
THE PROPOSED DIVESTMENT OF THE ENTIRE INTEREST HELD BY TOP GLOBAL LIMITED (THE “COMPANY”) IN THE CAPITOL COMPANIES (AS DEFINED HEREINUNDER)

1. INTRODUCTION

The board of directors (the “**Board**”) of the Company (and together with its subsidiaries, the “**Group**”) wishes to announce that Top Property Investment Pte. Ltd. (“**Top Property**”), a company in which 80% and 20% of its share capital is held by the wholly-owned subsidiaries of the Company, Global Capitol Pte. Ltd. and Top Capitol Pte. Ltd. respectively, has on 7 March 2012 entered into a sale and purchase agreement (the “**SPA**”) with Chesham Properties Pte. Ltd. and New Capitol Pte. Ltd. (collectively, the “**Purchasers**”), pursuant to which the Company has agreed to sell and the Purchasers have agreed to acquire the Group’s 30% interest (the “**Proposed Divestment**”), in each of the following associated companies:

- (i) Capitol Investment Holdings Pte. Ltd, the ultimate holding company of Capitol Residential Development Pte. Ltd.;
- (ii) Capitol Retail Management Pte. Ltd.; and
- (iii) Capitol Hotel Management Pte. Ltd.,

(collectively, the “**Capitol Companies**”),

for an aggregate consideration of S\$70,000,000 (the “**Consideration**”)

2. INFORMATION RELATING TO THE PROPOSED DIVESTMENT

2.1 Information on the Capitol Companies

The Capitol Companies are involved in the development of a 1.43 hectare land parcel at the junction of Stamford Road/North Bridge Road (“**Capitol Site**”).

2.2 Principal Term of the SPA

The completion of the Proposed Divestment is expected to occur five (5) business days following the Group obtaining consent from, the relevant parties if required, including Oversea-Chinese Banking Corporation for the Proposed Divestment (“**Completion**”).

The long-stop date for the completion of the Proposed Divestment shall be three (3) months from the date of the SPA, or such other date as the Purchasers and Top Property may agree in writing.

3. RATIONALE FOR THE PROPOSED DIVESTMENT

The Board believes that the Proposed Divestment will maximise the interests of shareholders (“**Shareholders**”) as it will be a strategic alignment with the Group’s future plans and overall growth strategy. The Board, after careful consideration, is of the view that the Consideration is fair and reasonable and that the Proposed Divestment is in the best interests of the Company and its Shareholders.

4. THE CONSIDERATION

The Consideration was arrived at, following arm’s length and commercial negotiations between the Purchasers and Top Property on a willing-buyer willing-seller basis, after taking into consideration, *inter alia*, Top Property’s 30% shareholding of the adjusted combined net asset value (“**NAV**”) of the Capitol Companies as at 31 December 2011 of approximately S\$20.1 million. The Consideration also takes into account the loan of approximately S\$29.3 million (the “**Loan**”) made by the Company to Top Property which in turn extended the Loan to the Capitol Companies the assignment of which to the Purchasers will take place on Completion pursuant to entry into a deed of assignment by the parties.

The Consideration will be satisfied in cash in the following manner:

- (i) A deposit of S\$20,000,000 paid on 7 March 2012 by the Purchasers into an escrow account held in favour of Top Property, which shall be released immediately on Completion (as defined in Section 2.2 of this announcement);
- (ii) payment of S\$30,000,000 by the Purchasers to the account of Top Property on completion; and
- (iii) the remaining S\$20,00,000 to be paid by the Purchasers into the account of Top Property in equal instalments of S\$2,850,000 on the first day of every quarter commencing 1 April 2013 for the next six (6) quarters and S\$2,900,000 to be paid on the first day of the seventh (7th) quarter on 1 October 2014.

The Group intends to utilise the net proceeds from the Proposed Divestment for its future developments and investments.

5. FINANCIAL EFFECTS

The total gain recorded from the investment in the Capitol Companies shall be approximately S\$40.7 million, of which S\$20.1 million was recognised from the fair valuation of the Capitol Site in accordance with FRS 40, *Investment Property* in financial year ended 31 December 2011. The balance of S\$20.6 million shall be recorded upon completion of the Proposed Divestment.

6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Company's directors or controlling shareholders has any interests, direct or indirect, in the Proposed Divestment (other than by reason only of being a director of the Company or through their shareholding interests in the Company).

No director will be appointed to the Board of the Company in connection with the Proposed Divestment.

7. COMPLIANCE WITH RULE 703 AND RULE 704(17)(C) OF THE CATALIST RULES

The Proposed Divestment is within the ordinary course of the Company's business and this announcement is made pursuant to and for the purpose of compliance with Rule 703 and Rule 704(17)(c) of the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

By Order of the Board

Hano Maeloa
Chief Executive Officer and Executive Director
7 March 2012

This announcement has been prepared by the Company and reviewed by the Company's Sponsor, CNP compliance Pte. Ltd. ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this announcement. This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made in this announcement.

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