

CIRCULAR DATED 29 JANUARY 2008

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular. The in-principle approval granted by the SGX-ST is not an indication of the merits of the Rights Shares cum Warrants Issue (as defined herein), the Rights Shares (as defined herein), the Warrants (as defined herein), the New Shares (as defined herein), the Company, its subsidiaries or the Shares (as defined herein).



TOP GLOBAL LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- A. THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 746,460,000 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY, AT AN ISSUE PRICE OF S\$0.025 FOR EACH RIGHTS SHARE, 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 (THE “NEW SHARE”) AT AN EXERCISE PRICE OF S\$0.025 FOR EACH NEW SHARE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE IN THE CAPITAL OF THE COMPANY HELD AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, AND THREE (3) FREE WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS SHARES CUM WARRANTS ISSUE”)**
- B. THE PROPOSED AFFIRMATION OF THE GROUP’S CORE BUSINESS**

Manager of the Rights Shares cum Warrants Issue



KBC BANK N.V., SINGAPORE BRANCH

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : 13 February 2008 at 10.00 a.m.
Date and time of Extraordinary General Meeting : 15 February 2008 at 10.00 a.m.
Place of Extraordinary General Meeting : 8 Cross Street
#11-00 PWC Building
Singapore 048424

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:

“Act” or “Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“AGM”	:	The annual general meeting of the Company that was held on 27 April 2007
“Announcement”	:	The announcement released by the Company on 10 January 2008 in relation to the Rights Shares cum Warrants Issue
“ARE”	:	Application and acceptance form for Rights Shares with Warrants and excess Rights Shares with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares with Warrants under the Rights Shares cum Warrants Issue
“ARS”	:	Application and acceptance form for Rights Shares with Warrants to be issued to purchasers in respect of the provisional allotments of Rights Shares with Warrants under the Rights Shares cum Warrants Issue traded on Catalist through the book-entry (scripless) settlement system
“ATM”	:	Automated teller machine of a participating bank
“Articles”	:	The articles of association of the Company, as amended or modified from time to time
“Authority”	:	Monetary Authority of Singapore
“Board of Directors” or “Directors”	:	The board of Directors of the Company, as at the date of this Circular
“Books Closure Date”	:	Subject to Shareholders’ approval of the Rights Shares cum Warrants Issue at the EGM, the time and date to be determined by the Directors, at and on which the Share Transfer Books and Register of Members of the Company will be closed to determine the provisional allotments of Rights Shares with Warrants of Entitled Shareholders under the Rights Shares cum Warrants Issue
“Catalist”	:	SGX-ST Sponsor-Supervised Listing Platform, which took effect from 17 December 2007 and replaces the former SGX-ST Dealing and Automated Quotation System
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 29 January 2008

“Closing Date”	:	The time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of, the Rights Shares with Warrants under the Rights Shares cum Warrants Issue; or the time and date to be determined by the Directors, being the last time and date for acceptance and/or excess application and payment of the Rights Shares with Warrants under the Rights Shares cum Warrants Issue through an ATM of a participating bank
“Company”	:	Top Global Limited
“CPF”	:	Central Provident Fund
“Deed Poll”	:	The deed poll to be executed by the Company constituting the Warrants and containing, <i>inter alia</i> , provisions for the protection of the rights and interests of the Warrantholders
“Designated Account”	:	The bank account to be specified and operated by the Company and maintained with a bank in Singapore for the purpose of crediting moneys received from the exercising Warrantholders in satisfaction of the Exercise Price in relation to the Warrants exercised by such exercising Warrantholders
“EGM”	:	The extraordinary general meeting of the Company, the notice of which is set out on pages 41 to 44 of this Circular
“Entitled Depositors”	:	Shareholders with Shares standing to the credit of their Securities Accounts and whose registered addresses with CDP are in Singapore as at the Books Closure Date or who had, at least five (5) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents
“Entitled Scripholders”	:	Shareholders whose Shares are registered in their own names in the Register of Members of the Company and whose registered addresses 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 the Company with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	:	Entitled Depositors and Entitled Scripholders
“EPS”	:	Earnings per Share
“Excess Applications”	:	Application by Entitled Shareholders of Rights Shares with Warrants in excess of their provisional allotments of Rights Shares with Warrants

“Exercise Period”	:	The period during which the Warrants may be exercised commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5 th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to closure of the Register of Members of the Company or on the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. The right to exercise the Warrants will not be extended beyond the Exercise Period
“Exercise Price”	:	The sum payable in respect of each New Share to which the Warrantholder will be entitled to subscribe upon the exercise of a Warrant which shall be S\$0.025, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll
“Foreign Shareholders”	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) Market Days prior thereto, provided to the Company, the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	:	Financial year ended 31 December
“Group”	:	The Company and its subsidiaries, collectively
“HY”	:	Financial period for the six months ended 30 June
“Issue Price”	:	The issue price of the Rights Shares, being S\$0.025 for each Rights Share
“Latest Practicable Date”	:	22 January 2008, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of SGX-ST, as may be amended, modified or supplemented from time to time
“Manager” or “KBC Bank”	:	KBC Bank N.V., Singapore Branch
“Market Day”	:	A day on which the Catalist is open for trading in securities
“New Shares”	:	The new Shares to be issued by the Company upon the exercise of the Warrants subject to and in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll

“NTA”	:	Net tangible assets
“Offer Information Statement”	:	The offer information statement referred to in Section 277 of the Securities and Futures Act and, together with the PAL, the ARE, the ARS and all other accompanying documents, to be issued by the Company in connection with the Rights Shares cum Warrants Issue
“PAL”	:	The provisional allotment letter to be issued to Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants under the Rights Shares cum Warrants Issue
“Record Date”	:	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 with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	:	Register of members of the Company
“Rights Shares cum Warrants Issue”	:	The proposed renounceable non-underwritten rights issue by the Company of up to 746,460,000 Rights Shares at the Issue Price with up to 559,845,000 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price for each New Share, on the basis of two (2) Rights Shares for every one (1) existing Share held by Shareholders as at the Books Closure Date, and three (3) free Warrants for every four (4) Rights Shares subscribed, fractional entitlements to be disregarded
“Rights Shares”	:	Up to 746,460,000 new Shares to be allotted and issued by the Company pursuant to the Rights Shares cum Warrants Issue
“Securities Account”	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“Securities and Futures Act” or “SFA”	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)

“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Account are credited with those Shares
“Shares”	:	Ordinary shares in the capital of the Company
“Singapore”	:	The Republic of Singapore
“Substantial Shareholder”	:	A person who holds directly and/or indirectly 5% or more of the total issued share capital of the Company
“Warrant Agent”	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)
“Warrantholders”	:	Registered holders of Warrants, except that where the registered holder is CDP, the term “Warrantholders” shall, in relation to such Warrants and where the context admits, mean the Entitled Depositors whose Securities Accounts are credited with such Warrants
“Warrants”	:	Up to 559,845,000 free detachable warrants, in registered form to be allotted and issued by the Company together with the Rights Shares pursuant to the Rights Shares cum Warrants Issue, and (where the context so admits) such additional warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the warrants to be set out in the Deed Poll (any such additional warrants to rank <i>pari passu</i> with the warrants to be issued together with the Rights Shares and for all purposes to form part of the same series), subject to the terms and conditions to be set out in the Deed Poll, each warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions to be set out in the Deed Poll
“%” or “per cent”	:	Per centum or percentage
“S\$” and “cents”	:	Singapore dollars and cents respectively

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** 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. References to persons shall include corporations.

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

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 defined under the Companies Act, the Securities and Futures Act, or the Listing Manual or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Securities and Futures Act or the Listing Manual or such modification thereof, as the case may be.

Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the figures in this Circular between the figures 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 that precede them.

TOP GLOBAL LIMITED

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

LETTER TO SHAREHOLDERS

Board of Directors:-

Yap Siew Sin (Chief Executive Officer and Managing Director)
Hano Maeloa (Executive Director)
Yap Sean Lee (Non Executive Director)
Dr Tan Kok Soon (Independent Director)
Dr Chung Siang Joon (Independent Director)

Registered Office:-

1020 East Coast Parkway
#02-01 Singapore Tennis Centre
Singapore 449878

29 January 2008

To: The Shareholders of Top Global Limited

Dear Sir/Madam

A. THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 746,460,000 NEW ORDINARY SHARES (THE “RIGHTS SHARES”) IN THE CAPITAL OF THE COMPANY, AT AN ISSUE PRICE OF S\$0.025 FOR EACH RIGHTS SHARE, 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 (THE “NEW SHARE”) AT AN EXERCISE PRICE OF S\$0.025 FOR EACH NEW SHARE, ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING SHARE IN THE CAPITAL OF THE COMPANY HELD AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, AND THREE (3) FREE WARRANTS FOR EVERY FOUR (4) RIGHTS SHARES SUBSCRIBED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “RIGHTS SHARES CUM WARRANTS ISSUE”)

B. THE PROPOSED AFFIRMATION OF THE GROUP’S CORE BUSINESS

1. INTRODUCTION

On 10 January 2008, the Company announced the proposed Rights Shares cum Warrants Issue, subject to, *inter alia*, the in-principle approval of the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist and the approval of Shareholders for the Rights Shares cum Warrants Issue at the EGM.

On 21 January 2008, the SGX-ST granted its approval in-principle for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist, subject to certain conditions, the details of which are set out in paragraph 2.4 of this Circular.

The approval in-principle of the SGX-ST is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries or the Shares. The SGX-ST assumes no responsibility for the correctness of the statements made or reports contained, or opinions expressed, in this Circular.

Shareholders should note that in the event permission is not granted by the SGX-ST for the listing of and quotation for the Warrants on Catalist due to an inadequate spread of holdings for the Warrants to provide for an orderly market in the trading of the Warrants, Warrantholders will not be able to trade their Warrants on Catalist. Pursuant to the

Listing Manual, SGX-ST normally requires a sufficient spread of holdings to provide an orderly market in the securities and as a guide, the SGX-ST expects at least 100 warrant holders for a class of company warrants. The Company shall nevertheless proceed with and complete the Rights Shares cum Warrants Issue in such event.

Pursuant to Rule 877(10) of the Listing Manual, preference will be given to the rounding of odd lots in the allotment of any excess Rights Shares, and Substantial Shareholders and Directors of the Company will rank last in priority.

In connection with the proposed use of proceeds from the Rights Shares cum Warrants Issue and subject to the approval of the Shareholders, the Company proposes to rely less on its existing construction businesses of upgrading of buildings, waterproofing and thermal insulation and to focus more significantly on the investment, development, and trade in property and other related businesses including without limitation, supply of construction materials and equipment (the “**Core Business**”).

The purpose of this Circular is to provide Shareholders with information pertaining to the Rights Shares cum Warrants Issue and the Core Business, and to seek Shareholders’ approval for the proposed resolutions set out in the EGM notice as set out on pages 41 to 44 of this Circular.

2. THE RIGHTS SHARES CUM WARRANTS ISSUE

2.1 Basis of the Rights Shares cum Warrants Issue

The Rights Shares cum Warrants Issue is proposed to be offered on a renounceable non-underwritten basis to Entitled Shareholders of up to 746,460,000 Rights Shares at the Issue Price of S\$0.025 for each Rights Share, with up to 559,845,000 free detachable Warrants, each Warrant carrying the right to subscribe for one (1) New Share at the Exercise Price of S\$0.025 for each New Share, on the basis of two (2) Rights Shares for every one (1) existing Share in the capital of the Company held by Entitled Shareholders as at the Books Closure Date, and three (3) Warrants for every four (4) Rights Shares subscribed, fractional entitlements to be disregarded.

The Rights Shares are payable in full upon acceptance and/or application and, upon allotment and issue, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares. Those members participating in the CPF Investment Scheme can use, subject to applicable CPF rules and regulations, monies standing to the credit of their respective CPF accounts to pay for the Issue Price.

The Company also believes that the Rights Shares cum Warrants Issue has been appropriately priced to attract subscription interest from Entitled Shareholders and the investing public. The Issue Price of S\$0.025 for each Rights Share represents a discount of approximately 58.3% to the closing price of S\$0.06 per Share on 10 January 2008, being the day of the release of the Announcement, and a discount of 44.4% to the closing price of S\$0.045 per Share as at the Latest Practicable Date.

Based on the issued share capital of the Company of 373,230,000 Shares as at the Latest Practicable Date, up to 746,460,000 Rights Shares (representing 200% of its existing issued share capital) and 559,845,000 Warrants (representing 150% of its existing issue share capital) may be issued pursuant to the Rights Shares cum Warrants Issue.

Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or trade 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.

Fractional entitlements to the Rights Shares with Warrants will be disregarded in arriving at Shareholders' entitlements and will, together with the provisional allotments which are not taken up or allotted for any reason, be aggregated and used to satisfy Excess Applications (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.

Provisional allotments of the Rights Shares with Warrants which would otherwise have been made to Foreign Shareholders will be dealt with in the manner described in section 2.5 of this Circular.

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.

"Controlling shareholder" is defined in the Listing Manual as "a person who (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company (subject to the discretion of SGX-ST to determine that a person who satisfies this is not a controlling shareholder) or (b) in fact exercises control over a company".

In view of the cost savings by the Company in respect of underwriting fees for a non-underwritten Rights Shares cum Warrants Issue, the Company has decided to proceed with the Rights Shares cum Warrants Issue on a non-underwritten basis, and no placement or selling agents have been appointed in relation to the Rights Shares cum Warrants Issue.

2.2 Principal Terms of the Rights Shares

Number of Rights Shares	:	Up to 746,460,000 Rights Shares (with up to 559,845,000 Warrants) to be issued
Basis of provisional allotment	:	Two (2) Rights Shares for every one (1) existing Share in the capital of the Company held by Entitled Shareholders as at the Books Closure Date, and three (3) free Warrants for every four (4) Rights Shares subscribed, fractional entitlements to be disregarded
Issue Price	:	S\$0.025 for each Rights Share with Warrant, payable in full on acceptance and/or application
Status of the Rights Shares	:	The Rights Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares for any dividends, rights,

		allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares
Eligibility to participate	:	Please see paragraph 2.5 of this Circular
Listing of the Rights Shares	:	<p>On 21 January 2008, the SGX-ST granted its in-principle approval for the listing of and quotation for the Rights Shares on Catalist, subject to certain conditions, the details of which are set out in paragraph 2.4 of this Circular</p> <p>The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries or the Shares</p>
Trading of the Rights Shares	:	Upon the listing of and quotation for the Rights Shares on Catalist, the Rights Shares will be traded on Catalist under the book-entry (scripless) settlement system. For the purposes of trading on Catalist, each board lot of Shares will comprise 1,000 Shares
Acceptance and excess application	:	<p>Provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications (if any) 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 <i>pro rata</i> basis, and provided that as between such Shareholders, Directors and Substantial Shareholders will rank last in priority</p> <p>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</p> <p>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</p>

shareholders in a general meeting, is complied with in their exercise of discretion to allot and issue any such excess Rights Shares with Warrants

Use of CPF Funds : Members under the CPF Investment Scheme – Ordinary Account may use their CPF account savings (subject to the availability of investible savings) (“**CPF Funds**”) for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares with Warrants and/or apply for excess Rights Shares with Warrants

Such members who wish to accept the provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares with Warrants on their behalf in accordance with the terms and conditions of the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares with Warrants directly from the market

Non-underwritten : The Rights Shares cum Warrants Issue will not be underwritten

Governing law : Laws of Singapore

2.3 **Principal Terms of the Warrants**

Number of Warrants : Up to 559,845,000 Warrants to be issued free together with the Rights Shares subscribed

Basis of allotment : Three (3) free detachable Warrants with every four (4) Rights Shares subscribed, fractional entitlements to be disregarded

Detachability and trading : The Warrants will be detached from the Rights Shares on issue and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system upon the listing of and quotation for the Warrants on Catalist, subject to, *inter alia*, an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 1,000 Warrants or such other number as may be notified by the Company

Listing of Warrants : In-principle approval for the listing of and quotation for the Warrants on Catalist has been granted by the SGX-ST on 21 January 2008 subject to certain conditions, the details of which are set out in paragraph 2.4 of this Circular

		<p>The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries or the Shares</p>
Form and subscription rights	:	<p>The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, each Warrant shall entitle the Warrantholder, at any time during the Exercise Period, to subscribe for one (1) New Share at the Exercise Price in force on the relevant exercise date</p>
Exercise price	:	<p>\$0.025 for each New Share</p>
Exercise period	:	<p>The Warrants may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the register of Warrantholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Expiry Period</p>
End of Exercise Period	:	<p>One month before the end of the Exercise Period, a notice of expiry will be sent to all Warrantholders and an announcement will be made</p>
Mode of payment for exercise of Warrants	:	<p>Warrantholders who exercise their Warrants must pay the Exercise Price by way of (a) a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore in favour of the Company; or (b) subject to the Warrants being listed on Catalist, by debiting the relevant Warrantholder's CPF Investment Account with the specified CPF Approved Bank for the credit of the Designated Account (each term as defined in the Deed Poll); or (c) subject to the Warrants being listed on Catalist, partly in the form of remittance and/or partly by debiting such Warrantholder's CPF Investment Account with the CPF Approved Bank for the credit of the Designated Account</p>

Adjustment	:	<p>The Exercise Price and/or the number of Warrants to be held by each Warrant holder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalization issues, rights issues and certain capital distributions. Any additional Warrants issued shall rank <i>pari passu</i> with the Warrants issued under the Rights Shares cum Warrants Issue and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the rules of the SGX-ST from time to time) be announced by the Company to the SGX-ST</p>
Status of the New Shares	:	<p>The New Shares will, upon allotment and issue, rank <i>pari passu</i> in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which is on or after the relevant exercise date of the Warrants</p>
Modification of rights of Warrantheolders	:	<p>The Company may, without the consent of the Warrantheolders but in accordance with the terms of the Deed Poll, effect any modification to the terms of the Deed Poll including the terms and conditions of the Warrants which, in the opinion of the Company is:–</p> <ul style="list-style-type: none"> (a) not materially prejudicial to the interests of the Warrantheolders; (b) of a formal, technical or minor nature; (c) to correct a manifest error or to comply with mandatory provisions of Singapore law; or (d) to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Shares arising from the exercise thereof or meetings of the Warrantheolders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on Catalist <p>Any such modification shall be binding on the Warrantheolders and all persons having an interest in the Warrants. Upon any modifications of the terms of the Deed Poll and/or the terms and conditions of the Warrants, notice shall be given to the Warrantheolders in accordance with the terms and conditions of the Warrants as set out in the Deed Poll as soon as practicable thereafter</p>

Without prejudice to any provision of the Deed Poll, any material alteration to the terms and conditions of the Warrants after the issue thereof to the advantage of the Warranholders and/or prejudicial to Shareholders must be approved by Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll

Transfer and transmission

:

The Warrants may only be transferred in lots, such that the subscription of Shares by Warranholders may only be effected in whole numbers. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants set out in the Deed Poll including, *inter alia*, the following:—

- (i) Warrants not registered in the name of CDP — a Warranholder whose Warrants are registered otherwise than in the name of CDP (the “**Transferor**”) shall lodge, during normal business hours on any business day at the specified office of the Warrant Agent, the Transferor’s warrant certificate(s) together with a transfer form as prescribed by the Company from time to time (the “**Transfer Form**”) duly completed and signed by or on behalf of the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP. A Transferor shall be deemed to remain a Warranholder of the Warrants until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent;
- (ii) Deceased Warrant holder — the executors or administrators of a deceased Warranholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company as having any title to the Warrants registered in the name of the deceased Warranholder. Such persons shall be entitled to be registered as Warranholders and/or to make such transfer(s) as the deceased Warranholder are entitled to make, upon the production by such persons to the Company and the

Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on payment of the fees and expenses set out in the Deed Poll; and

- (iii) Warrants registered in the name of CDP — where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry. A Depositor shall be deemed to remain a Warranholder of the Warrants until the name of the transferee is entered in the Depository Register by CDP

Winding-up : Where there is a members' voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement), the Warranholders may elect to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the Shares to which they would have become entitled pursuant to such exercise. The Company shall give notice to the Warranholders in accordance with the terms and conditions to be set out in the Deed Poll of the passing of any such resolution within seven (7) days after the passing thereof

Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution for the winding-up of the Company shall lapse and cease to be valid for any purpose

Further issues : Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. However, the Warranholders shall not have any participation rights in any such issues of Shares by the Company unless otherwise resolved by the Company in general meeting

Warrant Agent : Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)

Governing law : Laws of Singapore

The above 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 set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Rights Shares cum Warrants Issue at the EGM.

2.4 Conditions for the Rights Shares cum Warrants Issue

The Rights Shares cum Warrants Issue is conditional upon, *inter alia*, the following:-

- (a) the receipt of the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants and the New Shares on Catalist;
- (b) the Rights Shares cum Warrants Issue being approved by the Shareholders at the EGM; and
- (c) the lodgment of the Offer Information Statement in respect of the Rights Shares cum Warrants Issue with the Authority.

On 21 January 2008, the SGX-ST granted its in-principle approval for the listing of and quotation for the Rights Shares and Warrants on Catalist, subject to, *inter alia*, the following conditions:-

- (a) Compliance with continued listing requirements;
- (b) Submission of Notification in Rule 864(4), if applicable, upon any significant changes affecting the matter in the application;
- (c) Submission of confirmation from the Company that it will announce any adjustment made pursuant to Rule 829(1) of the Listing Manual;
- (d) Submission of confirmation from the Company that upon completion of the Rights Shares cum Warrants Issue, there is a sufficient spread of holdings (at least 100 Warrantholders) prior to listing of the Warrants for an orderly market in the Warrants;
- (e) Submission of undertaking from the Company to (a) make periodic announcements on the use of the proceeds arising from the Rights Shares cum Warrants Issue, as and when the funds are materially disbursed; and (b) provide a status report on the use of the proceeds in the Company's annual report;
- (f) Company's announcement via SGXNET of the following:
 - (i) whether Mr Yap Siean Sin will subscribe for his rights entitlement; and
 - (ii) whether Mr Yap Siean Sin has given an undertaking to subscribe for his respective rights entitlement;
- (g) Submission of an undertaking from the Company to disclose in the Circular on whether there will be any impact of Mr Yap Siean Sin's intention to subscribe for his Rights Shares with Warrants in respect of his obligations under the Singapore Code on Takeovers and Mergers (the "**Code**") if he subscribes for his Rights Shares with Warrants since the Rights Shares cum Warrants Issue is not underwritten; and
- (h) Shareholders' approval being obtained for the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants and the New Shares.

The in-principle approval of the SGX-ST is not to be taken as an indication of the merits of the Rights Shares cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, its subsidiaries or the Shares. The SGX-ST takes no responsibility for the correctness of any statements or opinions made or reports contained in this Circular.

2.5 Eligibility of Shareholders to Participate in the Rights Shares cum Warrants Issue

Entitled Shareholders

Entitled Shareholders will be entitled to participate in the Rights Shares cum Warrants Issue and to receive the Offer Information Statement together with the AREs or PALs, as the case may be, and its accompanying documents at their respective Singapore addresses. Entitled Shareholders (being Depositors) who do not receive the Offer Information Statement and the AREs may obtain them from CDP, the Share Registrar or any stockbroking firm during the period up to the Closing Date. Entitled Scripholders who do not receive the PALs and the Offer Information Statement may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Rights Shares cum Warrants Issue on the basis of their shareholdings as at the Books Closure Date. They are at liberty to accept, decline, renounce or trade on Catalist during the provisional allotment trading period prescribed by the SGX-ST, in full or in part their provisional allotments of Rights Shares with Warrants and are eligible to apply for additional Rights Shares with Warrants in excess of their provisional allotments under the Rights Shares cum Warrants Issue. Entitled Depositors, who wish to accept their provisional allotments of Rights Shares with Warrants and (if applicable) apply for excess Rights Shares with Warrants, may only do so through CDP and/or by way of an electronic application through ATM(s) of a participating bank. Full details of the Rights Shares cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course.

All dealings in and transactions of the provisional allotments of Rights Shares with Warrants through Catalist will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on Catalist.

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP prior to the Books Closure Date so that their Securities Accounts may be credited by CDP with the Shares and the provisional allotments of Rights Shares with Warrants. Entitled Shareholders should note that their Securities Accounts will only be credited with the Rights Shares on the twelfth (12th) Market Day from the date of lodgment of the share certificates with CDP or such later date as CDP may determine.

Foreign Shareholders

The Offer Information Statement and its accompanying documents have not been and will not be registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders.

Foreign Shareholders will not be entitled to participate in the Rights Shares cum Warrants Issue. Accordingly, no provisional allotment of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefore by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares with Warrants through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (the “**Foreign Purchasers**”). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares with Warrants credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.

The Company reserves the right to treat as invalid any ARE, ARS or PAL which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction; (b) provides an address outside Singapore for the receipt of the share certificate(s) for the Rights Shares or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore; or (c) purports to exclude any deemed representation or warranty. The Company further reserves the right to reject any acceptances of the Rights Shares with Warrants and/or applications for excess Rights Shares with Warrants where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP.

Foreign Shareholders who wish to be eligible to participate in the Rights Shares cum Warrants Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807 or (ii) Top Global Limited c/o the Share Registrar, Tricor Barbinder Share Registration Services at 8 Cross Street, #11-00 PWC Building, Singapore 048424, not later than five (5) Market Days before the Books Closure Date.

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 with Warrants commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, KBC Bank, CDP or the Share Registrar in connection therewith.

Where such provisional allotments of Rights Shares with Warrants are sold “nil-paid” on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, KBC Bank, CDP or the Share Registrar in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares with Warrants or the Rights Shares with Warrants represented by such provisional allotments.

If such provisional allotments of Rights Shares with Warrants cannot be or are not sold on Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares with Warrants, the Rights Shares with Warrants represented by such provisional allotments will be issued and allotted to satisfy Excess Applications (if any), 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 and no Foreign Shareholder shall have any claim whatsoever against the Company, KBC Bank, CDP or the Share Registrar in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares with Warrants unless such offer, invitation or solicitation could lawfully be made without violating any regulatory or legal requirements in such territories.

The procedures for acceptances, renunciations of and applications for the Rights Shares with Warrants pursuant to the Rights Shares cum Warrants Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

2.6 Purpose of the Rights Shares cum Warrants Issue and 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.

The Company intends to utilize part of the net proceeds of the Rights Shares cum Warrants Issue for the purchase and development of a property at Kovan Road ("**Kovan Property**"), in relation to which the Company, through its wholly-owned subsidiary, Top Global Properties (Kovan) Pte Ltd ("**TGPKPL**"), has signed options to purchase the Kovan Property. The options expire on 31st March 2008 and include an option for further extension of two (2) months from 31st March 2008. The purchase price for the Kovan Property is approximately S\$18.3 million. The estimated gross development costs (including land cost) is approximately S\$40.0 million.

The Company anticipates utilizing approximately S\$16.1 million of the net proceeds raised from the Rights Shares cum Warrants Issue to partially fund the gross development costs, with the balance funding from bank borrowings.

Assuming that the Warrants Issue is fully subscribed, and the Warrants are fully exercised and New Shares are issued, the estimated net proceeds will amount to approximately S\$14.0 million ("**New Shares Proceeds**"). The Company intends to utilise the New Shares Proceeds for expansion of the Company's current businesses, investments, acquisitions, repayment of bank borrowings and/or general working capital purposes.

With the reaffirmation of the Company's focus on property development, the Company is anticipating that funding will be required for acquisitions of property development projects for the foreseeable future and along with it additional working capital requirement. It is expected that the funding for this business expansion will be primarily from two sources – internal cashflow and bank borrowings. Should part of the funding of the business expansion be from bank borrowings, the New Shares Proceeds may be used to repay the bank borrowings when they mature. However, none of these opportunities have progressed to a stage where they are announceable. As and when these opportunities are realised, the Company will make the relevant announcements through the SGXNET.

The utilisation of the net proceeds is in line with the Company's strategic redirection of its focus from existing construction services business to property development and investment for resale, the latter of which is presently expected to pose a stronger and more robust sector growth and generate higher profit margins and returns. Pursuant to Rule 877(8) of the Listing Manual, the Company has given an undertaking to make periodic announcements on the utilisation of the proceeds from the Rights Shares cum Warrants Issue, as the funds are disbursed and to provide a status report on the utilisation of the proceeds from the Rights Shares cum Warrants Issue in its annual report.

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, conducted jointly through a consultative process between the management of TGP KPL and Place Architects and Design, Singapore (the external consultants engaged by TGP KPL for the purposes of the project), TGP KPL 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. Place Architects and Design, Singapore, is providing consultancy services to the Kovan Property project in the preparation of feasibility studies, proposing the schematic sketch design and drawings for submission to comply with the relevant authorities’ requirements, making periodic inspection of the construction works to ensure compliance with the requirements of the relevant authorities and applying for and obtaining the Temporary Occupation Permit (TOP), Certificate of Statutory Completion (CSC) and endorsement of plans on completion from the relevant authorities.

TGP KPL anticipates that the re-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 re-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 sale 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.

Pending the deployment of the proceeds from the Rights Shares cum Warrants Issue and the New Shares 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.

There is no minimum amount which must be raised from the Rights Shares cum Warrants Issue as the Company intends to have recourse to third party debt or equity financing and/or joint venture arrangements with third party investors to obtain funding in the event that the necessary amounts for the Kovan Property is not raised from the Rights Shares cum Warrants Issue.

Announcement on SGXNET

The Company will announce further details of the proposed re-development of the Kovan Property and/or other Property Investment and Development projects (if any) through the SGXNET as and when material developments arise.

2.7 Summary of Past Performances

The audited consolidated profit and loss statements of the Group for FY2004, FY2005 and FY2006, as well as the unaudited consolidated profit and loss statements for HY2006 and HY2007 are set out below: -

(S\$'000)	Financial year ended 31 December (Audited)			6 months ended 30 June (Unaudited)	
	2004	2005	2006	2006	2007
Revenue	26,512	18,743	16,119	7,937	6,261
Cost of sales	(27,100)	(22,034)	(13,457)	(6,684)	(5,124)
Gross profit/(loss)	(588)	(3,291)	2,662	1,253	1,137
Financial income	8	20	74	6	1
Financial expense	—	(123)	(105)	—	—
Distribution costs	(95)	(62)	(80)	(41)	(39)
Administrative expenses	(1,873)	(1,835)	(2,048)	(995)	(744)
Other credits/(charges)	(1,412)	59	33	—	(12)
Profit/(Loss) before tax	(3,960)	(5,232)	536	223	343
Income tax (expense)/credit	702	993	(184)	2	(246)
Net Profit/(Loss) for the year	(3,258)	(4,239)	352	225	97
Attributable to:					
Equity holders of the Company	(3,242)	(4,247)	441	225	131
Minority interests	(16)	8	(89)	—	(34)
	(3,258)	(4,239)	352	225	97

Performance review for FY2005 vs. FY2004

The Group's revenue of S\$18.7 million was mainly attributable to the existing business segments of the Group, namely upgrading of buildings, waterproofing and thermal insulation. The water treatment and environmental engineering business of TG China Pte Ltd also contributed to the Group's revenue, although to a smaller extent. The Group's revenue for FY2005 declined by approximately 29% from S\$26.5 million in FY2004 to S\$18.7 million in FY2005. In the waterproofing business segment, the Group was more active in waterproofing underground tunnels. In the area of waterproofing and re-roofing of roofs, prices of tendered projects still remained low. In FY2005, the contract values for waterproofing of underground tunnels were generally smaller as compared to those for waterproofing and re-roofing, thereby contributing to the decline in revenue in this business segment for FY2005. A major upgrading project ("MUP") from the Housing and Development Board was the Group's single largest project in FY2005 and a significant part of the Group's revenue in FY2005 was attributed to this project.

The Group incurred a net loss after tax and minority interest of S\$4.2 million for FY2005 compared to S\$3.2 million in FY2004, due to margins which continued to be eroded with the stiff competitive business environment and budget over-run in the MUP.

Performance review for FY2006 vs. FY2005

The Group's revenue declined by about 14% from S\$18.7 million in FY2005 to S\$16.1 million in FY2006.

The main contributors to the Group's revenue in FY2006 were from the existing construction services business unit in the areas of (i) building & upgrading, and (ii) waterproofing. Ongoing projects from these activities accounted for approximately 86% of the Group's overall revenue

for FY2006. The Group's new business unit of facility management which started in early September 2006 with the management of Raintree Cove ("RCove") situated at the East Coast Park contributed approximately 5% to the total revenue. Revenue from the environmental engineering services subsidiary in China accounted for the remaining 9% of the overall revenue for the year.

The Group's revenue decreased mainly due to fewer projects on hand as more projects were completed during FY2006. Also, the management had adopted a cautious approach in bidding for projects as margins remained thin and the risk of project cost over-runs was high.

The Company's administrative expenses increased from S\$1.8 million in FY2005 to S\$2.0 million in FY2006 due to the commencement of a new facility management business unit in a subsidiary, additional provision for doubtful debts and the gearing up of the management support structure for new business opportunities.

The improvement in profit after tax was due mainly to the significant decrease in cost of sales in FY2006. Cost containment and streamlining efficiencies for the MUP project were top priority tasks undertaken during the year. Margins from the waterproofing projects also improved with effective project and people management, alternative sources of supplies and solutions which were more cost efficient. The facility management business unit with the RCove project generated positive net cashflow for the Group as rental income, deposits on sub-leasing of shop lots and units more than offset rental charges from the lessor, the Singapore Land Authority.

Performance review for HY2007 vs. HY2006

For HY2007, the Group registered a decline in revenue of 21% to S\$6.3 million from S\$7.9 million in HY2006 as management continued to adopt a cautious approach in bidding for new projects in the Group's existing construction services businesses due to high inflationary cost, shortage of labour and unstable material prices resulting from the Integrated Resort ("IR") projects. Management has instead turned its focus on developing the Group's property development and investment businesses in Singapore and in the region.

The continuing attempts to increase cost efficiency has contributed to the increase in gross profit margin of 18.2% for HY2007 compared to 15.8% for HY2006 and led to the increase in profit before income tax of approximately S\$120,000 to S\$343,000 despite the decrease in turnover. However, there was an income tax expense of S\$246,000 mainly due to the writing-off of deferred tax assets with the change in income tax rates for HY2007 which reduced the Group's net profit for the period to S\$131,000 compared to S\$225,000 for HY2006.

2.8 Financial Position

The audited consolidated balance sheet of the Group as at 30 December 2006 and the unaudited consolidated balance sheet of the Group as at 30 June 2007 are set out below:-

(S\$'000)	As at 31 December 2006 (Audited)	As at 30 June 2007 (Unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	1,567	9,373
Current investments	82	82
Trade and other receivables	8,801	9,074
	<hr/>	<hr/>
Development property	–	506
Inventories	934	1,045
	<hr/>	<hr/>
Total current assets	11,384	20,080
	<hr/>	<hr/>

(S\$'000)	As at 31 December 2006 (Audited)	As at 30 June 2007 (Unaudited)
Non-current assets:		
Plant and equipment	552	637
Deferred tax assets	1,555	1,408
Total non-current assets	2,107	2,045
Total assets	13,491	22,125
LIABILITIES AND EQUITY		
Current liabilities:		
Short term borrowings	157	242
Trade and other payables	9,462	8,285
Current tax payable	144	154
Current portion of finance leases	6	6
Total current liabilities	9,769	8,687
Non-current liabilities:		
Finance leases	30	27
Total non-current liabilities	30	27
Total liabilities	9,799	8,714
Equity attributable to equity holders of the parent		
Share capital	6,949	16,884
Reserves	(3,437)	(3,621)
	3,512	13,263
Minority interests	180	148
Total equity	3,692	13,411
Total liabilities and equity	13,491	22,125
Net assets per Share (cents) ⁽¹⁾	5.28	3.55

Note:

(1) The net assets per Share was calculated based on 66,495,000 Shares and 373,230,000 Shares in issue as at 31 December 2006 and 30 June 2007 respectively.

2.9 Working Capital

The working capital of the group for FY2004, FY2005 and FY2006, as well as for the HY2007 are as follows:

(S\$'000)	FY2004	FY2005	FY2006	HY2007
		(Audited)		(Unaudited)
Total current assets	12,375	9,017	11,384	20,080
Total current liabilities	7,416	8,191	9,769	8,687
Working Capital	4,959	826	1,615	11,393

Review of working capital FY2005 vs FY2004

The Group's current assets fell by S\$3.4 million to S\$9.0 million as at 31 December 2005 due mainly to a decrease in trade and other receivables. The Group's inventories increased from S\$0.5 million as at 31 December 2004 to S\$0.8 million as at 31 December 2005. The Group's current liabilities increased by S\$0.8 million from S\$7.4 million to S\$8.2 million as at 31 December 2005 due mainly to an increase of S\$0.8 million in trade and other payables. Overall, the increase in current liabilities and the decrease in current assets resulted in a decrease in working capital from S\$5.0 million as at 31 December 2004 to S\$0.8 million as at 31 December 2005.

Review of working capital FY2006 vs FY2005

Current assets increased by S\$2.4 million to S\$11.4 million as at 31 December 2006 owing mainly to an increase in trade and other receivables from S\$5.5 million as at 31 December 2005 to S\$8.8 million as at 31 December 2006. The increase in trade and other receivables were mainly due to the recognition of income at the peak of the project activities. This increase was offset partially by a decrease in cash and cash equivalents, which decreased by S\$1.1 million.

The Group's current liabilities increased by S\$1.6 million to S\$9.8 million as at 31 December 2006 due mainly to an increase in trade and other payables and short term borrowings.

Review of working capital HY2007 vs FY2006

Working capital increased by S\$9.8 million to S\$11.4 million as at 30 June 2007. This increase was primarily attributable to an increase in cash of S\$7.8 million and a decrease in trade and other payables of S\$1.2 million. The increase in cash was because of the rights issue of Shares that closed on 4 June 2007 and the share placement exercise in March 2007, which raised net proceeds of S\$9.9 million in aggregate. These proceeds were partially used for working capital purposes, including the payment of trade and other payables (S\$1.2 million) and partially used for the acquisition of fixed assets (S\$0.6 million).

2.10 Liquidity and Capital Resources

A summary of the audited consolidated cash flow statement of the Group for FY2006 and the unaudited consolidated cash flow statement of the Group for HY2007 is set out below:-

(S\$'000)	FY2006 (Audited)	HY2007 (Unaudited)
Net cash used in operating activities	(1,618)	(1,231)
Net cash used in investing activities	(103)	(633)
Net cash from financing activities	607	9,649
Net decrease in cash and cash equivalents	(1,114)	7,785
Cash and cash equivalents at beginning of year/period	2,701	1,567
Net effect of foreign currency adjustment on consolidation	(20)	21
Cash and cash equivalents at end of year/period	1,567	9,373

Review of cash flow for FY2006

The Group had a net cash outflow of S\$1.6 million in FY2006 from operating activities. This was due mainly to the increase in trade and other receivables amounting to S\$3.4 million, which was partially offset by the increase in trade and other payables amounting to S\$1.4 million.

The Group had a net cash outflow of approximately S\$103,000 from investing activities. This was primarily attributable to the purchase of plant and equipment amounting to S\$323,000, which was partially offset by the proceeds from the disposal of plant and equipment amounting to S\$210,000.

The Group had a net cash inflow of S\$607,000 from financing activities. This was primarily attributable to the proceeds from the issue of shares amounting to approximately S\$455,000 and the increase in short term borrowings of approximately S\$157,000.

Review of cash flow for HY2007

The Group had a net cash outflow of S\$1.2 million in HY2007 from operating activities. This was due to the decrease in trade and other payables of S\$1.2 million.

The Group had a net cash outflow of S\$0.6 million from investing activities from the purchase of fixed assets, including land and property and plant and equipment.

The Group had a net cash inflow of S\$9.6 million from financing activities primarily attributable to the rights issue of Shares that closed on 4 June 2007 and the share placement exercise in March 2007, which raised net proceeds of S\$9.9 million in aggregate.

As at the Latest Practicable Date, the Directors are of the opinion that, after taking into account the Group's internal sources of funds, the net proceeds from the Rights Shares cum Warrants Issue and the Group's present credit facilities, the working capital available to the Group is sufficient to meet the Group's present requirements.

2.11 Financial Effects of the Rights Shares cum Warrants Issue

For illustrative purposes only and based on the Group's unaudited consolidated financial statements for HY2007 and the audited consolidated financial statements for FY2006 where appropriate, the financial effects of the Rights Shares cum Warrants Issue on the Company and the Group are set out below, assuming that the Rights Shares cum Warrants Issue is fully subscribed.

The proforma analysis below has been prepared solely for illustrative purposes and does not purport to be indicative or a projection of the results and financial position of the Group immediately after the Rights Shares cum Warrants Issue.

(a) Share Capital

The Rights Shares cum Warrants Issue will have the following effect on the issued share capital of the Company based on the unaudited consolidated financial statements for HY2007:

	No. of Shares ('000)	S\$ ('000)
Issued share capital before the Rights Shares cum Warrants Issue ⁽¹⁾	373,230	16,884
<u>Add:</u> Rights Shares to be issued	746,460	18,162 ⁽²⁾
Issued share capital after the Rights Shares cum Warrants Issue (before the exercise of any Warrants)	1,119,690	35,046
<u>Add:</u> New Shares assuming the exercise of all the Warrants ⁽³⁾	559,845	13,996
Issued share capital after the Rights Shares cum Warrants Issue and assuming the exercise of all the Warrants	1,679,535	49,042

Notes:

- (1) Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date
- (2) Net proceeds after deducting issue expenses
- (3) Assuming that there are no adjustments to the number of Warrants

(b) NTA

The Rights Shares cum Warrants Issue will have the following impact on the NTA and the NTA per Share of the Group based on the audited consolidated balance sheet of the Group as at 31 December 2006 and the unaudited consolidated balance sheet of the Group as at 30 June 2007:-

	Assuming full subscription of the Rights Shares with Warrants	
	As at 31 December 2006	As at 30 June 2007
NTA before the Rights Shares cum Warrants Issue (S\$'000)	3,512	13,263
<u>Add:</u> Net proceeds from the Rights Shares cum Warrants Issue (S\$'000)	18,162	18,162
NTA after the Rights Shares cum Warrants Issue (S\$'000)	21,674	31,425
<u>Add:</u> Proceeds assuming the exercise of all the Warrants (S\$'000)	13,996	13,996
NTA after the Rights Shares cum Warrants Issue and assuming the exercise of all the Warrants (S\$'000)	35,670	45,421
Number of Shares in issue before the Rights Shares cum Warrants Issue ('000)	66,495	373,230
NTA per share before the Rights Shares cum Warrants Issue (cents)	5.28	3.55
Number of Shares in issue after the Rights Shares cum Warrants Issue ('000)	812,955	1,119,690
NTA per share after the Rights Shares cum Warrants Issue (cents)	2.67	2.81
Number of Shares in issue after the Rights Shares cum Warrants Issue and assuming the exercise of all the Warrants ('000)	1,372,800	1,679,535
NTA per Share, after the Rights Shares cum Warrants Issue and assuming the exercise of all the Warrants (cents)	2.60	2.70

Upon exercise of the Warrants, the NTA of the Group will be increased by an amount equivalent to the aggregate value of the subscription monies received from the issue of the New Shares. The effect of the NTA per Share of the Group will depend on, *inter alia*, the number of Warrants exercised and the number of Shares then in issue.

(c) EPS

The Rights Shares cum Warrants Issue is expected to have a dilutive effect on the EPS of the Company or the Group in view of the enlarged issued share capital of the Company after the Rights Shares cum Warrants Issue. The financial effects of the Warrants on the EPS of the Group cannot be ascertained as at the Latest Practicable Date as this will depend on, *inter alia*, the number of Warrants exercised and the earnings or returns realised from the proceeds raised from the issue of the New Shares pursuant to the exercise of the Warrants.

Based on the audited consolidated profit and loss for FY2006 and assuming that the Rights Shares cum Warrants Issue is fully subscribed, the issue of the Rights Shares would result in an immediate reduction in the EPS of the Group from 0.62 cents to 0.05 cents. If the Warrants were fully exercised, this would result in a further reduction in the EPS of the Group to 0.03 cents. Based on the unaudited consolidated profit and loss for HY2007 and assuming that the Rights Shares cum Warrants Issue is fully subscribed, the issue of the Rights Shares would result in an immediate reduction in the EPS of the Group from 0.03 cents to 0.009 cents. If the Warrants were fully exercised, this would result in a further reduction in the EPS of the Group to 0.006 cents.

(d) Gearing

Based on the audited consolidated balance sheet as at 31 December 2006 and the unaudited consolidated balance sheet as at 30 June 2007, the Group is in a net cash position before the Rights Shares cum Warrants Issue as at 31 December 2006 and as at 30 June 2007, and will be in a net cash position after the Rights Shares cum Warrants Issue as at 31 December 2006 and as at 30 June 2007. Therefore, the gearing ⁽¹⁾ ratio is not applicable.

- (1) Gearing is defined as the ratio of the Group Net Borrowings to Consolidated Shareholders' Funds, where Group Net Borrowings refers to the aggregate borrowings of the Group from banks and financial institutions less cash in hand and Consolidated Shareholders' Funds refers to the aggregate amount of the Group's issued and paid-up share capital, share premium reserve, capital redemption reserve, foreign currency translation reserve and accumulated losses, excluding minority interest.

2.12 Shareholding Effects of the Rights Shares cum Warrants Issue

As there is no undertaking provided by any Entitled Shareholder to subscribe for his entitlement to the Rights Shares cum Warrants Issue, there will be no change in the percentage shareholdings held by each of the Entitled Shareholders in the event that the Rights Shares cum Warrants Issue is (a) not subscribed by any of the Entitled Shareholders, or (b) subscribed in full by each of the Entitled Shareholders.

Takeover limits

The Code regulates the acquisition of ordinary shares of public companies including the Company. Unless exempted, any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting rights in the Company or if such person holds, either on his own or together with parties acting in concert with him, between 30% to 50% (both inclusive) of the voting rights in the Company, and acquires more than 1% of the voting rights in the Company in any six (6)-month period, must extend a take-over offer for the remaining voting Shares in the Company in accordance with the provisions of the Code.

Mr Yap Siew Sin currently holds 33.48% (including deemed interest) of the Company. Assuming that Mr Yap Siew Sin subscribes for all Rights Shares with Warrants and excess Rights Shares with Warrants pursuant to his entitlement under the Rights Shares cum Warrants Issue, and that the other minority Shareholders do not subscribe to the Rights Shares with Warrants and excess Rights Shares with Warrants pursuant to their entitlements under the Rights Shares cum Warrants Issue, he will obtain more than 1% interest in the issued and paid-up share capital of the Company. In such an event, he will have to make a general offer for the Company in accordance to Rule 14 of the Code. Mr Yap Siew Sin has yet

to decide whether to procure a full subscription of his Rights Shares with Warrants and excess Rights Shares with Warrants pursuant to his entitlements (the **"Full Subscription"**). If he intends to do so, he shall make an announcement on SGXNET prior to the close of the offer as regards to whether he will subscribe for the Full Subscription or whether he has given an undertaking to do the same. Further, he will also be writing to the Securities Industry Council in respect of a dispensation from the takeover obligations under the Code if he decides to subscribe for the Full Subscription.

2.13 Books Closure Date

Subject to Shareholders' approval of the Rights Shares cum Warrants Issue at the EGM, the Books Closure Date for the purpose of determining the Entitled Shareholders' entitlements under the Rights Shares cum Warrants Issue will be announced at a later date.

3. THE PROPOSED AFFIRMATION OF THE GROUP'S CORE BUSINESS

3.1 The Group's Property Investment and Development Business

In connection with the proposed use of proceeds from the Rights Shares cum Warrants Issue, the Group proposes to focus more significantly on the investment, development, and sale of commercial and residential property and other related assets and businesses in Singapore and the Asia-Pacific region including China and Malaysia (**"Property Investment and Development"**), and to rely less on its existing construction 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 Group's statement in its results announcement for HY2007, 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 Development and Investment business in Singapore and the region.

Top Global Properties Pte. Ltd. (**"TGPPL"**), a wholly-owned subsidiary of the Company, was incorporated to undertake the development of 13 units of strata-titled houses on Lot 3167P, Mukim 22 at Simon Place, Singapore and holds a developer's licence No.C0284 from the Urban Redevelopment Authority of Singapore, for such purpose. The licence continues to be in force until the date of the issuance of the certificate of statutory completion and the subsidiary strata certificates of title or the certificates of title, whichever is applicable, for all the units of the development. Such developer's licence is applicable for one specific development only. One of the requirements for obtaining such a developer's licence is a director of the company having completed a housing project with a certificate of statutory completion within the last 5 years.

Potential Property Investment and Development projects will be evaluated on their individual merits and the Group will consider investments that demonstrate growth and/or prospects of value enhancement, or provide potential capital appreciation for the Group. The method and timing of realisation depends on market conditions and the stage of development of the businesses at the time of investment. The Group will apply for the necessary approvals from the relevant authorities for the development and sale of these projects, including the developer's licence where applicable, at an appropriate time.

The management and investment framework for ongoing Property Investment and Development projects involve timely consultative processes with external professionals for the implementation, management and supervision of the development and completion of the project, including without limitation matters relating to land valuation, building design, architecture and quantity surveys. Where bank loans are obtained for the financing of the project, compliance with the standard set of risk management procedures imposed by institutional lenders also serves as a robust second layer of risk management in view of the

conservative risk assessment standards adopted and the extensive due diligence process generally required by the institutional lenders. For better cost management during project implementation and the procurement of construction materials and equipment, tenders or quotations are also sought from multiple contractors to ensure that only the most competitive proposals are accepted.

The foregoing operative parameters will form the basic management and investment framework for all Property Investment and Development engagements moving forward. The existing risk management, investment policy and governance framework will be reviewed, refined and modified as the Group may from time to time deem necessary.

3.2 **Key Management of the Group Relating to the Group's Business of Property Investment and Development**

The Group currently has in place teams comprising members who possess relevant experience in Property Investment and Development. All members of the team bring with them invaluable experience in various areas of marketing, strategic planning, business development, contracts and quantity surveying, project management and engineering.

Information on the key officers of the Group having working and business experience relevant to Property Investment and Development are set out below. Where the need arises, the Group will augment its existing expertise through the recruitment of additional management resources and the sourcing of complementary expertise.

Marketing, Strategic Planning and Business Development

- (a) **Mr Yap Siew Sin** is the Chief Executive Officer and Managing Director of the Group, and holds post-graduate qualifications in architecture as well as in town planning. Mr Yap has extensive experience as a consultant, architect, town planner and also business management of numerous construction and property development projects in both Malaysia and China. He is a corporate member of the Royal Institute of British Architects, Malaysia Institute of Town Planners, Malaysian Institute of Architects, British Institute of Interior Design and an Associate Member of the British Institute of Building Engineers.
- (b) **Mr Hano Maeloa** is an Executive Director of the Group and holds a Bachelor of Science Degree in Business Administration from the University of Southern California. He has a wide global network of business contacts and extensive experience as senior management or director in different industries, including real estate, golf and country club management, banking, and securities. He is an active member of the Young President Organisation in Jakarta and an alumnus of the University of Southern California, Indonesia. He is currently also a Director of Bintan Golden Shipping Pte Ltd. He was the Vice President and Chief Executive Officer of Planet Hollywood, Indonesia.
- (c) **Ms Pek Zhi Ling Anna** is a Deputy Manager in the Marketing Department of the Group and holds a Bachelor of Business Degree (Property) from the University of South Australia. She has 6 years of relevant working experience in property, marketing and facility management capacities in various companies in Singapore and has been involved in various property projects dealing with commercial buildings, public housing and town council property. She is proficient in site acquisition, evaluation of project feasibilities, property proposal and investment reports.

Contracts and Quantity Surveying

- (a) **Ms Wang Chin May, Evelyn** is a Business Manager and Senior Quantity Surveyor in the Group, and holds a Bachelors Degree in Building Construction Management (1st Class Hons) from the University of New South Wales, Australia. She has 10 years of experience in quantity surveying consultancy for a wide range of real estate properties, including commercial buildings, flatted factories, community clubs and residential flats.

- (b) **Mr Lee Heng Sheng** is an Assistant Quantity Surveyor of the Group, and holds a Bachelor (Hons) in Building Construction Management from Sheffield Hallam University, England. He has approximately 3 years of relevant working experience as a site engineer and technician in Malaysia and Singapore.

Project Management and Engineering

- (a) **Mr Edward D'Silva** is a Director of TGPPL and TGPPL, the property development companies of the Group. He holds a Bachelors Degree in Architecture from the University of Singapore. He is a Fellow and President of the Singapore Institute of Architects, a Member of the Royal British Institute of Architects and a Member of the Brunei Pertubuhan Ukur Jurutera & Arkitek. Mr D'Silva joined the Urban Redevelopment Authority (URA) Planning & Research Division and was involved in land acquisition, clearance and resettlement of tenanted properties, as well as urban design for the development of urban renewal projects. He was also involved in the master plan studies and conceptual design of various leisure and resort developments across Singapore, Malaysia, India, Vietnam, Cambodian and Brunei.
- (b) **Mr Lam Shee Hung, Lambert** is a Project Director in the Group and holds a Bachelors Degree in Civil Engineering and a Masters Degree in Building Science from the National University of Singapore. He is a corporate member of the Institution of Engineers in Singapore and has more than 20 years of industry experience. He rose up the ranks from a Project Engineer and Construction Manager to a Project Director, providing advice and supervision over various property projects including structural steelworks, hotels, commercial and residential development, MRT stations, warehouses and power plants in Singapore, Malaysia, Indonesia and the Middle East.

3.3 Risk factors

To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed judgment on the Group's Property Investment and Development business are set out below.

The Group could be affected by a number of risks that relate to the industry and countries in which the Group intends to operate as well as those that may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. The risks described below are not intended to be exhaustive.

(a) Ability to identify new land sites and property development projects

In the property investment and development business, it is important to identify suitable land sites in order to achieve good investment returns. The general strategy of the Group is to source for new land sites through private invitations from property owners and property agents as well as referrals from architects and other professionals. The Group will be subject to fluctuations in property prices as well as availability of suitable land sites. The Group will also have to compete with other property developers for the sourcing of land sites. Failure to secure suitable land sites for property development will directly affect the turnover of the Group.

The performance of the Group is dependent on its ability to identify potential and profitable property projects. The viability and profitability of property projects are affected by the general economic conditions in Singapore, the prevailing interest rates and cost of construction as well as economic conditions in the regional countries in which the Group wishes to venture into. The failure to identify potential and profitable new property projects would have an adverse effect on the Group's turnover and profitability.

In respect of completed property development projects, the Group may also incur losses by retaining unsold properties or selling them at below cost in a depressed market. In the event that the Group is unable to sell unsold properties, the Group may incur further continuing holding costs, including interest costs and maintenance costs, which may have a material adverse effect on the Group's earnings and financial performance.

(b) Changes in business environment factors may affect the profitability of the Group's property development projects

The period span of property development can last from two to five years, depending on the size of the development. Consequently, changes in the business environment during the length of the project may affect the revenue and cost of the development which will directly depress the profit margin of any one project. Factors which affect the profitability of a project may include but are not limited to the following:

- (i) Delays encountered in procuring the necessary approvals for sale from the relevant government bodies;
- (ii) Fluctuations in demand of residential properties; and
- (iii) Delays encountered in construction schedules due to poor weather conditions, labour disputes and any other unforeseen circumstances.

(c) The viability and profitability of the Group's property development projects are subject to adequate financing for the projects and interest rate fluctuations

The Group intends to finance the development of properties by means of equity and debt financing. As a significant amount of funds is required in property development projects, in addition to internally generated funds, the Group anticipates that it would generally seek debt financing of between 50% and 80% of the cost of development on a secured basis. As such, the Group's ability to undertake our property development projects is subject to the Group's ability to secure funding.

For the financing requirements of any property development project, the Group would be charged interest at rates which may fluctuate according to the rates charged by commercial banks. Consequently, in the event that the Group under-estimates interest expense in the financing of our property development projects, profitability will be adversely affected.

In the case of property development projects which usually have long construction periods, such projects will generally have negative cash flows in the early phase. Positive cash flow will usually be registered only after the completion of the project, when the ownership of the properties is transferred to the buyer and full payment is received from them. If the Group's property businesses do not generate sufficient cashflow to meet the financing costs of its property projects, the Group's profits would be adversely affected.

(d) Unsold property development assets may be illiquid

It is common for a proportion of the units in a property development projects to continue to remain unsold for a period after completion. While it may be prudent to try to sell all units in the property development projects within one to two years of completion, unsold property development assets are relatively illiquid prior to their sale. Such illiquidity limits the Group's ability to convert unsold property development assets into cash on short notice. Such illiquidity may also have a negative effect on determining the selling prices of the unsold completed property development assets in the event that the Group requires a quick sale of these assets.

(e) The Group is affected by uninsured losses to its property developments

Whilst the Group intends to maintain insurance policies against floods, fire, lightning and third party physical damage, covering property development projects in conformity with market practice and to minimise costs of development, the insured limits are generally below the market value of the relevant residential property development projects. In addition, certain types of losses such as acts of God, acts of terrorism, war and civil disorder are generally very costly to insure and it may not be cost-effective to obtain such insurance cover for the Group's property development projects in these respects.

Should there be loss arising out of the damage to its properties which are not covered by insurance policies or should such damage be in excess of the amount for which the Group is insured, the Group's profitability would be adversely affected.

(f) Changes in government legislation, regulations or policies which affect property demand directly or indirectly will adversely affect the Group's financial performance

The property industry in Singapore is subject to governmental regulations. Such regulations include land and title acquisition, development planning, design and construction as well as mortgage financing and refinancing. In addition to imposing new rules, the Singapore government, being the biggest supplier of land, also regulates the supply of land to developers from time to time so as to modulate the demand and supply of property in order to maintain an orderly and stable property market. There is no assurance that any changes in such regulations or policies imposed by the Singapore government will not have an adverse effect on the Group's financial performance.

(g) The Group may be affected by the economic, legal, social and political situations in other countries where it may carry out property development projects

The Group has plans to expand the property development business to certain countries in Asia-Pacific region including China and Malaysia. In such event, the business may be materially and adversely affected by developments with respect to inflation, interest rates, legislation, government policies, price and wage controls, exchange control regulations, taxation, expropriation, social instability and other political, economic or diplomatic developments in or affecting the countries in which the Group intends to operate. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not adversely affect its operations.

3.4 Government Regulations and Classification Requirements

The Group's Property Investment and Development business is subject to various laws and regulations in Singapore, the summary of which is set out as below:

(a) Employment of Foreign Workers Act

The availability and the employment cost of skilled and unskilled foreign workers are affected by the Government's policies and regulations on the immigration and employment of foreign workers in Singapore. The policies and regulations are set out in the Employment of Foreign Workers Act and the relevant Government Gazettes.

The availability of the foreign workers to the construction industry is regulated through policy instruments in relation to approved source countries, dependency ceilings based on the ratio of local to foreign workers, and quotas based on Manyear Entitlement ("MYE").

The approved source countries for construction workers are Malaysia, the People's Republic of China ("PRC"), Non-Traditional Sources ("NTS") and North Asian Sources ("NAS"). NTS countries include India, Sri Lanka, Thailand, Bangladesh, Myanmar, the Philippines and Pakistan. NAS countries include Hong Kong, Macau, South Korea and Taiwan. Additions to and removals from the list of approved source countries will increase or reduce the availability of foreign workers and affect the cost of labour correspondingly.

Dependency ceiling is currently set at one full-time local worker to four foreign workers. Any change in the dependency ceiling would affect the general availability of foreign workers in Singapore and may affect the Group's cost of labour and profitability.

(a) **Licences and Approvals**

For residential property development projects, the following licences typically need to be obtained:

Type of Licence	Applicable Statute	Relevant Statutory Body
Housing Developer's Licence	Housing Developers (Control & Licensing) Act (Cap 130)	Urban Redevelopment Authority (" URA ")
Qualifying Certificate	Residential Property Act (Cap 274)	Controller of Housing (as appointed under Section 3 of the Housing Developers (Control and Licensing) Act)

Housing Developer's Licence

The Housing Developer's Licence will have to be obtained prior to a developer undertaking the business of housing development of a development with more than four units, regardless of whether the developer has any intention to sell the units. Most developers apply for the "Sale before TOP licence", which allows developers to commence the business of housing development and start selling units in the development once building plan approval has been obtained.

The licence will typically be issued subject to certain conditions, such as:

- (i) strict compliance with the applicable laws governing housing development;
- (ii) no options be granted or sale and purchase agreements entered into until the Commissioner of Building Control (as appointed under Section 3(1) of the Building Control Act (Cap 29) of Singapore) approves the building plans and the planning permission has been given;
- (iii) the developer shall not, after redemption of the mortgage of the land, further encumber the land or register further charges over it; and
- (iv) other records must, commencing from the date the first option is granted, be sent to the Controller of Housing.

The licence remains in force until the issuance of the certificate of statutory completion for the project and the issue of separate certificates of title or subsidiary strata certificates of title for all the units in the development. For developments which are to be strata sub-divided, the Group also needs to obtain the Commissioner of Buildings' approval for the share value allotted to each unit prior to sale of units in the development properties. The Group will also be required to comply with the Housing Developers (Project Account) Rules with respect to the administration of the accounts of the Group's property development projects.

URA Approval

The URA monitors and controls the use of land in Singapore. All development projects require a written permission ("**WP**") from the URA and the WP will outline the specific requirements/limits for each individual development.

Upon obtaining the WP from the URA, the Group can proceed to apply for Building Plan Approval ("**BPA**") from the Building and Construction Authority. The project shall then be built according to the approval in WP and BPA and a re-approval may have to be sought if there are any deviations from the WP and BPA.

The URA also regulates the use of premises in Singapore. Hence, if permission was initially obtained for the use of premises for a certain purpose, a change in the use of the premises will normally require written permission from the URA as well.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save for the interests of Directors in the Shares set out in the “Additional Information” in this Circular, none of the Directors or Substantial Shareholders have any direct or indirect interest in the Rights Shares cum Warrants Issue.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 41 to 44 of this Circular, will be held at 8 Cross Street #11-00 PWC Building, Singapore 048424 on 15 February 2008 at 10.00 a.m., for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of EGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to this Circular in accordance with the instructions printed thereon. The completed and signed proxy form should then be returned as soon as possible and in any event so as to arrive at the Company’s registered office at 1020 East Coast Parkway #02-01 Singapore Tennis Centre, Singapore 449878 not later than 48 hours before the time fixed for the EGM. Shareholders who have completed and returned the proxy form may still attend and vote in person at the EGM, if they so wish, in place of their proxy.

A proxy need not be a Shareholder of the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP, as at 48 hours before the EGM.

7. DIRECTORS’ RECOMMENDATION

The Directors, having fully considered the purpose of the Rights Shares cum Warrants Issue and the affirmation of Core Business as set out in paragraphs 2.6 and 3.1 of this Circular, are of the opinion that the approval of the Rights Shares cum Warrants Issue and the affirmation of the Core Business are in the best interests of the Company. The Directors accordingly recommend that Shareholders vote in favour of the ordinary resolutions relating thereto to be proposed at the EGM as set out in the Notice of EGM.

8. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Circular) have individually and collectively reviewed and approved the issue of this Circular, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular are fair and accurate in all material aspects and that no material facts have been omitted from this Circular which would make any statement in this Circular misleading, and they jointly and severally accept responsibility accordingly.

Where any information contained in this Circular has been extracted from published or otherwise publicly available sources, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources.

9. STATEMENT BY KBC BANK

KBC Bank, as the Manager of the Rights Shares cum Warrants Issue, confirms that, to the best of its knowledge and belief, based on information supplied to it by the Company, this Circular constitutes full and true disclosure of all material facts about the Rights Shares cum Warrants Issue and the Group and that it is not aware of any facts the omission of which would make any statement herein misleading in any material respect. For the avoidance of doubt, the responsibility of KBC Bank extends only to information in connection with the Rights Shares cum Warrants Issue.

10. LETTER OF CONSENT

KBC Bank has given, and has not withdrawn, its written consent to the issue of this Circular with the inclusion of its name and reference to it, in the form and context in which it appears in this Circular.

11. ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out under “Additional Information” of this Circular.

Yours faithfully

For and on behalf of
the Board of Directors of
TOP GLOBAL LIMITED

Yap Siean Sin
Chief Executive Officer and Managing Director

ADDITIONAL INFORMATION

1. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDER(S)

1.1 Shareholding Interests

As at the Latest Practicable Date, the Directors' interests in the issued and paid-up share capital as recorded in the Register of Directors' Shareholdings pursuant to Section 164 of the Act and the interests of the Substantial Shareholder(s) of the Company in the issued and paid-up share capital as recorded in the Register of Substantial Shareholder(s) maintained pursuant to Section 88 of the Act are as follows:-

	DIRECT INTEREST		DEEMED INTEREST	
	No. of Shares	%	No. of Shares	%
Director				
Yap Siew Sin ⁽¹⁾	122,470,500	32.81	2,500,000	0.67
Yap Sean Lee	2,996,000	0.81	—	—
Dr Tan Kok Soon	11,720,000	3.14	—	—
Dr Chung Siang Joon	—	—	—	—
Hano Maeloa	—	—	—	—

Substantial Shareholder

Yap Siew Sin	122,470,500	32.81	2,500,000	0.67
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Note:

- (1) Yap Siew Sin is deemed to have an interest through shares held by his nominee, OCBC Nominees Singapore Pte Ltd.

2. MATERIAL LITIGATION

The Company is not, as at the Latest Practicable Date, engaged in any litigation, either as plaintiff or defendant, which might materially or adversely affect the financial position or businesses of the Company and its subsidiaries taken as a whole, and the Directors are not aware of any litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceeding which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole.

3. MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor any of its subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) during the two (2) years preceding the Latest Practicable Date:-

- (a) on 19 August 2006, the Company entered into a subscription agreement with the following persons to allot and issue to such persons an aggregate of 2,199,000 new Shares at S\$0.12 per Share:-
- (i) Tay Wee Kwang;
 - (ii) Low Way;
 - (iii) Tan Hooi Hong;
 - (iv) Lee Whai Yih; and
 - (v) Lo Hung.

- (b) on 19 August 2006, the Company entered into a subscription agreement with the following persons to allot and issue to such persons an aggregate of 1,591,000 new Shares at S\$0.12 per Share:-
- (i) Ang Lay Eng Eileen;
 - (ii) Benny Ong Keng Seng;
 - (iii) Tan Heng Hock;
 - (iv) Ng Hiak Hua; and
 - (v) Chua Hoo Key.
- (c) on 23 August 2006, Raintree Cove Pte Ltd, a wholly owned subsidiary of the Company entered into a tenancy agreement with the Government of the Republic of Singapore c/o The Singapore Land Authority (“**SLA**”) pursuant to which SLA granted a lease to Raintree Cove Pte Ltd of the premises at 1018/1020 East Coast Parkway, Singapore 449878 for a period of three (3) years with effect from 1 September 2006 at a monthly rent of S\$256,000. The monthly rental was subsequently increased to S\$259,450 commencing 15 September 2007 pursuant to a supplemental agreement dated 20 September 2007 between Raintree Cove Pte Ltd and the Government of the Republic of Singapore c/o the SLA;
- (d) on 25 September 2006, the Company, TG China Pte Ltd, Raintree Cove Pte Ltd and Top Global Enterprises Pte Ltd entered into a settlement agreement with Messrs Teo Hoo Seng and Wan Pek Yuet (collectively the “**Ex-Employees**”) pursuant to which the Company paid to the Ex-Employees a sum of S\$168,000 in full and final settlement of their claims against the Company in connection with the termination of their employment;
- (e) on 15 November 2006, the Company entered into a debt settlement agreement with its sub-contractor, Admiralty Engineering Pte Ltd to allot and issue to Admiralty Engineering Pte Ltd 500,000 new ordinary shares at an issue price of S\$0.12 per Share in lieu of cash payment and in full and final settlement of the outstanding debt of S\$60,000 owing to Admiralty Engineering Pte Ltd for the project “Changi North Way & Changi North Crescent Project”;
- (f) on 16 January 2007, the Company entered into a subscription agreement with Mr. Hano Maeloa pursuant to which Mr. Hano Maeloa agreed to subscribe and pay for 8,151,000 new Shares at an issue price of S\$0.12 per Share;
- (g) on 5 March 2007, the Company entered into an agreement to appoint KBC Bank as manager for renounceable non-underwritten rights issue of Shares on the basis of four (4) rights shares for every one (1) existing Share;
- (h) on 7 May 2007, TGPPL, a wholly-owned subsidiary of the Company, was issued six (6) individual option agreements in which TGPPL was granted options to purchase six properties located at a development named Simon Court (the “**Simon Court Property**”) by the individual owners of the properties. In consideration for the grant of these options, TGPPL paid a total of S\$333,000, representing 5% of the total consideration for the purchase of Simon Court Property of S\$6,660,000;
- (i) on 11 October 2007, the Company entered into an agreement to appoint KBC Bank as Manager for the Rights Shares cum Warrants Issue; and
- (j) on 13 November 2007, TGPKPL, a wholly-owned subsidiary of the Company, was granted sixteen (16) individual options to purchase sixteen properties located at a development named Kovan Court by the individual owners of the Kovan Court property. In consideration for the grant of these options, TGPKPL paid a total of \$914,500, representing 5% of the total consideration for the purchase of the Kovan Property of S\$18,290,000.

4. OFFER INFORMATION STATEMENT

An Offer Information Statement will be despatched to Entitled Shareholders subject to, *inter alia*, the approval of Shareholders for the Rights Shares cum Warrants Issue being obtained at the EGM. Acceptances and applications under the Rights Shares cum Warrants Issue can only be made on the following (all of which will form part of the Offer Information Statement):-

- (i) the PAL, in the case of Entitled Scripholders;
- (ii) the ARE or through the ATMs of the participating banks, in the case of Entitled Depositors; and
- (iii) the ARS or through the ATMs of the participating banks, in the case of persons purchasing provisional allotments of Rights Shares with Warrants through the book-entry (scripless) settlement system whose registered addresses with CDP are in Singapore.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Circular to the time and date of the EGM:-

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the annual reports of the Company for FY2004, FY2005 and FY2006;
- (iii) the announcement of the financial results of the Company for HY2007;
- (iv) the material contracts referred to in paragraph 3 above; and
- (v) the letter of consent referred to in Section 10 of this Circular.

TOP GLOBAL LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Top Global Limited (the “**Company**”) will be held at 8 Cross Street, #11-00 PWC Building, Singapore 048424 on 15 February 2008 at 10.00 a.m., for the purpose of considering and, if thought fit, passing with or without modifications the following resolution:-

AS AN ORDINARY RESOLUTION – APPROVAL OF THE RIGHTS SHARES CUM WARRANTS ISSUE (Resolution 1)

(A) That a renounceable non-underwritten rights issue of up to 746,460,000 new Shares (the “**Rights Shares**”) at an issue price of S\$0.025 for each Rights Share, 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 (the “**New Share**”) at an exercise price of S\$0.025 for each New Share, on the basis of two (2) Rights Shares for every one (1) existing Share in the capital of the Company held as at a books closure date to be determined, and three (3) free Warrants for every four (4) Rights Shares subscribed, fractional entitlements to be disregarded (the “**Rights Shares cum Warrants Issue**”), be and is hereby approved and authority be and is hereby given to the Board of Directors to:-

(a) create and issue:-

- (i) such number of Rights Shares as the Directors may determine up to 746,460,000 Rights Shares at an issue price of S\$0.025 for each Rights Share;
- (ii) such number of Warrants as the Directors may determine up to 559,845,000 Warrants in registered form to be issued together with the Rights Shares, each such Warrant to entitle the holder thereof to subscribe for one (1) New Share at an exercise price of S\$0.025 for each New Share at any time during the period commencing on the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5th) anniversary of the date of issue of the Warrants subject to the terms and conditions of the deed poll (the “**Deed Poll**”) constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may think fit; and
- (iii) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);

(b) provisionally allot and to issue up to 746,460,000 Rights Shares with up to 559,845,000 Warrants at an issue price of S\$0.025 for each Rights Share on the basis of two (2) Rights Shares for every one (1) existing ordinary Share in the capital of the Company held by shareholders of the Company (the “**Shareholders**”) as at the Books Closure Date, and three (3) free detachable Warrants for every four (4) Rights Shares, fractional entitlements to be disregarded;

(c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:-

- (i) up to 559,845,000 New Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such New Shares (when issued and paid) to rank *pari passu* in all

respects with the then existing Shares of the Company (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the record date for which falls before the date of issue of the New Shares; and

- (ii) on the same basis as paragraph (c)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (a)(iii) above,

on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:–

- (I) the provisional allotments of the Rights Shares with Warrants under the Rights Shares cum Warrants Issue shall be made on a renounceable basis to the Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited (the “**CDP**”) as at the Books Closure Date with registered addresses in Singapore or who have, at least five (5) market days prior to the Books Closure Date, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of two (2) Rights Share for every one (1) existing Share then held by the Shareholders, and three (3) free Warrants for every four (4) Rights Shares subscribed, or in such other proportions as the Directors may think fit;
 - (II) no provisional allotment of the Rights Shares with Warrants shall be made in favour of Shareholders with registered addresses outside Singapore as at the Books Closure Date or who have not, at least five (5) market days prior thereto, provided to the CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);
 - (III) the entitlements to the Rights Shares with Warrants which would otherwise accrue to Foreign Shareholders shall be disposed of by the Company in such manner and on such terms and conditions as the Directors shall deem fit for the purpose of renouncing the rights entitlements relating thereto to purchasers thereof and to pool and thereafter distribute the net proceeds, if any, thereof (after deducting all expenses) proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be retained or dealt with for the sole benefit of the Company;
 - (IV) the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason (other than allotments to Foreign Shareholders referred to above) shall be allotted in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company; and
 - (V) the Rights Shares when 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 the Rights Shares.
- (B) The Directors be and are hereby authorised to complete and do all acts and things (including executing all such documents as may be required in connection with the Rights Shares cum Warrants Issue) as they may considered desirable, necessary or expedient to give full effect to this ordinary resolution and the Rights Shares cum Warrants Issue.

AS AN ORDINARY RESOLUTION – APPROVAL OF THE MANNER OF ALLOTMENT OF EXCESS RIGHTS SHARES WITH WARRANTS (Resolution 2)

That, contingent upon the passing, and without prejudice to the generality, of Resolution 1 above, approval be and is hereby given to the Board of Directors to aggregate and allot the entitlements to the Rights Shares with Warrants not taken up or allotted for any reason or which represent fractional entitlements disregarded in accordance with the terms of the Rights Shares cum Warrants Issue, if any, to the following persons in the order of priority as below:

- (A) first, to any Shareholders in satisfaction of their applications 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 the Shareholders on a *pro rata* basis, and provided that as between such Shareholders, Directors and Substantial Shareholders will rank last in priority; and
- (B) second, 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;

in each case ensuring that preference will be given to Shareholders for the rounding of odd lots, and that the Company will not make any allotments and issuance of any excess Rights Shares with Warrants that would result in a transfer of controlling interest in the Company.

AS AN ORDINARY RESOLUTION – USE OF PROCEEDS FROM RIGHTS SHARES CUM WARRANTS ISSUE (Resolution 3)

That, contingent upon the passing of Resolution 1 above, approval be and is hereby given to the Board of Directors to utilize the net proceeds of the Rights Shares cum Warrants Issue for the re-development of residential apartments situated at Kovan Road, Singapore (the “**Kovan Property Project**”), provided that in the event that the Kovan Property Project fails to proceed as intended, the net proceeds of the Rights Shares cum Warrants Issue may be used as additional general working capital for such other property investment and development opportunities as the Directors may deem fit in the best interests of the Company.

AS AN ORDINARY RESOLUTION – AFFIRMATION OF CORE BUSINESS (Resolution 4)

That the general strategy of the Company to focus more significantly on the investment in, and the development and sale of property and other related assets and businesses in Singapore and the Asia-Pacific region (“**Property Investment and Development**”), is hereby acknowledged and affirmed, and in furtherance thereto, that approval be and is hereby given:

- (A) to the Company to invest in, purchase or otherwise acquire or dispose of, from time to time, any such Property Investment and Development projects on such terms and conditions as the Directors deem fit in the best interests of the Company; and
- (B) to the Directors to take such steps and exercise such discretion and do all such acts and things desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal, as they in their absolute discretion deem fit in the best interests of the Company.

By Order of the Board

Yap Siew Sin
Chief Executive Officer and Managing Director

Singapore, 29 January 2008

NOTES:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on his behalf. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100 per cent of the shareholding and any second named proxy as an alternate to the first named.
3. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the instrument of proxy.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 1020 East Coast Parkway #02-01 Singapore Tennis Centre Singapore 449878 not less than 48 hours before the time of the EGM.
5. Investors who have used their CPF account savings to buy shares in the capital of the Company and who wish to attend the EGM as observers are to register with their respective CPF agent banks.
6. Unless defined herein, capitalised terms in the Resolutions set out in this Notice of EGM shall bear the same meanings as in the Circular to Shareholders dated 29 January 2008.

TOP GLOBAL LIMITED

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

IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Circular to Shareholders dated 29 January 2008 is forwarded 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.

PROXY FORM

I/We _____ NRIC/Passport No _____
of _____ Singapore

being a member/members of TOP GLOBAL LIMITED ("the **Company**"), hereby appoint

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/ Passport No.	Proportion of Shareholding (%)

or failing *him/them, the Chairman of the meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held at 8 Cross Street, #11-00 PWC Building, Singapore 048424 on 15 February 2008 at 10.00 a.m., and at any adjournment thereof.

Note: Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the notice of general meeting. In the absence of specific directions or in the event of any item arising at the Extraordinary General Meeting not summarised below, the proxy/proxies may vote or abstain from voting as he/they may think fit.

As Ordinary Resolution		For	Against
Resolution 1	To authorise the Rights Shares cum Warrants Issue		
Resolution 2	To approve the manner of allotment of excess Rights Shares with Warrants		
Resolution 3	To approve the use of proceeds from the Rights Shares cum Warrants Issue.		
Resolution 4	To acknowledge, affirm and approve the Core Business		

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of Extraordinary General Meeting for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2008

Total No. of Shares	No. of Shares
In CDP Register	
In Register of Members	

Signature(s) of Member(s)/
Common Seal of Corporate Shareholder

IMPORTANT : PLEASE READ NOTES OVERLEAF



IMPORTANT NOTES TO PROXY FORM :

1. 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, Cap. 50), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. 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. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member entitled to attend and vote at the above Extraordinary General Meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 1020 East Coast Parkway, #02-01 Singapore Tennis Centre, Singapore 449878 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
4. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholdings (expressed as a percentage of the whole) to be represented by each proxy.
5. The instrument appointing a proxy or proxies must be under the hand of 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 under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation that is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with its Articles of Association and Section 179 of the Companies Act, Cap. 50.
8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.