

**CIRCULAR DATED 27 MARCH 2015**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of HL Global Enterprises Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

The Company was placed on the watch-list of the SGX-ST (the “**Watch-list**”) on 4 June 2014. Should the Company be unable to meet the requirements of Rule 1314 of the Listing Manual (as defined herein) within 24 months from 4 June 2014, the SGX-ST may either remove the Company from its Official List, or suspend trading of the Shares (as defined herein) with a view to removing the Company from its Official List. In the event that the SGX-ST exercises its powers to remove the Company from its Official List at such time, any exit alternative offered by the Company may or may not be reasonable and shareholders of the Company may lose some or all of their investment in the Company.

## **HL GLOBAL ENTERPRISES LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 196100131N)

### **CIRCULAR TO SHAREHOLDERS**

#### **IN RELATION TO**

#### **THE PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES INTO ONE (1) CONSOLIDATED SHARE**

#### **IMPORTANT DATES AND TIMES:**

Last date and time for lodgement of Proxy Form	: 19 April 2015 at 11.30 a.m.
Date and time of Extraordinary General Meeting	: 21 April 2015 at 11.30 a.m. (or immediately after the conclusion or adjournment of the Fifty-Second Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, whichever is later)
Place of Extraordinary General Meeting	: Grand Copthorne Waterfront Hotel Canary Room, Level 4 392 Havelock Road Singapore 169663

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## DEFINITIONS

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In this Circular, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:-

<b>“Board”</b>	:	The board of Directors of the Company as at the Latest Practicable Date
<b>“Books Closure Date”</b>	:	The time and date to be determined by the Directors, at and on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of the Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This Circular to Shareholders dated 27 March 2015
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>“Company”</b>	:	HL Global Enterprises Limited
<b>“Consolidated Shares”</b>	:	Ordinary shares in the share capital of the Company following the Proposed Share Consolidation
<b>“Directors”</b>	:	The directors of the Company as at the Latest Practicable Date
<b>“Effective Trading Date”</b>	:	The date on which the Consolidated Shares will trade on the SGX-ST in board lots of 100 Consolidated Shares
<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be held on 21 April 2015, notice of which is given on pages 15 and 16 of this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“FY”</b>	:	Financial year ended or ending 31 December, as the case may be
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Latest Practicable Date”</b>	:	16 March 2015, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended or modified from time to time
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“NCCPS”</b>	:	Non-redeemable convertible cumulative preference shares in the share capital of the Company
<b>“New Share Certificates”</b>	:	Share certificates for the Consolidated Shares
<b>“Old Share Certificates”</b>	:	Share certificates for the existing Shares

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## DEFINITIONS

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<b>“Proposed Share Consolidation”</b>	:	The proposed consolidation of every ten (10) Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded
<b>“Register of Directors’ Shareholdings”</b>	:	The register of directors’ shareholdings of the Company
<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Scheme”</b>	:	The HL Global Enterprises Share Option Scheme 2006
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but which does not include a securities sub-account maintained with a Depository Agent
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the issued share capital of the Company
<b>“Shareholders”</b>	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts maintained with CDP are credited with those Shares
<b>“Share Registrar”</b>	:	KCK CorpServe Pte Ltd
<b>“Trust Shares”</b>	:	24,189,170 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
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively
<b>“%” or “per cent.”</b>	:	Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word used in this Circular which is defined under the Companies Act or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to a time of day and date in this Circular is a reference to Singapore time and date, respectively, unless otherwise stated.

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## DEFINITIONS

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Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

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### HL GLOBAL ENTERPRISES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 196100131N)

#### Board of Directors:

Mr Gan Khai Choon (Non-Executive Chairman)  
Mr Philip Ting Sii Tien (Non-Executive Director)  
Mr Hoh Weng Ming (Non-Executive Director)  
Mr Michael Yeo Chee Wee (Lead Independent Director)  
Ms Martha Tan Hui Keng (Independent Director)  
Ms Florence Tay Eng Neo (Independent Director)  
Ms Loo Hwee Fang (Independent Director)  
Mr Andrew Goh Kia Teck (Independent Director)

#### Registered Office:

156 Cecil Street, #09-01  
Far Eastern Bank Building  
Singapore 069544

27 March 2015

To: The Shareholders of HL Global Enterprises Limited

Dear Sir/Madam

### THE PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) EXISTING ISSUED ORDINARY SHARES INTO ONE (1) CONSOLIDATED SHARE

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#### 1. INTRODUCTION

##### 1.1. The Proposed Share Consolidation

On 2 March 2015, the Company announced the Proposed Share Consolidation subject to, *inter alia*:-

- (a) the approval of the SGX-ST for the Proposed Share Consolidation and for the dealing in, listing of and quotation of the Consolidated Shares on the SGX-ST; and
- (b) the approval of the Shareholders by ordinary resolution at an EGM of the Company to be convened.

The Company will be seeking the approval of the Shareholders for the Proposed Share Consolidation at an EGM to be convened at Grand Copthorne Waterfront Hotel, Canary Room, Level 4, 392 Havelock Road, Singapore 169663 on 21 April 2015 at 11.30 a.m. (or immediately after the conclusion or adjournment of the Fifty-Second Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, whichever is later), notice of which is set out on pages 15 and 16 of this Circular.

##### 1.2. Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information pertaining to the Proposed Share Consolidation for which the approval of the Shareholders will be sought at the EGM.

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## LETTER TO SHAREHOLDERS

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The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

## 2. THE PROPOSED SHARE CONSOLIDATION

### 2.1 Details of the Proposed Share Consolidation

The Company is seeking the approval of Shareholders at the EGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every ten (10) Shares into one (1) Consolidated Share. Accordingly, under the Proposed Share Consolidation, every ten (10) Shares registered in the name, or standing to the credit of the Securities Account, of each Shareholder (as the case may be) as at the Books Closure Date will be consolidated into one (1) Consolidated Share.

**Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.**

Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

As at the Latest Practicable Date, the Company has an issued ordinary share capital of S\$133,770,184.07 comprising 963,187,297 Shares (including 24,189,170 Trust Shares held by Amicorp Trustees (Singapore) Limited as trustee of the trust established by the Company to facilitate the implementation of the Scheme)<sup>1</sup> and an issued preference share capital of S\$3,167.88 comprising 158,394 outstanding NCCPS which are convertible into 158,394 new Shares pursuant to the terms and conditions of the NCCPS. On the assumption that:

- (a) no NCCPS is converted, and no new Shares are issued by the Company before or on the Books Closure Date, the Company will have an issued ordinary share capital of S\$133,770,184.07 comprising approximately 96,318,729 Consolidated Shares following the completion of the Proposed Share Consolidation;
- (b) all the NCCPS are converted and 158,394 new Shares are allotted and issued pursuant to such conversion on or before the Books Closure Date, and the Company did not issue any other new Shares, the Company will have an issued ordinary share capital of S\$133,773,351.95 comprising approximately 96,334,568 Consolidated Shares following the completion of the Proposed Share Consolidation.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holding of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

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<sup>1</sup>As at the Latest Practicable Date, the Company does not have any outstanding share options granted pursuant to the Scheme.

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## LETTER TO SHAREHOLDERS

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The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company and its subsidiaries.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. Shareholders who hold physical share certificates may wish to deposit the same with CDP and have their Shares credited to their securities accounts with CDP before the announcement of the Books Closure Date, as CDP will only accept for deposit new share certificates of Consolidated Shares after the Books Closure Date. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding. For illustrative purposes, the closing market price of the Shares on the Latest Practicable Date on which the Shares were traded on the SGX-ST is S\$0.0230 and upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share will be S\$0.230.

### 2.2 Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the reasons set out below.

- (a) **Compliance with the minimum trading price requirement.** The Monetary Authority of Singapore and the SGX-ST have introduced a minimum trading price of S\$0.20 (the “MTP”) for Mainboard-listed issuers with effect from 2 March 2015 as a continuing listing requirement to address risks associated with low-priced securities and to improve overall market quality. Issuers will be first assessed for compliance with the MTP requirement 12 months from 2 March 2015 (i.e. 1 March 2016). Issuers that fail to fulfil the MTP requirement at the first review date on 1 March 2016 or any of the subsequent quarterly reviews will be placed on the Watch-list. The assessment of whether an issuer has met the MTP of S\$0.20 will be based on the issuer’s volume weighted average price (“VWAP”) of its shares for the six (6) months preceding the date of review. Issuers placed on the Watch-list on or after 1 March 2016 will have a 36-month period to exit from the Watch-list. Issuers who fail to exit from the Watch-list will be subject to delisting in accordance with the listing rules.

For the past six (6) months prior to the Company making the announcement on the Proposed Share Consolidation on 2 March 2015, the Shares have been trading in a range of between S\$0.025 and S\$0.045, which is below the MTP. The highest and lowest market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month are as follows:

	Highest Price (S\$)	Lowest Price (S\$)	Volume of traded Shares ('000)
September 2014	0.045	0.025	1174
October 2014	0.039	0.028	1677
November 2014	0.045	0.035	1613
December 2014	0.045	0.032	472
January 2015	0.044	0.030	330.2
February 2015	0.042	0.025	1037.4

Source: SGX-ST

For illustrative purposes only, the VWAP of the Company’s Shares for the six (6) months prior to the Company making the announcement on the Proposed Share



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## LETTER TO SHAREHOLDERS

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Consolidation on 2 March 2015 is S\$0.035. This is below the MTP.

The Company is seeking to undertake the Proposed Share Consolidation with the purpose of raising the minimum theoretical share price so as to facilitate the compliance of the MTP requirement by the Company.

On the assumption that the Proposed Share Consolidation had been in place for the six (6) months prior to the Company making the announcement on the Proposed Share Consolidation on 2 March 2015, the theoretical adjusted 6-month VWAP based on the Consolidated Shares will be S\$0.353.

- (b) **Reduction of magnitude of volatility of the Share price.** As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), low traded share prices translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, the low traded Share price may encourage speculation in the Shares, which may result in excessive Share price volatility. The Directors therefore believe that the Proposed Share Consolidation may serve to reduce the fluctuation in magnitude of the Company's market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.
- (c) **Increase in the market interest and attractiveness of the Company.** The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of issued Shares. Following the Proposed Share Consolidation, the Board expects that, all other things being equal, the theoretical trading price of each Consolidated Share would be higher than the trading price of each existing Share, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. The Directors believe that, with the reduction in the number of Shares in issue and the resulting increase in the theoretical trading price of each Consolidated Share, the Proposed Share Consolidation may increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers which may, in turn, increase market interest and activity in the Shares, and generally make the Shares more attractive to investors.

**Shareholders should note, however, that there can be no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### 2.3 Conditions of the Proposed Share Consolidation

The implementation of the Proposed Share Consolidation is subject to the approval of the Shareholders by way of an ordinary resolution at the EGM.

The Company had on 6 March 2015 obtained in-principle approval from the SGX-ST for the dealing in, listing of and quotation for up to (i) 96,318,729 Consolidated Shares and (ii) 15,839 new Consolidated Shares to be issued upon conversion of the NCCPS, on the Official List of the SGX-ST subject to, *inter alia*, Shareholders' approval. Such approval is not to be taken as an indication of the merits of the Consolidated Shares, the Proposed Share Consolidation, the Company and/or its subsidiaries.

An announcement will be made by the Company to notify Shareholders of the date on which the Proposed Share Consolidation will become effective, the Effective Trading Date and the Books Closure Date in due course.

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## LETTER TO SHAREHOLDERS

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### 2.4 Updating of Register of Members and Depository Register

If Shareholders at the EGM approve the Proposed Share Consolidation, Shareholders' entitlements to the Consolidated Shares will be determined on the Books Closure Date, based on their Shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders upon completion of the Proposed Share Consolidation, and the Shares will begin trading in board lots of 100 Consolidated Shares on the Effective Trading Date.

#### (a) Deposit of Share Certificates with CDP

Shareholders who hold Old Share Certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date. After the Books Closure Date, CDP will only accept for deposit New Share Certificates.

Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver such Old Share Certificates to the Share Registrar of the Company, KCK CorpServe Pte Ltd, at 333 North Bridge Road #08-00 KH Kea Building, Singapore 188721, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of their Old Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

#### (b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar of the Company, KCK CorpServe Pte Ltd, at 333 North Bridge Road #08-00 KH Kea Building, Singapore 188721, as soon as possible after they have been notified of the Books Closure Date and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar of the Company or CDP in accordance with the provisions set out in this Section 2.4 only after the announcement of the Books Closure Date by the Company.

No receipt will be issued by the Share Registrar of the Company for the receipt of the Old Share Certificates tendered.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Share Registrar of the Company for cancellation.

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## LETTER TO SHAREHOLDERS

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Please notify the Share Registrar of the Company, KCK CorpServe Pte Ltd, at 333 North Bridge Road #08-00 KH Kea Building, Singapore 188721, if you have lost any of your existing Old Share Certificates or if there is any change in your address from that reflected in the Register of Members of the Company.

(c) **Share Certificates Not Valid for Settlement of Trades on SGX-ST**

Shareholders are reminded that their Old Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system, but will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

### 2.5 Trading Arrangements for the Shares and for Odd Lots

(a) **Trading Arrangements for the Shares**

Subject to the approval of the Shareholders for the Proposed Share Consolidation at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, ten (10) existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) **Trading Arrangements for Odd Lots of Consolidated Shares**

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded with a minimum size of one (1) Consolidated Share on the SGX-ST's unit share market.

Shareholders should note further that the Company has obtained approval from the SGX-ST for the setting up of a temporary counter for the trading of Consolidated Shares in board lots of one (1) Consolidated Share for a period of two months from the Effective Trading Date. The set up of the temporary odd lot counter is strictly of a provisional nature. Entitled Shareholders who continue to hold odd lots of less than 100 Consolidated Shares after the two month period may find difficulty and/or have to bear disproportionate transaction costs in realising the fair market price of such Consolidated Shares.

### 2.6 Adjustments to the NCCPS

As mentioned in Section 2.1 above, the Company has 158,394 outstanding NCCPS. Pursuant to the terms and conditions of the NCCPS, the NCCPS are convertible into new Shares based on the conversion ratio of one (1) new Share for every one (1) NCCPS (the "**Conversion Ratio**"). Accordingly, as at the Latest Practicable Date, the maximum number of new Shares to be allotted and issued by the Company pursuant to full conversion of the NCCPS is 158,394 new Shares.

Under the terms and conditions of the NCCPS, the Directors may, in their absolute discretion and after consultation with a reputable bank or merchant bank, adjust the Conversion Ratio if

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## LETTER TO SHAREHOLDERS

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there shall be an alteration to the total number of Shares in issue as a result of a consolidation. In such an event, the number of new Shares into which the NCCPS are to be converted on any subsequent conversion of the NCCPS may be reduced accordingly, and such reduction shall become effective immediately after the alteration takes effect. It is proposed that adjustments to the Conversion Ratio of the NCCPS will be made by the Company to take into account the effects of the Proposed Share Consolidation. Details of the proposed adjustments will be announced in due course upon completion of the Proposed Share Consolidation.

### 3. FINANCIAL EFFECTS OF THE PROPOSED SHARE CONSOLIDATION

For illustrative purposes only and based on the audited consolidated financial statements of the Group for FY2014, the financial effects of the Proposed Share Consolidation on the Group and/or the Company are set out below.

#### 3.1 Assumptions

For the purpose of this Section 3, the following assumptions apply:

- (a) the pro forma financial effects of the Proposed Share Consolidation on the share capital, net liabilities per Share, EPS and gearing of the Group and/or the Company are prepared purely for illustration only and do not reflect the actual future financial situation of the Group and/or the Company after the completion of the Proposed Share Consolidation. The pro forma financial effects have been computed based on the FY2014 audited financial statements;
- (b) the number of Shares for the financial effects relating to the net liabilities per Share of the Group and/or the Company and the EPS of the Group are based on 938,998,127 issued Shares (excluding the 24,189,170 Trust Shares) as at 31 December 2014; and
- (c) there is no issuance of Shares pursuant to any conversion of the NCCPS.

#### 3.2 Share Capital

	As at 31 December 2014	
Issued and Paid-up Share Capital	No. of Shares	S\$
Before the Proposed Share Consolidation	963,187,297	133,770,184.07
After the Proposed Share Consolidation	96,318,729	133,770,184.07

#### 3.3 Net liabilities per Share

	As at 31 December 2014			
	Company		Group	
	Before Proposed Share Consolidation	After Proposed Share Consolidation	Before Proposed Share Consolidation	After Proposed Share Consolidation
Net liabilities (S\$'000)	(20,592)	(20,592)	(225)	(225)
Number of issued and paid-up Shares	938,998,127	93,899,812	938,998,127	93,899,812
Net liabilities per Share (S\$)	(0.02)	(0.22)	#	#

# less than (0.01).

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## LETTER TO SHAREHOLDERS

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### 3.4 EPS

	Before Proposed Share Consolidation	FY2014 Group	After Proposed Share Consolidation
Profit after taxation and minority interests (S\$'000)	3,572		3,572
Weighted average number of issued and paid-up Shares	938,998,127		93,899,812
EPS (cents)	0.38		3.8

### 3.5 Gearing

The Proposed Share Consolidation will not affect the gearing of the Group and the Company.

## 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 4.1 Directors' Interests

As at the Latest Practicable Date, the interests of the Directors in the Shares, based on information as recorded in the Register of Directors' Shareholdings of the Company, are as follows:-

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
<u>Name of Director</u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>
Ms Florence Tay Eng Neo	27,140,923	2.82	11,299,814 <sup>(2)</sup>	1.17	38,440,737	3.99

#### Notes:

- (1) The percentage of Shares held is based on 963,187,297 issued Shares as at the Latest Practicable Date.
- (2) Ms Florence Tay Eng Neo is deemed to have an interest in the 11,299,814 Shares held by her spouse.

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## LETTER TO SHAREHOLDERS

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### 4.2 Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of the substantial shareholders of the Company in the Shares, based on information as recorded in the Register of Substantial Shareholders of the Company, are as follows:

<u>Name of Substantial Shareholder</u>	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>
Grace Star Services Ltd. ( <b>"Grace Star"</b> )	471,077,071	48.91	-	-	471,077,071	48.91
Constellation Star Holdings Limited	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
China Yuchai International Limited	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
HL Technology Systems Pte Ltd	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Hong Leong (China) Limited	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Hong Leong Asia Ltd.	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Hong Leong Corporation Holdings Pte Ltd	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Hong Leong Enterprises Pte. Ltd.	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Hong Leong Investment Holdings Pte. Ltd.	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Davos Investment Holdings Private Limited	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
Kwek Holdings Pte Ltd	-	-	471,077,072 <sup>(2)</sup>	48.91	471,077,072	48.91
DBS Bank Ltd. ( <b>"DBSB"</b> )	115,454,252 <sup>(3)</sup>	11.99	-	-	115,454,252	11.99
DBS Group Holdings Ltd ( <b>"DBSGH"</b> )	-	-	115,454,252 <sup>(4)</sup>	11.99	115,454,252	11.99
Temasek Holdings (Private) Limited ( <b>"Temasek"</b> )	-	-	115,454,252 <sup>(5)</sup>	11.99	115,454,252	11.99

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## LETTER TO SHAREHOLDERS

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### Notes:

- (1) The percentage of Shares held is based on 963,187,297 issued Shares as at the Latest Practicable Date.
- (2) Each of these companies is deemed under Section 7 of the Companies Act to have an interest in the 471,077,071 Shares held directly by Grace Star and one (1) Share held by Venture Delta Limited ("**Venture Delta**"), by reason of each of these companies being entitled, directly or indirectly, to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in Grace Star and Venture Delta.
- (3) The interest of DBSB is based on its last notification to the Company on 9 April 2012.
- (4) DBSGH is deemed under Section 7 of the Companies Act to have an interest in the 115,454,252 Shares held directly by DBSB based on DBSGH's last notification to the Company on 9 April 2012.
- (5) Temasek is deemed under Section 7 of the Companies Act to have an interest in the 115,454,252 Shares in which DBSGH has a deemed interest based on Temasek's last notification to the Company on 10 April 2012.

### 5. DIRECTORS' RECOMMENDATION

Having considered the rationale and the terms of the Proposed Share Consolidation, the Directors are of the opinion that the Proposed Share Consolidation is in the interests of the Company. Accordingly, the Directors recommend that the Shareholders **vote in favour** of the ordinary resolution in respect of the Proposed Share Consolidation set out in the Notice of EGM contained in this Circular.

### 6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at Grand Copthorne Waterfront Hotel, Canary Room, Level 4, 392 Havelock Road, Singapore 169663, on 21 April 2015 at 11.30 a.m. (or immediately after the conclusion or adjournment of the Fifty-Second Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, whichever is later) for the purpose of considering and, if thought fit, passing with or without amendments, the ordinary resolution set out in the Notice of EGM.

In view of Section 130D of the Companies Act, a Depositor shall not be regarded as a Shareholder entitled to attend and vote at the EGM unless he is shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM, as certified by CDP to the Company.

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## LETTER TO SHAREHOLDERS

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### 7. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's registered office at 156 Cecil Street, #09-01 Far Eastern Bank Building, Singapore 069544 not less than 48 hours before the time appointed for holding the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently so wishes to do so, in place of his proxy.

CPF investors may wish to check with their CPF Approved Nominees on the procedure and deadline for the submission of their written instructions to their CPF Approved Nominees to vote on their behalf.

### 8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who have delegated detailed supervision of this Circular) collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquires that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Share Consolidation and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection by Shareholders at the registered office of the Company at 156 Cecil Street, #09-01 Far Eastern Bank Building, Singapore 069544 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the annual report of the Company for FY2014;

Yours faithfully

For and on behalf of the Board of Directors of  
**HL GLOBAL ENTERPRISES LIMITED**

Gan Khai Choon  
Chairman



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### HL GLOBAL ENTERPRISES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 196100131N)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of HL GLOBAL ENTERPRISES LIMITED (the "**Company**") will be held at Grand Copthorne Waterfront Hotel, Canary Room, Level 4, 392 Havelock Road, Singapore 169663, on Tuesday, 21 April 2015 at 11.30 a.m. (or immediately after the conclusion or adjournment of the Fifty-Second Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, whichever is later) for the purpose of considering and, if thought fit, passing with or without modifications, the following ordinary resolution:

#### **ORDINARY RESOLUTION**

#### **THE PROPOSED CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES INTO ONE (1) CONSOLIDATED SHARE**

That pursuant to the Articles of Association of the Company:

- (a) the proposed consolidation of every ten (10) ordinary shares in the share capital of the Company held by the Shareholders as at the Books Closure Date into one (1) Consolidated Share with effect from a date to be fixed by the Directors of the Company and in the manner set out in the Company's circular to Shareholders dated 27 March 2015 (the "**Circular**"), be and is hereby approved;
- (b) any fraction of a Consolidated Share which may arise from the consolidation pursuant to paragraph (a) above shall be disregarded, and all fractions of the Consolidated Shares to which holders of the issued Shares would otherwise be entitled to shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company; and
- (c) the Directors and each of them be authorised to do and execute all such acts and things as they or he or she may consider necessary or expedient to give effect to this Resolution and implement any of the foregoing.

All capitalised terms used in this Notice which are not defined herein shall unless the context otherwise requires have the same meanings ascribed to them in the Circular.

BY ORDER OF THE BOARD

Aw Siew Yen, Patricia  
Yeo Swee Gim, Joanne  
Company Secretaries

Singapore  
27 March 2015

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A member of the Company which is a corporation is entitled to appoint its authorized representative or proxies to vote on its behalf. If the member is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorized officer or attorney.
3. The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the Company's registered office at 156 Cecil Street, #09-01 Far Eastern Bank Building, Singapore 069544, not less than 48 hours before the time appointed for holding the Extraordinary General Meeting in order for the proxy to be entitled to attend and vote at the Extraordinary General Meeting.

### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) or representative to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company:

- (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies or representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (b) warrants that where the member discloses the personal data of the member's proxy(ies) or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) or representative(s) for the Purposes, and
- (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**HL GLOBAL ENTERPRISES LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 196100131N)

**IMPORTANT:**

1. For investors who have used their CPF monies to buy HL Global Enterprises Limited's shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting as OBSERVERS must submit their requests through their respective Agent Banks so that their Agent Banks may register with the Company Secretary of HL Global Enterprises Limited within the time frame specified.  
(Agent Banks: Please see note 8 on required format)

Personal data privacy

By submitting an instrument appointing a proxy(ies) or representative, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 27 March 2015.

**PROXY FORM for**  
Extraordinary General Meeting

\*I/We, \_\_\_\_\_ with NRIC/Passport No. \_\_\_\_\_  
of \_\_\_\_\_  
being \*a member/members of **HL Global Enterprises Limited** (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held at Grand Copthorne Waterfront Hotel, Canary Room, Level 4, 392 Havelock Road, Singapore 169663, on Tuesday, 21 April 2015 at 11.30 a.m. (or immediately after the conclusion or adjournment of the Fifty-Second Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place, whichever is later), and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the Resolution to be proposed at the EGM as indicated with an "X" in the spaces provided hereunder. If no specific direction as to voting is given, the \*proxy/proxies will vote or abstain from voting at \*his/their discretion, as \*he/they will on any other matter arising at the EGM and at any adjournment thereof.

<b>ORDINARY RESOLUTION</b>	<b>For</b>	<b>Against</b>
To approve the proposed consolidation of every ten (10) ordinary shares into one (1) Consolidated Share		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2015

**Total number of Shares held**

\_\_\_\_\_  
Signature(s) of Member(s) /  
Common Seal of Corporate Shareholder  
\* Delete as appropriate

**IMPORTANT: PLEASE READ NOTES OVERLEAF.**

**Notes:**

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, the second named proxy shall be an alternate to the first named proxy unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
3. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore) you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by you.
4. This instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the EGM in accordance with its Articles of Association and Section 179 of the Companies Act, Chapter 50 of Singapore.
6. This instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the Registered Office of the Company at 156 Cecil Street, #09-01 Far Eastern Bank Building, Singapore 069544, not less than 48 hours before the time fixed for holding the EGM.
7. The Company shall be entitled to reject an instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
8. Agent Banks acting on the request of CPF Investors who wish to attend the EGM as Observers are required to submit in writing, a list with details of the investor's name, NRIC/Passport Number, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company Secretary, at the Registered Office at 156 Cecil Street, #09-01 Far Eastern Bank Building, Singapore 069544, not less than 48 hours before the time fixed for holding the EGM.

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Fold Here

**PROXY FORM**

Affix  
Postage  
Stamp  
Here

The Company Secretary  
**HL GLOBAL ENTERPRISES LIMITED**  
156 Cecil Street, #09-01  
Far Eastern Bank Building  
Singapore 069544

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Fold Here