

TOP GLOBAL LIMITED
(Company Registration No.: 198003719Z)
(Incorporated in the Republic of Singapore)

1. **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF SHARES WITH FREE DETACHABLE WARRANTS**
2. **PROPOSED AFFIRMATION OF THE GROUP'S CORE BUSINESS**

Introduction

The Board of Directors ("**Directors**") of Top Global Limited ("**Company**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue of up to 746,460,000 new ordinary Shares ("**Rights Shares**"), at an issue price of S\$0.025 for each rights share ("**Issue Price**"), with up to 559,845,000 free detachable warrants (the "**Warrants**"), each warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**New Share**") at an exercise price of S\$0.025 for each New Share ("**Exercise Price**"), on the basis of two (2) Rights Shares for every one (1) existing Share in the capital of the Company held as a books closure date to be determined, and three (3) Warrants for every four (4) Rights Shares subscribed, fractional entitlements to be disregarded ("**Rights Shares cum Warrants Issue**").

Proposed Principal Terms of the Rights Shares cum Warrants Issue

The Rights Shares cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to Shareholders on the basis of two (2) Rights Shares for each existing Share at the Issue Price for each Rights Share, and three (3) Warrants for every four (4) Rights Shares subscribed, each Warrant entitling the Warrantholder to subscribe for one (1) New Share in the Company at the Exercise Price for each New Share, fractional entitlements to be disregarded.

Shareholders will be entitled to participate in the Rights Shares cum Warrants Issue and receive the offer information statement to be issued by the Company in connection with the Rights Shares cum Warrants Issue ("**OIS**") together with the appropriate application forms and accompanying documents at their respective Singapore addresses, whose registered addresses with the Company or The Central Depository (Pte) Limited ("**CDP**"), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Entitled Shareholders**"). Fractional entitlements to the Rights Shares with Warrants will be disregarded and will, together with the provisional allotments of Rights Shares with Warrants which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares with Warrants (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

In the allotment of excess Rights Shares with Warrants, first preference will be given to Shareholders in satisfaction of their application for excess Rights Shares with Warrants, if any, provided that where there are insufficient excess Rights Shares with Warrants to allot to each application, the Company shall allot the excess Rights Shares with Warrants to Shareholders on a *pro rata* basis, and provided that as between such Shareholders, Directors and Substantial Shareholders will rank last in priority.

After the Shareholders' applications for excess Rights Shares with Warrants are satisfied, the Directors may allot any remaining excess Rights Shares with Warrants to any investors (not being Shareholders) who wish to invest in the Company, if any, in such manner and on such terms and conditions as the Directors may in their absolute discretion deem fit in the best interests of the Company, provided that as between such investors, investors who are Directors of the Company will rank last in priority. The Directors will take steps to ensure that preference will be given to Shareholders for the rounding of odd lots, and that Rule 803 of the Listing Manual on the restriction of transfer of controlling interest without prior approval of shareholders in a general meeting, is complied with in their exercise of discretion to allot and issue any such excess Rights Shares with Warrants.

The Warrants are immediately detachable from the Rights Shares upon issue and will be issued in registered form and will be traded on a book-entry (scripless) settlement basis on the SGX-ST upon the listing and quotation of the Warrants on Catalist, subject to, *inter alia*, there being an adequate spread of holdings of the Warrants to provide for an orderly market for the Warrants.

Each Warrant, will, subject to the terms and conditions to be set out in a deed poll constituting the Warrants ("**Deed Poll**"), carry the right to subscribe for one (1) New Share at the Exercise Price, at any time during the period commencing on and including the date of issue of the Warrants and expiring on a date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants. The Exercise Price and the number of Warrants to be held by each holder of Warrants will be subject to adjustments under certain circumstances to be provided for in the Deed Poll. The New Shares arising from the exercise of the Warrants will upon allotment and issue, rank *pari passu* in all respects with the then existing Shares save that they shall not rank for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which is before the relevant date of exercise of the Warrants.

The Issue Price of S\$0.025 represents a discount of approximately 58.3% to the last transacted price of S\$0.06 per Share on Catalist on 10 January 2008, being the day of the release of this announcement.

The Rights Shares with Warrants will be payable in full upon acceptance and/or application. The Rights Shares, when allotted and issued and fully paid-up, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered in order to participate in such dividends, rights, allotments or other distributions.

For practical reasons and in order to avoid any violation of securities legislation applicable in countries other than Singapore, the Rights Shares with Warrants will **NOT** be offered to Shareholders whose registered addresses with the Company or CDP, as the case may be, are outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior thereto, provided to the Company or CDP, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares with Warrants which would otherwise have been provisionally allotted to Foreign Shareholders to be sold "nil paid" on Catalist as soon as practicable after dealings in the provisional allotments of Rights Shares commence and the net proceeds arising therefrom will be dealt with in accordance with the terms set out in the OIS.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares with Warrants and will be eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights Shares cum Warrants Issue ("**Excess Application**").

Based on the Company's issued share capital as at the date of this announcement of 373,230,000 Shares, up to 746,460,000 Rights Shares may be issued pursuant to the Rights Shares cum Warrants Issue and up to 559,845,000 new ordinary Shares in the Company to be issued upon the exercise of the Warrants.

The terms and conditions of the Rights Shares cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Shares cum Warrants Issue will be contained in the OIS.

Purpose of the Rights Shares cum Warrants Issue and the Use of Proceeds

Assuming that the Rights Shares cum Warrants Issue is fully subscribed to, the estimated net proceeds of the Rights Shares cum Warrants Issue, after deducting estimated expenses of approximately S\$0.5 million, will amount to approximately S\$18.1 million ("**Initial Net Proceeds**").

The Company intends to utilize: (a) approximately S\$16.1 million of the Initial Net Proceeds for the purchase and development of a property at Kovan Road ("**Kovan Property**"); and (b) approximately S\$2.0 million for additional working capital.

Proposed Re-development of the Kovan Property

The Kovan Property comprises 16 units of apartments ("**Apartments**") ranging from 137 square metres to 162 square metres in a 4-storey apartment block. It is located along Kovan Road near Upper Serangoon Road, about 150 metres from the Kovan MRT and Heartland Mall in Singapore. Following from the satisfactory completion of a feasibility and cost study, the Company, through its wholly-owned subsidiary, Top Global Properties (Kovan) Pte Ltd ("**TGPKPL**"), made an offer to the individual owners of the Apartments to acquire the Apartments on a collective basis. On 13 November 2007, TGPKPL signed options to purchase the Apartments. The options expire on 31 March 2008 and include an option for further extension of two (2) months from 31 March 2008.

TGPKPL intends to redevelop the Kovan Property into a five-storey block comprising approximately 68 apartments, with a basement car park and other communal facilities. The total land area for the Kovan Property is nearly 2,420 square metres. TGPKPL anticipates that the development of the Kovan Property will commence in the second half of 2008. The Company will make further announcements and provide updates in its annual reports in relation to the progress and development of the Kovan Property as appropriate.

Working Capital

The Company intends to utilize approximately S\$2.0 million of the net proceeds from the Rights Shares cum Warrants Issue for additional working capital. The Company anticipates that this amount will be required as the Company expands its business of investment, development, and trade of property and other related assets and businesses within Singapore and in the Asia-Pacific region including China and Malaysia ("**Property Investment and Development**") going forward.

Property Investment and Development

In addition to the Kovan Property, the Company has also identified various Property Investment and Development opportunities. Should the re-development of the Kovan Property not proceed for whatever reasons, the Company intends to utilise the amounts earmarked for this project for other Property Investment and Development opportunities which the Directors may approve.

Proceeds from the exercise of Warrants

In the event that all 559,845,000 Warrants are exercised, the estimated gross proceeds arising from the exercise of the Warrants will amount to approximately S\$14.0 million ("**Warrants Proceeds**"). The Company intends to utilise the Warrants Proceeds for expansion of the Company's current businesses, investments, acquisitions, repayment of bank borrowings and/or general working capital purposes.

Pending the deployment of the Initial Net Proceeds and the Warrants Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, as the Directors may deem appropriate in the interests of the Company and its subsidiaries.

Approvals

The Rights Shares cum Warrants Issue is subject to, *inter alia*, the following:

- (a) the approval in-principle of the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the New Shares on Catalist;
- (b) the Rights Shares cum Warrants Issue having been approved by Shareholders at an extraordinary general meeting ("**EGM**") to be convened; and

(c) the lodgement by the Company of the OIS with the Monetary Authority of Singapore.

An application will be made to the SGX-ST for permission to deal in and for the listing and quotation of the Rights Shares, the Warrants and the New Shares on Catalist. An appropriate announcement on the outcome of the application will be made in due course.

Proposed Affirmation of the Group's Core Business

In connection with the proposed use of proceeds from the Rights Shares cum Warrants Issue, the Company proposes to focus more significantly on Property Investment and Development, and to rely less on its existing construction services businesses (of upgrading of buildings, waterproofing and thermal insulation). The size of the development projects will generally depend on the outcome of the feasibility studies and the ability of the Group to raise financing for the targeted investments. The Group seeks the Shareholders' affirmation on Property Investment and Development forming part of the Group's core business.

This is in line with the Company's statement in its results announcement for the half year ended 30 June 2007, in which it was stated that the Group's management has adopted a cautious approach in bidding the new projects in the Group existing construction services businesses due to high inflationary cost, shortage of labour and unstable material prices resulting from the integrated resort projects and that management has instead turned its focus on developing the Group's Property Investment and Development business in Singapore and the region.

Circular to Shareholders

The circular to Shareholders containing, *inter alia*, the notice of the EGM, the terms and conditions of the Rights Shares cum Warrants Issue, the rationale for the proposed affirmation of the Group's core business will be despatched to the Shareholders in due course. Thereafter, the OIS will be lodged with the Monetary Authority of Singapore and despatched by the Company to the Entitled Shareholders following the EGM in due course if the Rights Shares cum Warrants Issue is approved at the EGM.

Responsibility Statement

The Directors of the Company (including those who may have been delegated detailed supervision for the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Yap Siew Sin
Chief Executive Officer and Managing Director
Singapore
10 January 2008