

HL GLOBAL ENTERPRISES LIMITED

(Co. Reg. No. 196100131N)

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING TO BE HELD ON 21 APRIL 2026 – RESPONSES TO QUESTIONS RECEIVED FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (the “**Board**”) of HL Global Enterprises Limited (“**HLGE**” or the “**Company**”) refers to the Company’s announcement of 1 April 2026 on its Notice of Sixty-Third Annual General Meeting to be held on 21 April 2026 (“**AGM**”) and in particular, the invitation to shareholders to submit questions that are related to the resolutions to be tabled for approval at the AGM, by 10 April 2026 (the “**Cut-Off Date**”). As of the Cut-Off Date, no questions were received from shareholders of the Company.

The Company had received questions relating to the Company’s Annual Report 2025 from the Securities Investors Association (Singapore) (“**SIAS**”), and the Company’s responses to the questions raised are set out below:

SIAS’ Question No. 1:

As noted in the chairman’s statement, the group has been preparing for two key development initiatives:

- (a) a proposed development of 48 high-rise apartment units in Kea Farm, Brinchang, Cameron Highlands, which has completed the tender stage and is under evaluation; and*
- (b) the conversion of the existing entertainment complex into a hotel and function space, for which revised plans are pending approval from the relevant authority.*

However, both projects have been discussed for several years with limited visible progress, and extensions of the building permits have yet to be secured.

- (i) **For the Cameron Highlands development, can management provide details on tender pricing, expected development cost, projected selling prices and targeted returns? What hurdle rates were applied in approving the project, and what assumptions underpin demand and pricing confidence?***

HLGE’s Response:

The two development projects referred to in the Chairman’s Statement were initially studied in 2020, and preliminary layouts were prepared by the architect at that time. Progress on both projects was significantly disrupted by the COVID-19 pandemic, during which no meaningful development activity took place for over two years. Thereafter, delays were further compounded by financial issues encountered by the architect, changes in architectural design and longer-than-anticipated regulatory approval process, in particular the need to address various engineering and structural challenges associated with developments in Cameron Highlands.

For the proposed development of the 48 high-rise apartment units in Kea Farm, Brinchang, Cameron Highlands, the quantity surveyor had completed the tender exercise. The tender prices received were higher than the Group’s initial estimates, and the Group is currently reviewing the submissions and working with its consultants to explore options to reduce development costs. Given the competitive property market conditions, the Group is also assessing various commercially viable options for the project. Detailed disclosure of tender pricing and total development costs is not made at this stage as such information is commercially sensitive and could adversely affect the Group’s negotiating position.

Based on recent market observations, selling prices of newly launched apartment units in Cameron Highlands generally range from between RM550 to RM700 per square foot, depending on the location, specifications and the available facilities.

With respect to the conversion of the existing entertainment complex next to Copthorne Hotel Cameron Highlands into a hotel and function space (the “**EC Project**”), the architect has revised

the design to enhance its suitability and attractiveness for the hotel's MICE (Meeting, Incentive, Conferences and Exhibitions) business. These design revisions, together with the need to obtain regulatory approvals, had contributed to delays in the overall project timeline. The revised layout for the EC Project remains pending approval from the relevant authorities, and the Group is also in the process of seeking extension of the related building permits for both projects.

- (ii) ***How is accountability structured for the execution of these projects? How does the board ensure disciplined project execution across the development projects, including clear accountability and ownership, milestone tracking and escalation mechanisms when timelines are not met?***

HLGE's Response:

Accountability for the execution of development projects rests with Management, under the oversight of the Executive Committee ("Exco"). The Exco and the Board monitor progress through regular updates from Management and consultants, and key project matters, including capital commitments, design changes and procurement outcomes. Where timelines are affected by external factors such as regulatory requirements or market conditions, these developments are escalated to the Board for review and direction.

The development property in Melaka stalled and has remained undeveloped since 1998.

Details of the development properties are as follows:

Type of development	Location	Status of completion at 31 December 2025	Tenure/ Group's effective interest in property	Land area (m ²)	Gross floor area (m ²)
Land	Lot 1046 Mukim Ulu Telom Cameron Highlands, Pahang Malaysia	In the process of planning to develop a block of high-rise apartments	Freehold (100%)	598	–
Shops and offices	Lot 981 Kawasan Bandar VII, Daerah Melaka Tengah, Malaysia	Work on the project has been suspended at the end of 1998	Freehold (100%)	4,229	55,688 plus 545 parking lots

(Source: company annual report)

- (iii) ***What is the board's current assessment of this asset, and what specific options are being pursued to unlock value? What timeline has been set, and how does the board justify the prolonged lack of progress on this asset?***

HLGE's Response:

The Group's development property in Melaka, Malaysia has remained undeveloped since 1998. Since the inception of the joint venture arrangements under the entity, HL Heritage Sdn. Bhd. ("**HL Heritage**"), HL Heritage has been studying the feasibility of commercially developing the project and has assisted in obtaining the relevant permits for construction works. To date no construction has commenced, and the Board continues to review and evaluate the appropriate course of action for the project with a view to safeguarding and maximising the Group's long-term returns.

SIAS' Question No. 2:

At the annual general meeting scheduled to be held on 21 April 2026, Dato' Gan Khai Choon and Mr Chew Heng Ching would be retiring and seeking their re-election as directors.

The board currently comprises five directors, three of whom are independent. The biographies of the directors can be found on pages 4 to 7 of the annual report. Additional information on directors seeking re-election are set out on pages 149 to 154.

Based on the disclosures in the annual report, it is noted that the four of the five board members fall within the age band of 64 to 79, with an average age exceeding 72. Separately, the lead independent director has served eight years on the board and will reach the nine-year independence threshold under the 2018 Code of corporate governance next year.

- (i) *Can the nominating committee (NC) elaborate on the board succession plan and how does the committee intend to progressively refresh the board's composition, given the current age profile and impending tenure limits?***

HLGE's Response:

Board renewal is a continuing process. The NC reviews annually the composition of the Board and the Board Committees, which include their size, mix and competencies, and makes recommendations to the Board on the selection and appointment of Directors, whether through the addition of new members or the replacement of retiring Directors. In doing so, the NC considers the Group's business operations and strategic direction, with a view to identifying any gaps in the Board's skill sets.

New Directors are appointed such that the experience and institutional knowledge of longer-serving Directors can continue to be drawn upon, while also benefitting from the fresh perspectives and insights brought by new Directors. The Board believes that, given the current number of Directors and the mix of competencies on the Board, it will be able to function smoothly notwithstanding any resignation or retirement of a Director.

The NC has at its annual review of the composition of the Board and Board Committees, reviewed the impending tenure limit of the Independent Directors ("ID"), including the Lead ID who is also the chairman of the Audit and Risk Committee ("ARC"). Taking into consideration the role of the ARC chairman, the NC would be identifying a suitable ID, particularly one with recent and relevant audit, accounting or financial management expertise, to succeed the ARC chairman who will be retiring at the 2027 AGM.

- (ii) *In particular, what is the succession plan for the chairman role? What criteria and leadership attributes are being prioritised, and how is the board ensuring a structured transition in the near-term?***

HLGE's Response:

The Board considers succession planning for the Board Chairman as part of its overall Board succession process to ensure continuity of leadership. The NC reviews succession planning for the Board, including the Board Chairman, on an annual basis. In doing so, the Board considers leadership experience, integrity, independence of judgement, relevant industry and governance experience, and the ability to provide effective stewardship and strategic oversight. Succession planning is approached as a continuing process, and the Board believes that its current composition and mix of competencies provide stability and enable an orderly transition when required.

- (iii) *Has the NC reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?***

HLGE's Response:

The Company has put in place a skills matrix to assist the NC in reviewing the competencies of the Board and identifying any gaps in skills and experience. The skills matrix categorises the Directors' skills, experience and knowledge into broad areas, including industry knowledge in investment holding and hospitality-related businesses, real estate investment and hotel management, leadership and management, finance and accounting, legal and risk management.

The Board currently comprises business leaders and professionals with financial (including audit and accounting), legal and business management backgrounds, with ages ranging from the 50s to the 70s. The Board will continue to review opportunities to refresh its composition with a view to strengthening its collective skill sets in line with the Group's business activities and future needs. In view of the impending retirement of the ARC chairman at the 2027 AGM, as mentioned above, the Board would be identifying a suitable ID, particularly one with recent and relevant audit, accounting or financial management expertise, to succeed him.

- (iv) **Can the NC disclose the key findings from the board effectiveness evaluation, including any identified gaps and the actions taken to address them?**

HLGE's Response:

The Company has in place a formal process for assessing the effectiveness of the Board as a whole, the various Board Committees and the contribution by each Director. In assessing the overall performance of the Board, the NC takes into consideration factors including the composition of the Board, the independence of the Directors, feedback from individual Directors on the Board's role in strategy and performance, the Board's processes and governance practices (including oversight of risk management and internal controls), and the effectiveness of the Board Chairman.

Based on the evaluation conducted, the NC was of the view that the Board and the Board Committees continued to function effectively and discharged their responsibilities in accordance with their respective terms of reference. Where areas for improvements were identified, these were addressed through ongoing Board renewal considerations, skills review and continuing director development. The results of the evaluation, including the NC's observations and recommendations, were presented to the Board for its consideration.

SIAS' Question No. 3:

According to SGX StockFacts, the company trades at a price-to-book ratio of 0.5 times despite a recent uptick in share price. With an estimated market capitalisation of approximately \$45 million and cash and bank balances amounting to \$63.5 million, the company is effectively trading at a negative enterprise value of approximately \$24.0 million (as calculated by SGX StockFacts).

Valuation			
Price/Book Value ⓘ	0.502	Enterprise Value ⓘ	SGD -24.03M
Price/Sales ⓘ	6.309	Price/CF ⓘ	16.181
Dividend Yield (%) ⓘ	-	P/E Ratio ⓘ	28.21
Dividend Yield 5-yr avg (%) ⓘ	-	Net Debt ⓘ	SGD -
5 Years PE Ratio	27.97		-

(Source: <https://investors.sgx.com/market/securities?code=AVX&type=stocks&lang=en>)

This suggests that the market is effectively assigning negative value to the operating business, raising fundamental questions on capital allocation, business viability and the board's effectiveness in delivering shareholder value.

- (i) **What has been the total shareholder return over the past 20 years since February 2006 (when China Yuchai first took a stake in the company) and over the period since 2017 when the company began exiting its China exposure?**

HLGE's Response:

Over the past 20 years since February 2006, the Company's total shareholder return has been negative. Based solely on share price movements and excluding dividends, the Company's share price increased from S\$0.07 on 3 January 2017 to approximately S\$0.44 on 2 April 2026.

The Company notes that share price performance reflects market sentiment and expectations at a point in time and may not fully capture the Company's long-term intrinsic value or underlying operating performance.

Stock exchanges and regulators worldwide, including Tokyo Stock Exchange (TSE) and Korea's Financial Services Commission (FSC), have been pushing for improved corporate valuations. The Review Group formed by the Monetary Authority of Singapore (MAS) has introduced measures to strengthen the equity market, focusing on improving liquidity and fair valuation for listed companies.

- (ii) What specific discussions has the board held regarding the persistent valuation discount, and what conclusions has it reached on the key drivers of this disconnect between market value and balance sheet value?**

HLGE's Response:

The Board is aware that the Company's shares have traded at a discount to book value. The Board recognises that market valuation may be influenced by a range of factors, including the Group's size, limited trading liquidity, earnings profile, the concentration of operating assets in a single hospitality location, and the absence of dividend distributions in recent years as the Group conserves cash for operations and investment.

The Board continues to focus on improving the Group's operating performance, particularly in its core hospitality business in Cameron Highlands, and on the execution of projects intended to enhance the Group's earnings sustainability over the longer term.

- (iii) How is the board, particularly the independent directors, going to address the valuation gap? Have capital management options such as share buybacks, special dividends or a broader strategic review been formally evaluated, and what are the timelines for implementation?**

HLGE's Response:

The Company's primary business remains its hospitality operations in Cameron Highlands. While the Group maintains a positive cash position, it has not generated sufficient recurring profits in recent years to enable the declaration of dividends.

The Board has, from time to time, considered various capital management and strategic options, taking into account the Group's financial position, operating performance, funding requirements and prevailing market conditions. To date, no options have been identified that meet the Group's strategic and financial criteria. The Board will continue to review such matters prudently in the context of the Group's long-term interests and overall financial sustainability.

BY ORDER OF THE BOARD

Foo Yang Hym
Company Secretary /
Chief Financial Officer

Singapore
15 April 2026