

ANNUAL GENERAL MEETING (AGM) TO BE HELD ON 26 JUNE 2020
- RESPONSES TO THE QUESTIONS RECEIVED FROM A SHAREHOLDER

HL Global Enterprises Limited (“**HLGE**” or the “**Company**”) refers to its announcement of 4 June 2020 on the alternative arrangements for the AGM, in particular, the invitation to shareholders to submit questions in advance of the AGM. The Company would like to thank the shareholder for the questions submitted.

The Company has set out below its responses to the questions received from the shareholder that are relevant to the AGM resolutions and the business of the Company.

	Question	Response
1	<p>I would like to refer you to Page 98 of the annual report, last paragraph, last 2 lines.</p> <p><i>"If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by \$16,439,000 (2018: \$16,814,000)."</i></p> <p>Is there any expiry date to the deferred tax assets? How is management planning to utilize/make the best use of this, if at all?</p>	<p>In Malaysia, tax losses incurred from year of assessment (“YA”) 2019 onwards can be carried forward for a period of 7 years. Accumulated unutilised tax losses up to YA2018, can be carried forward up to YA2025. In Singapore, majority of the accumulated tax losses are from dormant subsidiaries. The carry forward of tax losses, capital allowance and investment tax allowance are subject to the fulfilment of certain conditions set out by the relevant tax authorities.</p> <p>The Group’s subsidiaries have been utilizing the capital allowance and tax losses to offset against taxable profits.</p>
2	<p>Since November 2017 after the completion of sale of LKN Investment International Pte. Ltd., the company has been holding cash in excess of SGD 55m and has been <i>"continuing its efforts to source for sustainable and viable business opportunities"</i>. This has gone on for almost 3 years without bearing fruit. Will this go on for another 3 years of even a decade?</p>	<p>In the past few years, the Board had considered and evaluated several investment proposals but found them to be unsuitable for various reasons including financial considerations. Shareholders are assured that the Company is still continuing to source for viable and sustainable new business opportunities. Unless and until these investment opportunities,</p>

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	<p>It is good that the company is prudent in evaluating investment opportunities. However, there has to be an appropriate timeline to do this. Shareholders' funds should not be kept in the bank idling for so long. If the management is unable to locate suitable acquisitions, the money should be returned to shareholders so that they can make their own individual decisions. Please kindly provide a fair and detailed comment on the above.</p>	<p>which are carefully evaluated, meet our financial and non-financial criteria, the Board does not feel it to be prudent to rush into making investments which require a huge cash outlay. Further, given the current economic uncertainty brought by the COVID-19 outbreak, we expect investment activities to slow down.</p> <p>As reported previously, the Company has plans to develop a 40-unit high-rise apartment and there is an ongoing program to refurbish the old commercial complex in Cameron Highlands. Both projects will require cash outlay from the Company.</p>

BY ORDER OF THE BOARD

FOO YANG HYM
Chief Financial Officer

Singapore
25 June 2020