

GENERAL ANNOUNCEMENT::ANNOUNCEMENT BY HL GLOBAL ENTERPRISES LIMITED ("HLGE")

Issuer & Securities

Issuer/ Manager

HONG LEONG ASIA LTD.

Securities

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Announcement Details

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Announcement by HL Global Enterprises Limited ("HLGE")

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Submitted By (Co./ Ind. Name)

Ng Siew Ping, Jaslin

Designation

Company Secretary

Description (Please provide a detailed description of the event in the box below)

HLGE, an entity considered to be a subsidiary of the Group, has today issued the attached announcement relating to its unaudited half year financial results announcement released on 6 August 2020.

Attachments

[17-2020.pdf](#)

Total size =89K MB

**UNAUDITED HALF YEAR FINANCIAL RESULTS ANNOUNCEMENT RELEASED ON
6 AUGUST 2020**

On 11 August 2020, the Company received the following request from the Singapore Exchange Securities Trading Limited for the Company to provide further information of its unaudited financial results for the six months ended 30 June 2020 which was released on 6 August 2020:

“We refer to HL Global Enterprises Limited’s (the “Company”) unaudited financial results for the six months ended 30 June 2020 (“1H 2020”) announced on 6 August 2020. It was disclosed that “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 2020 to be false or misleading in any material aspect.”

We further refer to the guidance issued by the Institute of Singapore Chartered Accountants (ISCA) entitled “ISCA COVID-19 Technical FAQs”, which provide deliberations on the accounting and auditing issues faced (the “Guidance”). FAQ 3 [PAIB] of the Guidance provides information on potential areas of misstatements that an entity should be mindful of, given that economic activities of many entities are adversely affected by measures put in place to contain the COVID-19 virus. FAQ 3 states that, “With the recent developments of the pandemic, there could be indicators indicating that assets may be impaired (e.g. shut-down of manufacturing facilities, falling demand and selling prices of goods and services). The recoverable amount of an asset is the higher of its value in use and its fair value less costs of disposal. When determining the recoverable amount, future cash flows are estimated based on management’s best estimates of the economic conditions that will exist over the remaining useful life of the asset. Although the above judgement can be difficult to make in light of the current uncertain situation, entities are reminded that the assumptions used should be reasonable and supportable and which reflect conditions existing at the financial reporting date.”

Please clarify if the Company has assessed the value of its hotel properties for the financial period ended 30 June 2020, and its basis of assessment. Please explain how the Board has addressed its mind to the carrying value of its properties and decided if any material change or impairment is required, in view of the current Covid-19 situation and the profit guidance issued by the Company on 5 May 2020.”

The Board of Directors wishes to confirm that the Board has reviewed the carrying value of the hotel property (recorded at cost less accumulated depreciation) and the market value as at 31 December 2019. After taking into consideration of the surplus of the valuation over the carrying amount of the hotel property at 31 December 2019, as well as the hotel performance after Malaysia entered into the Recovery Movement Control Order phase on 10 June 2020, the Board is of the view that there is no impairment required for the said property as at 30 June 2020.

The Board will continue to assess the recoverable amount of the hotel property periodically and will engage an independent professional valuer to determine the fair value of the said property at the financial reporting date of 31 December 2020.

BY ORDER OF THE BOARD
Foo Yang Hym
Chief Financial Officer
Singapore
13 August 2020