

Issuer: Top Global Limited

Security: Top Global Limited

Meeting details:

Date: 12 April 2017

Time: 10:00H

Venue: Raffles Marina, Bridge Room, Level 2, 10 Tuas West Drive, Singapore 638404

Company Description

Top Global Limited, an investment holding company, engages in property development and investment in real estate related businesses in Singapore and internationally. The company operates through Property Development, Hospitality Management, Facility Management, and Investment and Others segments. It is also involved golf and country club, hotel, and water theme park operations; and provision of property and facility management, and educational services. Top Global Limited was incorporated in 1980 and is headquartered in Singapore.

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

Q1. The group's three property developments, namely R Maison, E Maison and The Quinn, obtained their Temporary Occupancy Permits between April and June 2016. The group no longer has any landbank in Singapore.

a) What are the group's plans for future property development in Singapore?

On 28 March 2017, the company announced that its wholly-owned subsidiaries had exercised their options to purchase 17 residential units in The Quinn development for an aggregate purchase price was S\$25.29 million. The aggregate amount of Buyer Stamp Duties ("BSD") and Additional Buyer Stamp Duties ("ABSD") is approximately S\$4.46 million.

In the Operations review – Singapore (page 6 of the annual report), it was disclosed that The Quinn is subject to ABSD penalties and if any of the units are unsold as at 31 March 2017, the developer would have to pay to IRAS the amount of ABSD remitted with interest of 5% per annum starting from 14 days after the transaction date.

b) Can management help shareholders understand why the wholly-owned subsidiaries exercised their options to purchase the balance of the units in The Quinn and are now required to pay additional stamp duties of approximately S\$4.46 million? What was the amount of ABSD remitted?

c) Would the units be held as investment properties for rental income or would the group still try to sell them?

Q2. In Note 7 (pages 68 to 70 - Development properties) and in the Operation review – Indonesia (pages 7 to 9), the group had disclosed the details of the development projects in Indonesia but not the sale figures.

a) Can management provide better visibility into the sales figures and the unsold units in the projects that are held for sale (Rancamaya phases I & II, Rancamaya Commercial Centre and Harvest City)?

b) For the projects under development (Rancamaya phase III, Harvest City and Royal Tajur), can management provide the relevant timeline and the level of sales?

Q3. In the Corporate Governance Report (page 15), the company has noted that it is not in compliance with Guideline 2.2 of the 2012 Code since the independent directors do not make up at least half the board as (a) the Chairman and the CEO are immediate family members, (b) the Chairman is part of the management team and (c) the Chairman is non-independent.

The board has stated its commitment to ensure that *"the highest standards of corporate governance are practised throughout Top Global Limited (the "Company") and together with its subsidiaries (the "Group"), as a fundamental part of its responsibilities to protect and enhance shareholder value and the financial performance of the Group"* (page 13).

a) Would the board consider making the necessary changes to the board before the deadline of 30 April 2018 to show its real commitment to ensure the highest standards of corporate governance are practised?

Also, Dr Lam Lee G is up for re-election following his retirement pursuant to Article 106 of the Company's Articles of Association. As disclosed under Principle 4: Board Membership (page 17 – Corporate Governance Report), the board has determined a general guideline that the maximum number of listed company board representations which any Director may hold is five.

Other than the company, Dr Lam Lee G currently sits on the following thirteen listed companies:

- (1) Asia-Pacific Strategic Investments Limited
- (2) China LNG Group Limited

- (3) Coalbank Limited
- (4) CSI Properties Limited
- (5) Glorious Sun Enterprise Limited
- (6) Mei Ah Entertainment Group Limited
- (7) Rowsley Ltd.
- (8) Sino Resources Group Limited
- (9) Sunwah International Limited
- (10) Sunwah Kingsway Capital Holdings Limited
- (11) Vietnam Equity Limited
- (12) Vietnam Property Holding
- (13) Vongroup Limited

The members of the nominating committee are Dr Lam Lee G (as Chairman), Mr Yeo Chin Tuan Daniel (independent director) and Ms Mimi Yuliana Maeloa (non-executive director).

- b) **Can the NC elaborate further on how it has assessed that Dr Lam has *“the capability and ability to undertake other obligations or commitments together with serving on the Board effectively”*?**
- c) **Given also that the guideline for the maximum number of listed company board representations which any Director may hold is five, how reasonable is it that the nominating committee can consider a director with 14 directorships in listed companies will still be able to devote sufficient time and attention to the affairs of the group and discharged his/her duties adequately?**