 31/12/2016 \$'000	Group 31/12/2015 \$'000	Company 31/12/2016 \$'000	Company 31/12/2015 \$'000
<b>Non-current assets</b>					
Property, plant and equipment		37,140	39,954	-	4
Investment property	1	2,109	1,602	-	-
Subsidiaries		-	-	68,945	56,643
Associate		59	62	-	-
Joint ventures	2	533	1,421	-	-
Non-trade receivables		330	327	23	32
Other asset	3	54	-	-	-
		<b>40,225</b>	<b>43,366</b>	<b>68,968</b>	<b>56,679</b>
<b>Current assets</b>					
Inventories		91	85	-	-
Development properties		4,858	4,870	-	-
Trade and other receivables	4	6,723	3,050	169	287
Prepayment		69	75	23	22
Cash and bank balances		19,806	22,487	4,005	4,567
		<b>31,547</b>	<b>30,567</b>	<b>4,197</b>	<b>4,876</b>
Asset held for sale	2	30	-	-	-
<b>Total assets</b>		<b>71,802</b>	<b>73,933</b>	<b>73,165</b>	<b>61,555</b>
<b>Equity</b>					
Share capital		129,793	129,793	129,793	129,793
Equity capital contributed by parent		3,980	3,980	3,980	3,980
Reserves		(141,838)	(137,340)	(133,031)	(146,866)
Reserve held for sale	2	3,132	-	-	-
<b>Total equity attributable to owners of the Company</b>		<b>(4,933)</b>	<b>(3,567)</b>	<b>742</b>	<b>(13,093)</b>
<b>Non-current liabilities</b>					
Other payable	3	590	-	-	-
Loans and borrowings	5a	71,384	72,451	68,000	68,000
Deferred tax liabilities	1	147	120	-	-
		<b>72,121</b>	<b>72,571</b>	<b>68,000</b>	<b>68,000</b>

		Group 31/12/2016 \$'000	Group 31/12/2015 \$'000	Company 31/12/2016 \$'000	Company 31/12/2015 \$'000
<b>Current liabilities</b>					
Trade and other payables		3,804	3,632	4,414	6,635
Loans and borrowings	5	569	997	-	-
Current tax payable		241	300	9	13
		4,614	4,929	4,423	6,648
<b>Total liabilities</b>		76,735	77,500	72,423	74,648
<b>Total equity and liabilities</b>		71,802	73,933	73,165	61,555

Notes:

- 1 The increase arose mainly from the fair value gain on the investment property which resulted in a provision of deferred tax liability.
- 2 Investment in CHQ was reclassified as asset held for sale as the Company had listed its entire equity interest in CHQ on the Shanghai United Assets and Equity Exchange for sale on 23 February 2016.  
The decrease in the investment in CHQ was due to the recognition of losses incurred by CHQ.
- 3 Other asset relates to legal fees incurred for the sale of lands ("Punggol Lands") at Punggol 17th Avenue while other payable relates to progress payments received for the sale of the Punggol Lands. Both deferred expenses and income will be transferred to Profit & Loss upon completion of the sale.
- 4 The increase was mainly due to advances to a joint venture.
- 5 The movement was due to:
  - a) reclassification of secured loan of \$1 million from non-current liabilities to current liabilities; and
  - b) repayment of secured loan of \$1.4 million.

- 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**

	Group	
	31/12/2016 \$'000	31/12/2015 \$'000
Unsecured	5	10
Secured	564	987

**Amount repayable after one year**

	Group	
	31/12/2016 \$'000	31/12/2015 \$'000
Unsecured	68,003	68,009
Secured	3,381	4,442

The secured loan as at 31 December 2016 was secured on a subsidiary's freehold land and building.

- 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	
	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	356	(1,652)
Adjustments for:		
Depreciation of property, plant and equipment	2,090	2,197
Fair value gain on an investment property	(561)	-
(Gain)/loss on disposal of property, plant and equipment	(4)	1
Gain on liquidation of a joint venture	-	(76)
Impairment loss on trade receivables	2	2
Interest expense	1,598	1,659
Interest income	(398)	(309)
Property, plant and equipment written off	1	26
Share of results of associate and joint ventures (net of tax)	699	2,531
Unrealised foreign exchange loss-net	332	19
Write-back of allowance for anticipated losses on development properties	-	(650)
Write-back of impairment on trade receivables	(7)	(3)
Write-back of trade and other payables	-	(2)
<b>Operating cash flows before changes in working capital</b>	4,108	3,743

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Development properties	-	(29)
Inventories	(4)	(2)
Trade and other payables	674	(223)
Trade and other receivables	(531)	(298)
<b>Cash from operating activities</b>	<b>4,247</b>	<b>3,191</b>
Income tax paid	(468)	(458)
Interest paid	(1,588)	(1,655)
Interest received	313	310
<b>Net cash from operating activities</b>	<b>2,504</b>	<b>1,388</b>
<b>Cash flows from investing activities</b>		
Amount due from a joint venture	(3,126)	(1,094)
Capital injection in joint ventures	-	(308)
Dividend received from a joint venture	124	260
Net cash inflow on liquidation of a joint venture	-	385
Proceeds from disposal of property, plant and equipment	4	-
Purchase of property, plant and equipment	(544)	(203)
<b>Net cash used in investing activities</b>	<b>(3,542)</b>	<b>(960)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	(1,405)	(1,295)
Repayment of finance lease liabilities	(10)	(16)
<b>Net cash used in financing activities</b>	<b>(1,415)</b>	<b>(1,311)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,453)</b>	<b>(883)</b>
Cash and cash equivalents at beginning of the year	22,487	23,288
Effect of exchange rate changes on balances held in foreign currencies	(228)	82
<b>Cash and cash equivalents at end of the year</b>	<b>19,806</b>	<b>22,487</b>

Net asset disposed on liquidation of a joint venture as follows:

	<b>Group</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>
Carrying value of net assets	-	373
Add: Gain on liquidation of a joint venture	-	76
Realisation of foreign currency translation reserves upon liquidation of a joint venture	-	(64)
Net cash inflow on liquidation of a joint venture	-	385

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.**

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
<b>At 1 January 2016</b>	129,790	3,980	3	8,529	(192)	1,893	(147,570)	-	(3,567)
Loss for the year	-	-	-	-	-	-	(151)	-	(151)
<u>Other comprehensive loss, net of tax</u>									
Foreign currency translation differences for foreign operations	-	-	-	-	-	(1,215)	-	-	(1,215)
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	(1,215)	(151)	-	(1,366)
<b>Others</b>									
Reserve held for sale	-	-	-	-	-	(3,132)	-	3,132	-
<b>Contributions by owners</b>									
Conversion of non-redeemable convertible cumulative preference shares ("NCCPS")	#	-	(#)	-	-	-	-	-	-
<b>At 31 December 2016</b>	129,790	3,980	3	8,529	(192)	(2,454)	(147,721)	3,132	(4,933)

# less than \$1,000

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	Total equity \$'000								
<b>At 1 January 2015</b>	129,790	3,980	3	8,529	(192)	3,039	(145,374)	(225)								
Loss for the year	-	-	-	-	-	-	(2,196)	(2,196)								
<u>Other comprehensive loss, net of tax</u>																
Foreign currency translation differences for foreign operations									-	-	-	-	-	(1,082)	-	(1,082)
Realisation of foreign currency translation reserves upon liquidation of a joint venture									-	-	-	-	-	(64)	-	(64)
<b>Other comprehensive loss for the year, net of tax</b>	-	-	-	-	-	(1,146)	-	(1,146)								
<b>Total comprehensive loss for the year</b>	-	-	-	-	-	(1,146)	(2,196)	(3,342)								
<b>At 31 December 2015</b>	129,790	3,980	3	8,529	(192)	1,893	(147,570)	(3,567)								

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>At 1 January 2016</b>	129,790	3,980	3	12,471	(159,337)	(13,093)
Profit for the year, representing total comprehensive income for the year ##	-	-	-	-	13,835	13,835
<u>Contributions by owners</u>						
Conversion of NCCPS	#	-	(#)	-	-	-
<b>At 31 December 2016</b>	129,790	3,980	3	12,471	(145,502)	742

## Profit arose mainly from the write-back of provision for diminution of investment in one of the subsidiaries.

Company	Share capital \$'000	Equity capital contributed by parent \$'000	Preference shares \$'000	Special reserve \$'000	Accumulated losses \$'000	Total \$'000
<b>At 1 January 2015</b>	129,790	3,980	3	12,471	(166,836)	(20,592)
Profit for the year, representing total comprehensive income for the year	-	-	-	-	7,499	7,499
<b>At 31 December 2015</b>	129,790	3,980	3	12,471	(159,337)	(13,093)

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.**

#### **Movements in the Share Capital**

During the year ended 31 December 2016, the Company issued a total of 2,899 new ordinary shares pursuant to the conversion of 28,998 non-redeemable convertible cumulative preference shares ("NCCPS"), at an issue price of \$0.02 for each NCCPS, thus bringing the total issued and paid-up ordinary share capital as at 31 December 2016 to \$133,770,764.03 comprising 96,321,318 ordinary shares. The NCCPS Conversion Ratio was one (1) new ordinary share for every ten (10) NCCPS converted.

#### **Ordinary shares**

At 1 January 2016

(As per Accounting and Corporate Regulatory Authority's records)

New ordinary shares issued arising from the conversion of NCCPS

Trust Shares

At 31 December 2016

	<b>Number of shares</b>	<b>Share Capital \$'000</b>
	96,318,419	133,770
	2,899	#
	96,321,318	133,770
	(2,418,917)	(3,980)
	93,902,401	129,790

#### **NCCPS**

At 1 January 2016

Conversion of NCCPS to new ordinary shares

At 31 December 2016

	<b>Number of shares</b>	<b>Share Capital \$'000</b>
	158,394	3
	(28,998)	(#)
	129,396	3

# less than \$1,000

In 2015, the Company undertook a share consolidation of every ten (10) existing issued ordinary shares in the share capital of the Company into one (1) consolidated ordinary share, which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 21 April 2015 (the "Share Consolidation").

As at 31 December 2016, no ordinary shares may be issued arising from the conversion of NCCPS as the NCCPS are non-convertible. (31 December 2015: the maximum number of ordinary shares that may be issued upon full conversion of all the NCCPS is 15,839 ordinary shares).

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.

The Company did not hold any treasury shares as at 31 December 2016 and as at 31 December 2015.

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, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the year ended 31 December 2016.

**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.**

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.**

There has been no change in the accounting policies and methods of computation adopted by the Group.

**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	
	2016	2015
	¢	¢
Loss per share		
(Based on the weighted average number of ordinary shares in issue)		
- Basic	(0.16)	(2.34)
(2016: 93,901,060, 2015: 93,899,502)		

**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 31/12/2016	Group 31/12/2015	Company 31/12/2016	Company 31/12/2015
	\$	\$	\$	\$
Net (liabilities)/asset value per issued share, excluding Trust Shares	(0.05)	(0.04)	0.01	(0.14)

The net liabilities/asset value per issued share, excluding Trust Shares is computed based on 93,902,401 issued ordinary shares as at 31 December 2016 and 93,899,502 issued ordinary shares as at 31 December 2015.

**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.**

The Group's revenue increased marginally from \$13.4 million in 2015 to \$13.8 million in 2016. Revenue contribution from Copthorne Hotel Cameron Highlands in 2016 grew by 10% compared to 2015 as a result of higher occupancy and average room rate. However, this was partially offset by the decrease in revenue from Elite Residences ("Elite") and the decline in management fee from Copthorne Hotel Qingdao ("CHQ"). The reduction in revenue for Elite was partly due to the implementation of the value added tax in China in May 2016, which had been absorbed by Elite during the year under review.

In tandem with the higher revenue in 2016, the Group's operating profit before the share of results of associate and joint ventures, other income and finance costs increased to \$1.7 million from \$1.5 million for 2015.

The Company's wholly-owned subsidiary, LKN Investment International Pte Ltd ("LKNII"), together with the joint venture partner of Copthorne Hotel Qingdao Co Ltd ("CHQ"), had on 23 February 2016, listed the entire equity interest in CHQ for sale on the Shanghai United Assets and Equity Exchange ("Public Tender Process"). As a result, the investment in CHQ was reclassified as asset held for sale and the Group discontinued the use of equity method to recognise the interest in CHQ. Consequently, the Group only shared the loss incurred by CHQ up to 23 February 2016. The Group's share of net loss after tax in associate and joint ventures was \$0.7 million in 2016 against \$2.5 million in 2015. Following the said reclassification, the investment in CHQ is now measured at the lower of carrying amount and fair value, less cost of sale.

Other income for 2016 consisted mainly of interest income, licence fee and fair value gain on an investment property. The Group incurred interest expense of \$1.6 million for 2016. There was an exchange loss of \$0.3 million recognised for the year which was largely attributed to the revaluation of net foreign currency monetary assets and liabilities arising from the weakening of the Renminbi against the Singapore Dollar.

The net loss attributable to shareholders of the Company for 2016 was \$0.2 million as compared to a loss of \$2.2 million for 2015.

**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 nine months ended 30 September 2016 which was released on 3 November 2016.

**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 slowdown in the hospitality business and the oversupply of hotel rooms in Qingdao will continue to adversely impact the operations in Copthorne Hotel Qingdao. The Group's hotel in Malaysia, Copthorne Hotel Cameron Highlands, may be affected by the weaker consumer spending in Malaysia in 2017.

The Group also continues to be exposed to currency fluctuation risks as the majority of its assets and operations are located in China and Malaysia. In the meantime, the Company is still continuing its efforts to source for sustainable and viable business opportunities despite the current challenging economic environment.

The Company had on 13 February 2017 announced its plan to dispose of CHQ and Shanghai Hutai Real Estate Development Co., Ltd (which owns Elite) through the sale of all the issued shares in the capital of LKNII.

The Company was placed on the watch-list of SGX-ST with effect from 4 June 2014 (the "Watch-list"). 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 ("Rule 1314") and apply for removal from the Watch-list. Should the Company be unable to meet the requirements of Rule 1314, SGX-ST may either remove the Company from its Official List, or suspend trading of the ordinary shares in the capital of the Company.

**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.**

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

13 **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	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
<b>2016</b>				
Revenue				
- external revenue	136	13,624	-	13,760
- inter-segment revenue	-	-	42	42
	<u>136</u>	<u>13,624</u>	<u>42</u>	<u>13,802</u>
Elimination				(42)
				<u>13,760</u>
Reportable segment results	(1,305)	3,329	(330)	1,694
Other income (excluding interest income)	885	6	3	894
Interest income	65	191	142	398
Interest expense	(1,295)	(303)	-	(1,598)
Exchange loss	(1)	(282)	(50)	(333)
Share of results of associate and joint ventures	-	(696)	(3)	(699)
(Loss)/profit before tax	<u>(1,651)</u>	<u>2,245</u>	<u>(238)</u>	<u>356</u>
Income tax expense				(507)
<b>Loss for the year</b>				<u>(151)</u>
<b>Other segment items</b>				
Capital expenditure				
- property, plant and equipment	-	544	-	544
Depreciation	<u>4</u>	<u>2,064</u>	<u>22</u>	<u>2,090</u>
<b>Reportable segment assets</b>	6,306	50,111	14,793	71,210
Investment in associate	-	-	59	59
Investment in joint ventures	-	517	16	533
<b>Consolidated total assets</b>	<u>6,306</u>	<u>50,628</u>	<u>14,868</u>	<u>71,802</u>
<b>Consolidated total liabilities</b>	<u>68,912</u>	<u>6,790</u>	<u>1,033</u>	<u>76,735</u>
	Investments and others	Hospitality and restaurant	Property development	Total
	\$'000	\$'000	\$'000	\$'000
<b>2015</b>				
Revenue				
- external revenue	81	13,352	-	13,433
- inter-segment revenue	-	-	49	49
	<u>81</u>	<u>13,352</u>	<u>49</u>	<u>13,482</u>
Elimination				(49)
				<u>13,433</u>
Reportable segment results	(1,102)	2,970	(379)	1,489
Other income (excluding interest income)	324	86	708	1,118
Interest income	38	136	135	309
Interest expense	(1,263)	(396)	-	(1,659)
Exchange gain/(loss)	-	245	(623)	(378)
Share of results of associate and joint ventures	-	(2,528)	(3)	(2,531)
(Loss)/profit before tax	<u>(2,003)</u>	<u>513</u>	<u>(162)</u>	<u>(1,652)</u>
Income tax expense				(544)
<b>Loss for the year</b>				<u>(2,196)</u>
<b>Other segment items</b>				
Capital expenditure				
- property, plant and equipment	-	203	-	203
Depreciation	<u>5</u>	<u>2,192</u>	<u>-</u>	<u>2,197</u>
<b>Reportable segment assets</b>	6,336	50,554	15,560	72,450
Investment in associate	-	-	62	62
Investment in joint ventures	-	1,403	18	1,421
<b>Consolidated total assets</b>	<u>6,336</u>	<u>51,957</u>	<u>15,640</u>	<u>73,933</u>
<b>Consolidated total liabilities</b>	<u>68,838</u>	<u>8,249</u>	<u>413</u>	<u>77,500</u>

	Revenue		Non-current assets	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Geographical segments</b>				
Singapore	-	-	-	4
Malaysia	8,782	7,930	20,333	20,725
People's Republic of China	4,978	5,503	19,508	22,310
	<u>13,760</u>	<u>13,433</u>	<u>39,841</u>	<u>43,039</u>

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 year.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

**14 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.

**15 A breakdown of sales as follows:**

	2016 \$'000	Group 2015 \$'000	Change %
Revenue reported for first half year	6,518	5,892	10.6
Revenue reported for second half year	7,242	7,541	(4.0)
	<u>13,760</u>	<u>13,433</u>	<u>2.4</u>
Operating loss after tax reported for the first half year	(1,652)	(2,520)	(34.4)
Operating profit after tax reported for the second half year	1,501	324	363.3
	<u>(151)</u>	<u>(2,196)</u>	<u>(93.1)</u>

**16 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

Not applicable.

**17 Interested persons transactions**

The Company has not sought any shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("Listing Manual").

**18 Undertakings with regard to Directors and Executive Officers**

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) of the Listing Manual of the Singapore Exchange Securities Trading Limited, 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, Philip Ting Sii Tien and Andrew Goh Kia Teck, Directors of the Company.

**BY ORDER OF THE BOARD**

Foo Yang Hym  
Chief Financial Officer

Singapore  
15 February 2017