

Issuer: HL Global Enterprises Limited
Security: HL Global Enterprises Limited

Meeting details:

Date: 26 April 2018

Time: 12.00 p.m.

Venue: M Hotel Singapore, Anson II, Level 2, 81 Anson Road, Singapore 079908

Company Description

HL Global Enterprises Limited, an investment holding company, operates and manages hotels and restaurants in Malaysia and the People's Republic of China. It operates through Investments and Others, Hospitality and Restaurant, and Property Development segments. The company also develops, rents, and sells properties; and provides property and development project management, and hotel management and consultancy services. In addition, it is involved in the ownership and operation of a serviced apartment building. The company was formerly known as HLG Enterprise Limited and changed its name to HL Global Enterprises Limited in April 2008. HL Global Enterprises Limited was incorporated in 1961 and is based in Singapore. HL Global Enterprises Limited is a subsidiary of Grace Star Services Ltd.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=AVX)

Q1. With the successful disposal of the Group's 60% equity interest in Copthorne Hotel Qingdao Co., Ltd. ("CHQ") in October 2017 and of LKN Investment International Pte. Ltd. ("LKNII") in November 2017, the company recorded a gain of \$86.8 million from the disposals. As at 31 December 2017, the group turned around with net tangible assets of \$78.6 million versus net liabilities of \$4.9 million as at 31 December 2016.

In the Chairman's Statement, under the group's outlook, it was said that the group's remaining hotel, Copthorne Hotel Cameron Highlands, will continue to face challenges, and that the group is reviewing the proposed development of its landbank in Melaka.

- a) **Would the board help shareholders understand the company's long term strategic direction?**
- b) **Following the disposals, would the board take the opportunity to re-assess the group and its resources to refine its long term vision?**

Q2. Even before the disposal, the company has disclosed in the annual report that it does not have any Executive Director (page 20) nor does the company have a Chief Executive Officer (page 22).

- a) **Can the board explain who is overseeing the day-to-day operations of the group?**
- b) **Would the board consider hiring a full-time, capable CEO who can work with the board to strategise and to leverage the company's balance sheet so as to create value for all shareholders in a sustainable manner?**

Q3. Can the board provide shareholders with better visibility of the following matters? Specifically:

- a) **Development property in Melaka: Who is spearheading the development of the land in Melaka? What are the tentative plans for the freehold 4,229 m² land?**
- b) **Land in Cameron Highlands: What is the current status of the two pieces of land, Lot 1046 and Lot 1049, in Cameron Highlands, Pahang?**
- c) **Joint Ventures: In Note 7 (pages 83 to 85), the financial information of Shanghai Hengshan Equatorial Hotel Management Co., Ltd. ("SHEHM") and HL Heritage Sdn. Bhd. ("HL Heritage") has been combined. Can management present the financial information of these two joint ventures separately?**
- d) **HL Heritage: Please update shareholders on the underlying assets of the joint venture, HL Heritage.**