
Issuer & Securities

Issuer/ Manager

HL GLOBAL ENTERPRISES LIMITED

Security

HL GLOBAL ENTERPRISES LIMITED - SG1AI6000003 - AVX

Announcement Details

Announcement Title

Annual General Meeting

Date & Time of Broadcast

20-Apr-2023 17:56:48

Status

Replacement

Announcement Reference

SG230406MEETIXRP

REPL::ANNUAL GENERAL MEETING::VOLUNTARY

Foo Yang Hym

Designation

Company Secretary/Chief Financial Officer

Financial Year End

31/12/2022

Event Narrative

Narrative Type	Narrative Text
Additional Text	Please refer to the attached announcement for the Company's responses to the questions received from a shareholder relating to the Company's Annual Report 2022.

Event Dates

Meeting Date and Time

25/04/2023 09:30:00

Response Deadline Date

23/04/2023 09:30:00

Event Venue(s)

Place

Venue(s)	Venue details
Meeting Venue	M Hotel Singapore City Centre, Anson I and II, Level 2, 81 Anson Road, Singapore 079908

Attachments

[Questions from shareholder.pdf](#)

Total size =202K MB

Related Announcements

[Related Announcements](#)

[06/04/2023 07:45:44](#)

HL GLOBAL ENTERPRISES LIMITED

Co. Reg. No. 196100131N

(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING (“AGM”) TO BE HELD ON 25 APRIL 2023 - RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

HL Global Enterprises Limited (“**HLGE**” or the “**Company**”) refers to its announcement dated 6 April 2023 on the alternative arrangements for the AGM, in particular, the invitation to shareholders to submit questions that are relevant to the AGM resolutions and the business of the Company, by 13 April 2023 (the “**Cut-Off Date**”).

The Company has received the following questions from a shareholder as of the Cut-Off Date and the Company’s responses to the said questions are set out below.

No.	Question	Response
1.	<p>HL Global shares have been languishing at a very low price as compared to its net asset value (“NAV”) of which most of it is pure cash. At the last AGM, a question was asked about share buy backs to which management response was dismissive, and suggested there was better use of funds.</p> <p>As of the last results, total assets of the company was S\$76.5 million of which cash made up S\$55 million. However, at last transacted prices, company valuation is S\$25 million, which is a 1/3 book value and even 1/2 of cash on hand.</p> <p>For the past 2 years, the share price has languished and returned absolutely nothing to shareholders ranging from 20 - 30 cents.</p> <p>Surely a sound investment decision is to buy back shares which are priced at 1/3 value. That’s an instant gain of at least 100% on investment. I don’t think management is able to generate that return on any other investment.</p> <p>Perhaps another way to reward shareholders is <i>via</i> a special dividend and capital reduction.</p>	<p>The Company has no intention to pursue a share buyback at the moment as it has been exploring business opportunities which will allow the Group to grow its earnings base. As such, the Board intends to conserve the existing cash and bank balances of the Group while it continues to seek for viable and sustainable investments either to complement or supplement its existing portfolio and would continue to exercise prudence in its review of any potential investments in the midst of the economic uncertainties brought on by inflationary pressure, rising interest rates and geopolitical tensions.</p>

No.	Question	Response
2.	<p>Cash on hand is at S\$55 million. Bank interest rates and government T Bills are paying out close to 4% per annum. This works out to over 2 million dollars a year of income just based on interest, should the management be proactively keeping the funds in ultra safe high interest instruments.</p> <p>However, interest income seems to be under S\$200,000, which is less than 0.4% interest.</p> <p>In today's high interest environment, why isn't the management being proactive in earning the lowest hanging fruit? It's not that difficult.</p>	<p>As stated on page 68 of the Balance Sheets in the Annual Report 2022, the Group's cash and bank balances as at 31 December 2022 amounted to an aggregate of S\$56.34 million. The Board intends to conserve the cash to fund <i>inter alia</i> the Group's operations including the development of the 48-unit high-rise apartment block and the major refurbishment of the old commercial complex at Cameron Highlands, and for future investment opportunities.</p> <p>As stated under Note 18 relating to Other Income on page 117 of the Annual Report 2022, interest income was S\$592,000 for 2022. Out of the Group's total cash as at 31 December 2022, S\$53.98 million has been placed in fixed deposits which are made for varying periods, depending on the immediate cash requirements of the Group and the Company. The commencement periods of some of these fixed deposits were in 2021 which interest rates were lower, below 1%. While these fixed deposit placements earn interest at the respective deposit rates, such returns on interest had increased slightly in 2022. The weighted average interest rates for 2022 for Singapore Dollar and Malaysian Ringgit fixed deposit placements were 2.52% per annum and 2.50% per annum respectively.</p>
3.	<p>Given the huge discount to NAV, has the Company been approached by any interested parties for a take-over offer as it seems almost too good to be true to be able to buy S\$55 million in cash using only S\$25 million in cash and get some free hotels as a by-product.</p>	<p>The Company has not been approached by any interested party for a take-over offer.</p>

BY ORDER OF THE BOARD

FOO YANG HYM
Company Secretary /
Chief Financial Officer

Singapore
20 April 2023