

HL GLOBAL ENTERPRISES LIMITED

Co. Reg. No. 196100131N
(Incorporated in the Republic of Singapore)

Minutes of the Sixtieth Annual General Meeting (“**AGM**” or the “**Meeting**”) of HL GLOBAL ENTERPRISES LIMITED (“**HLGE**” or the “**Company**”), duly convened and held at M Hotel Singapore City Centre, Anson I and II, Level 2, 81 Anson Road, Singapore 079908, on Tuesday, 25 April 2023 at 9.30 a.m.

Present:

Board of Directors : Dato’ Gan Khai Choon
(Chairman of the Board of Directors, Non-executive Non-independent Director)

Mr Andrew Goh Kia Teck
(Lead Independent Director, Chairman of the Audit and Risk Committee, the Remuneration Committee and the HL Global Enterprises Share Option Scheme 2006 Committee)

Mr Goh Kian Chee
(Independent Director, Chairman of the Nominating Committee)

Mr Hoh Weng Ming
(Non-executive Non-independent Director)

Mr Chew Heng Ching
(Independent Director)

Shareholders and proxy holders : As per attendance list

In Attendance : Chief Financial Officer/Company Secretary
Ms Foo Yang Hym

By Invitation : Auditor – Ernst & Young LLP
Mr Chan Yew Kiang

Independent Scrutineer – T S Tay Public Accounting Corporation
Ms Lam Su Ying

1. COMMENCEMENT OF MEETING

1.1 The Chairman welcomed the shareholders to the AGM of the Company. He informed the Meeting that the Company had published its responses to the substantial and relevant questions submitted by a shareholder in advance of the Meeting on its corporate website and on the website of Singapore Exchange Securities Trading Limited (“**SGX**”) on 20 April 2023.

1.2 The Chairman informed shareholders that they would be able to vote on the AGM resolutions once the AGM formally commenced and voting would close after the Question and Answer (“**Q&A**”) session, and shareholders would be invited to raise questions at the Q&A session after all the resolutions had been proposed at the AGM.

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- 1.3 As a quorum was present, the Chairman called the Meeting to order and introduced the members of the Board of Directors (the “**Board**”) present at the Meeting. The Chief Financial Officer (“**CFO**”)/Company Secretary and representatives of the Company’s external auditor, Ernst & Young LLP (“**EY**”), were also in attendance at the Meeting.

2. NOTICE

- 2.1 The Notice convening the Meeting (“**AGM Notice**”), which had been made available to all shareholders by electronic means *via* publication on the Company’s corporate website and on the website of Singapore Exchange Securities Trading Limited (“**SGX**”) was taken as read.

3. VOTING

- 3.1 The Chairman informed that all resolutions tabled at the Meeting would be voted by poll in accordance with the Listing Manual of SGX and the Constitution of the Company. Polling would be conducted manually.
- 3.2 He informed the Meeting that he had been appointed by numerous shareholders as proxy and would be voting on all the resolutions in accordance with their specific instructions. He would also be proposing all the resolutions put forth at the AGM.
- 3.3 The Company had appointed Central Management Services (Pte) Ltd as the polling agent and T S Tay Public Accounting Corporation (“**TS Tay**”) as the independent scrutineers for the poll voting. The Chairman called upon Ms Lam Su Ying from TS Tay to explain the procedures for the poll voting.
- 3.4 The Chairman informed shareholders that voting had commenced and that they could cast their votes during the AGM until three minutes after the end of the Q&A session. He then proceeded with the business of the Meeting.

ORDINARY BUSINESS:

**4. ORDINARY RESOLUTION 1
DIRECTORS’ STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER (“FY”) 2022 AND THE AUDITOR’S REPORT THEREON**

- 4.1 The Chairman informed that Resolution 1 was to receive the Directors’ Statement, Audited Financial Statements and the Auditor’s Report thereon for FY 2022. The Annual Report 2022 of the Company (“**AR**”) had been published on the Company’s corporate website and on SGX website.

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4.2 He proposed the following motion:

“That the Directors’ Statement and Audited Financial Statements of the Company and its subsidiaries (the “**Group**”) for FY 2022 together with the Auditor’s Report thereon be and are hereby received.

**5. ORDINARY RESOLUTION 2
DIRECTORS’ FEES**

5.1 The Chairman proposed the following motion:

“That the Directors’ Fees of \$192,000 FY 2022 be and are hereby approved.”

**6. ORDINARY RESOLUTIONS 3(a) and 3(b)
RE-ELECTION OF DIRECTORS**

6.1 The Chairman informed that Mr Goh Kian Chee and Mr Hoh Weng Ming (collectively, the “**Retiring Directors**”) would retire as Directors in accordance with the Company’s Constitution at the AGM. The Retiring Directors being eligible for re-election, had offered themselves for re-election. Information on the Retiring Directors seeking re-election could be found under the sections on ‘Board of Directors’ and ‘Additional Information on Directors Seeking Re-election’ in the AR as well as under notes 2 and 3 of the AGM Notice. The Nominating Committee, with Mr Goh Kian Chee abstaining in respect of his own re-election, had recommended the re-election of these Retiring Directors.

6.2 The Chairman proposed the following motions:

(a) “That Mr Goh Kian Chee who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.”

(b) “That Mr Hoh Weng Ming who is due to retire at this Meeting, be and is hereby re-elected as a Director of the Company.”

**7. ORDINARY RESOLUTION 4
RE-APPOINTMENT OF AUDITOR**

7.1 The Chairman informed that the Audit and Risk Committee had recommended the re-appointment of EY as Auditor of the Company and EY had expressed their willingness to be re-appointed.

7.2 The Chairman proposed the following motion:

“That Ernst & Young LLP, Public Accountants and Chartered Accountants. be and is hereby re-appointed as Auditor of the Company to hold office until the conclusion of the next AGM and that the Directors be hereby authorised to fix their remuneration.”

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SPECIAL BUSINESS:

8. ORDINARY RESOLUTION 5

AUTHORITY FOR DIRECTORS TO ISSUE SHARES AND/OR MAKE OR GRANT OFFERS, AGREEMENTS OR OPTIONS PURSUANT TO SECTION 161 OF THE COMPANIES ACT 1967 AND THE LISTING MANUAL OF SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

8.1 The Chairman informed that Resolution 5 would empower the Directors from the date of this Meeting until the next AGM to issue shares and/or make or grant Instruments that might require shares to be issued up to and not exceeding 50% of the Company's total number of issued shares, excluding treasury shares and subsidiary holdings, with a limit of 20% for any issue of shares not made on a *pro rata* basis to the shareholders. This authority would expire at the next AGM, unless revoked or varied at a general meeting.

8.2 The Chairman proposed the following motion:

“That authority be and is hereby given to the Directors to:

- (a) (i) issue shares in the capital of the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit; and

- (b) (notwithstanding the authority conferred by this Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Ordinary Resolution is in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument), does not exceed 50% of the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Ordinary Resolution but excluding shares which may be issued pursuant to any adjustments effected under any relevant Instrument) does not exceed 20% of the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company (as calculated in accordance with sub-paragraph (2) below);

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- (2) (subject to such manner of calculation as may be prescribed by Singapore Exchange Securities Trading Limited (“**SGX-ST**”)) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares, excluding treasury shares and subsidiary holdings, shall be based on the total number of issued shares, excluding treasury shares and subsidiary holdings, of the Company at the time this Ordinary Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Ordinary Resolution is passed; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares; and in sub-paragraph (1) above and this sub-paragraph (2), “subsidiary holdings” has the meaning given to it in the Listing Manual of SGX-ST;
- (3) in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST) and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting (“**AGM**”) of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

**9. ORDINARY RESOLUTION 6
AUTHORITY FOR DIRECTORS TO OFFER AND GRANT OPTIONS AND TO ISSUE SHARES IN ACCORDANCE WITH THE PROVISIONS OF THE HL GLOBAL ENTERPRISES SHARE OPTION SCHEME 2006 (“SOS”)**

- 9.1 The Chairman informed that Resolution 6 would empower the Directors to offer and grant options to eligible participants under the SOS and to issue shares in the Company pursuant to the exercise of such options subject to such limits or sub-limits as prescribed in the SOS.
- 9.2 The Chairman reminded shareholders on the voting restrictions pursuant to Rules 859 and 860 of the Listing Manual of SGX. Shareholders who were eligible to participate in the SOS, including all Directors and employees of the Company and its designated parent company, Hong Leong Investment Holdings Pte. Ltd. and all its subsidiaries, must not vote on this resolution unless they were acting as proxies for shareholders who did not have any personal interest in this resolution and who had given specific instructions on how their votes were to be cast.

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9.3 The Chairman proposed the following motion:

“That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the HL Global Enterprises Share Option Scheme 2006 (the “**SOS**”) and to allot and issue from time to time such number of shares of the Company as may be required to be issued pursuant to the exercise of the options granted under the SOS, provided that the aggregate number of shares to be issued pursuant to the SOS shall not exceed 15% of the total number of issued shares, excluding treasury shares and subsidiary holdings (as defined in the Listing Manual of SGX-ST), of the Company from time to time, and provided further that the aggregate number of shares to be issued to certain categories of participants of the SOS collectively and individually during the entire operation of the SOS (subject to adjustments, if any, made under the SOS) shall not exceed such limits or (as the case may be) sub-limits as may be prescribed in the SOS.”

10. Q&A SESSION

As all Resolutions had been proposed, the Chairman proceeded to take questions from the shareholders and/or their proxies. A summary of the questions and answers is set out below:

10.1 A shareholder referred the Meeting to page 111 of the AR and enquired on the Group’s plans for the property development in Melaka, Malaysia which work remained suspended since 1998. The Chairman explained that the Group owns a freehold property located at Lot 981, Kawasan Bandar VII, Daerah Melaka Tengah, Malaysia, which was a partially built abandoned structure earmarked for development. The Group, together with its joint venture partner, had been studying the feasibility of the property development since inception of the joint venture arrangement and was of the view that a proposed mixed development project (the “**Melaka Project**”) would be quite viable barring unforeseen circumstances. The Group had explored construction arrangements with potential partners to manage the construction risks of the Melaka Project. However, the development plan had been put to a standstill due to the financial position of these potential partners and the weak economic conditions in Melaka as well as in Peninsula Malaysia, brought about by the COVID-19 pandemic. Nevertheless, the Board was still hopeful that these partnerships could be revived and the Group could move on with the Melaka Project.

10.1.1 The shareholder further enquired whether the 48-unit high-rise apartment units in Cameron Highlands would be put up for sale and requested for the budgeted construction costs for the said development (the “**Block D Project**”). The Chairman responded that the high-rise apartments to be built under the Block D Project were intended for sale, and the estimated construction costs could be between RM300 to RM400 per square foot (“**psf**”) with selling price of about RM600 psf.

10.1.2 The shareholder also enquired on the plans for KEA Farm, which is situated near Copthorne Hotel Cameron Highlands (“**CHCH**”), and whether it would be demolished to make way for a new extension of the hotel. He also would like to know the estimated construction costs of the said development.

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The Chairman explained that KEA Farm is one of the agricultural tourist attractions located in Cameron Highlands. However, the Group did not own KEA Farm. The Group currently has two projects in Cameron Highlands, namely the Block D Project and the major refurbishment of the old commercial complex, which is next to CHCH, into additional hotel rooms and meeting facilities (the “**EC Project**”). CHCH is the largest hotel in Cameron Highlands and given its good location being situated at the highest point of Cameron Highlands, the hotel would be able to increase its room capacity and meet the needs for MICE (meetings, incentives, conventions and exhibitions) facilities. Pending the receipt of approvals from the relevant local authorities, the construction work for the two projects was slated to commence within the next two years.

The CFO informed that the renovation costs of the EC Project was budgeted to be approximately RM25 million to RM30 million. The Chairman added that there were also cost savings given that the EC Project was not considered a high-end development and there was already an existing structure of the commercial complex. Substantial air-conditioning expenses could also be reduced given the cool weather climate in Cameron Highlands.

10.2 A shareholder enquired whether the currency denomination of the cash balance reported in the AR were in Singapore Dollars or Malaysia Ringgit. The CFO replied that the Group’s cash balances were mainly denominated in Singapore Dollars.

10.2.1 The shareholder expressed concern over the Group’s hospitality business which had been susceptible to the impact of the COVID-19 pandemic. He enquired on the Group’s forward plan and strategy, particularly in light of the Group’s large cash position.

The Chairman explained that the Group’s cash surplus of about S\$56 million might appear large relative to the size of the Group. In absolute terms however, such amount would not be considered big and the Group would require more cash to fund the Melaka Project, the Block D Project and the EC Project if these projects were to be constructed concurrently. Financing options from banks might not be a viable alternative for the Group due to the uncertainties in the real estate industry in Malaysia. The Board is therefore looking at self-financing options to fund the Group’s projects and operations, and intends to conserve cash at the moment. Pending such cash deployment, the Group would still be able to benefit from the interest income earned by placing this cash in existing fixed deposits.

10.3 A shareholder congratulated the Board in turning the Company into profitability. Having noted that the Group’s profits were mainly contributed by the revenue from the hospitality business in Malaysia, the shareholder enquired if the Board had considered hedging its foreign currency exposure.

The Chairman replied that the earnings from the business in Malaysia, in comparison against the cash holding of the Group, were not substantial. As such, it would not be necessary and cost effective to do hedging since the Group’s cash were mostly denominated in Singapore Dollars.

10.3.1 The shareholder enquired whether the Board had considered a different use of the land for the Melaka Project, perhaps as a data centre.

The Chairman explained that several consultants had been engaged to explore the potential use of the land and the partially built abandoned structure at Melaka, and the proposal then for the Group was to commercially develop the Melaka Project.

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Nevertheless, the Board would re-evaluate the Melaka Project and he thanked the shareholder for her suggestion.

10.3.2 The shareholder gave the following comments on the AR and AGM:

- (i) The Company could consider inserting key financial highlights in the front section of the AR, for ease of reading.
- (ii) Shareholders might not be familiar with scanning the QR code printed on the postcard which had been mailed to shareholders, and some shareholders had to search for the Company’s announcement relating to the AGM released on SGX’s website instead. The Company could consider setting out the venue of the AGM in its postcard notice to shareholders, going forward.
- (iii) The AGM registration had not been a smooth process and could have been more efficient to avoid delay in registering attendees for the AGM.

The Chairman noted on the above and thanked the shareholder for her feedback.

11. POLLING

11.1 As all the items of the agenda in the AGM Notice had been dealt with, the Chairman reminded the shareholders to cast their votes on the Resolutions, if not already done so.

11.2 Voting on the Resolutions closed three minutes from the end of the Q&A session and the poll voting results, duly verified, were set out below:

Resolution number and details	Total number of shares represented by votes for and against the relevant resolution	For		Against	
		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Business – Ordinary Resolutions					
Resolution 1 Receipt of the Directors’ Statement and Audited Financial Statements together with the Auditor’s Report thereon	52,183,557	51,180,257	98.08	1,003,300	1.92

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		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Ordinary Business – Ordinary Resolutions (Cont'd)					
<u>Resolution 2</u> Approval of Directors' Fees	52,358,557	51,355,257	98.08	1,003,300	1.92
<u>Resolution 3(a)</u> Re-election of Mr Goh Kian Chee as Director	52,358,657	51,355,357	98.08	1,003,300	1.92
<u>Resolution 3(b)</u> Re-election of Mr Hoh Weng Ming as Director	52,358,657	51,355,357	98.08	1,003,300	1.92
<u>Resolution 4</u> Re-appointment of Ernst & Young LLP as Auditor	52,858,657	51,855,357	98.10	1,003,300	1.90
Special Business – Ordinary Resolutions					
<u>Resolution 5</u> Authority for Directors to issue shares and/or make or grant offers, agreements or options pursuant to Section 161 of the Companies Act 1967 and the Listing Manual of SGX	52,858,557	50,862,857	96.22	1,995,700	3.78

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		Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
Special Business – Ordinary Resolutions (Cont'd)					
Resolution 6 Authority for Directors to offer and grant options and to issue shares in accordance with the provisions of the HL Global Enterprises Share Option Scheme 2006	17,240,175	15,244,375	88.42	1,995,800	11.58

11.3 Based on the poll voting results, the Chairman declared each of all the Ordinary Resolutions tabled at the Meeting carried by majority vote.

12. CONCLUSION

The Chairman, on behalf of the Board, thanked the shareholders for their attendance at the AGM and support for the Company. He declared the Meeting closed at 10.40 a.m.

Read and signed as correct
Singapore

(Signed by Dato' Gan Khai Choon)

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Chairman