



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Top Global Limited

Security: Top Global Limited

Meeting details:

Date: 30 April 2019

Time: 10.00 a.m.

Venue: York Hotel, 21 Mount Elizabeth Singapore 228516

Company Description

Top Global Limited is an investment holding company. The Company focuses on various businesses, such as real estate development, hospitality and leisure, facilities management and education. The Company operates through four segments: Property development, Hospitality management, Facility management, and Investment and others. Its Property development segment includes the development of residential properties. Its Hospitality management segment includes the golf and country club, and hotel operations. Its Facility management segment includes property and facility management. Its Investment and others segment includes other investment activities. Its business segments operate in two geographical areas: Singapore and Indonesia. Its operations in Singapore are property development, investment in real estate related businesses, property and facility management, and investment holding. Its operations in Indonesia are property development, facility management and hospitality management.

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

Q1. Would the board/management provide shareholders with better clarity on the following operational matters? Specifically:

- (i) Landbank (Singapore):** The group's three development projects in Singapore received their Temporary Occupancy Permits (TOPs) in April – June 2016 and the group has taken a cautious approach given the sizeable supply pipeline from public land tenders and private collective sales accumulated before cooling measures were introduced in July 2018. In FY2017, the group bought out its own remaining 17 units in The Quinn and paid \$3.8 million in ABSD. These 17 units are currently being leased out for rental gains. **What is the occupancy rate? What are the plans for these 17 units?**
- (ii) Indonesia developments:** Can management help shareholders understand the sentiment on the ground in Indonesia following the election? **What is the projected developer's margin in Indonesia?**
- (iii) 5Footway:** Can management clearly articulate the business model for the hostel business and identify the key value drivers? **What are management's pro-active plans to improve the profitability of the segment?** With the write-off of the goodwill, it would appear that the business is not progressing as well as intended.

Q2. As at 31 December 2018, the group has cash and cash equivalents of \$42.55 million. Net cash provided by operating activities has been strong in the past two years (+\$96 million) as development projects are completed and handed over to buyers. The group also has various investment properties in Singapore generating recurring income.

As seen in Note 33 (page 135 – Financial risk management: Capital risk), the group is lightly geared up with a gearing ratio of 4%.

The directors have not declared a dividend as it deemed it more appropriate to retain cash in the group for "*its future growth plans*".

- (i) What deliberation did the directors have on the declaration of dividends?**
- (ii) What are the projected capital investment for the next 1-2 years?**
- (iii) What is the optimal capital structure for the business given its asset base and growth plans?**
- (iv) The last dividend was declared in 2004. Given the current strong position of the group, would the board consider it timely to re-evaluate the dividend pay-out/policy?** The company appears to be in a position to execute on its growth plans and to distribute dividends to the capital providers i.e. shareholders at the same time, given its strong balance sheet.

Q3. The attendance of directors at board and board committee meetings is shown in the table below:

The attendance of the Directors at Board and Board Committees meetings, as well as the frequency of such meetings held in FY2018 is as follows:

Name of Director	Board Meeting		AC Meeting		NC Meeting		RC Meeting	
	No of Meetings held	No of Meetings Attended	No of Meetings held	No of Meetings Attended	No of Meetings held	No of Meetings Attended	No of Meetings held	No of Meetings Attended
Madam Oei Siu Hoa @ Sukmawati Widjaja	4	3	-	-	-	-	-	-
Mr Hano Maeloa	4	4	-	-	-	-	-	-
Ms Jennifer Chang Shyre Gwo	4	4	-	-	-	-	-	-
Mr Yeo Chin Tuan Daniel	4	3	4	3	1	1	1	1
Dr Lam Lee G	4	3	4	3	1	1	1	1
Ms Mimi Yuliana Maeloa	4	4	4	3	1	1	1	1

(Source: Company annual report; emphasis added)

As seen from the table above, both independent directors have missed one board meeting and one AC board committee meeting.

- (i) Can the company help shareholders understand if there were extenuating circumstances that led the independent directors to be absent for the board meetings and board committee meetings?**
- (ii) How far in advance are board meetings scheduled?**
- (iii) Given that the company has only two independent directors, and both independent directors were absent for one board meeting and one audit committee meeting, were there any board/board committee meetings that had no independent director in attendance?**
- (iv) How can the company and the company secretary work together with the directors to schedule the board and board committee meetings so that all the directors are able to attend the meetings and contribute to the effectiveness of the board?**

The profile of Dr Lam Lee G is shown below (page 19):

Name of Director	Date of first appointment to the Board	Date of last re-election as Director	Current directorships in listed companies	Past directorships in listed companies (preceding three years)
Dr Lam Lee G	26 April 2010	12 April 2017	Adamas Finance Asia Limited Aurum Pacific (China) Group Limited AustChina Holdings Limited China LNG Group Limited China Medical (International) Group Limited China Real Estate Grp Limited China Shandong Hi-Speed Financial Group Limited CSI Properties Limited Elife Holdings Limited Glorious Sun Enterprises Limited Haitong Securities Company Limited Hsin Chong Group Holdings Limited Hua Long Jin Kong Company Limited Huarong Investment Stock Corporation Limited Kidslan International Holdings Limited Mei Ah Entertainment Group Limited	Asia-Pacific Strategic Investments Limited Mingyuan Medicare Development Company Limited Roma Group Limited Rowsley Limited UDL Holdings Limited Vietnam Equity Holding Xi'an Haitiantian Holdings Company Limited

(Source: Adapted from annual report)

- (v) Was Dr Lam Lee G's absence from the board meetings due to his long list of other commitments (as shown in his profile)?
- (vi) Would Dr Lam Lee G help shareholders understand his commitment to the company as an independent director?
- (vii) Similarly, as Mr Yeo is seeking his re-election at the AGM on 30 April 2019, would Mr Yeo help shareholders understand his commitment to the company as an independent director?

A copy of the questions for the Annual Report for the financial year ended 31 December 2016 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Top%20Global%20Ltd&cid=6700,4225>

The company's response could be found here: -----