

APPENDIX DATED 6 APRIL 2021

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Appendix is circulated to shareholders of the Company together with the Company's annual report for its financial year ended 31 December 2020 ("**Annual Report**"). The purpose of this Addendum is to provide shareholders of the Company ("**Shareholders**") with the relevant information relating to, and to seek Shareholders' approval for the renewal of the Share Purchase Mandate (as defined below) to be tabled at the annual general meeting of the Company ("**AGM**") to be held on 28 April 2021 via electronic means.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of Top Global Limited ("**Company**"), you should immediately forward this Appendix, 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 Notice of AGM and the proxy form are enclosed with the Annual Report.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



(Incorporated in the Republic of Singapore)
(Company Registration Number : 198003719Z)

APPENDIX TO SHAREHOLDERS

in relation to

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated.

“2021 AGM”	:	The AGM to be held on 28 April 2021 at 10.00 a.m. (Singapore Time).
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore.
“ANNUAL REPORT”	:	The annual report of the Company for FY2020.
“APPENDIX”	:	This Appendix to Shareholders dated 6 April 2021 in respect of the proposed renewal of the Share Purchase Mandate.
“CDP”	:	The Central Depository (Pte) Limited.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore.
“Company”	:	Top Global Limited.
“Directors”	:	The directors of the Company for the time being.
“AGM”	:	The annual general meeting of the Company.
“EPS”	:	Earnings per Share.
“FY”	:	Financial year of the Company ended or ending 31 December (as the case may be).
“Group”	:	The Company and its subsidiaries.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Appendix, being 16 March 2021.
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“NTA”	:	Net tangible assets.
“Relevant Period”	:	The period commencing from the date on which the ordinary resolution relating to the Share Purchase Mandate is passed in a general meeting and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the Share Purchases are carried out to the full extent of the Share Purchase Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting.
“ROE”	:	Return on equity.
“Securities Accounts”	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Share Purchase”	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Purchase Mandate.

DEFINITIONS

- “Share Purchase Mandate”** : The general and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, issued Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Listing Manual.
- “Shareholders”** : Registered holders of the Shares except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares.
- “Shares”** : Ordinary shares in the capital of the Company.
- “Take-over Code”** : The Singapore Code on Take-overs and Mergers as may be amended or modified from time to time.
- “S\$”, “\$” and “cents”** : Singapore dollars and cents, respectively.
- “%” or “per cent.”** : Per centum or percentage.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the respective meanings ascribed to them in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Appendix 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 or the Listing Manual, or any modification thereof and not otherwise defined in this Appendix shall have the same meaning assigned to it under the Companies Act or the Listing Manual, or any modification thereof, as the case may be.

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and date unless otherwise stated.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

TOP GLOBAL LIMITED

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

Board of Directors:

Lam Lee G	(Independent Non-Executive Chairman)
Hano Maeloa	(Executive Director and Chief Executive Officer)
Jennifer Chang Shyre Gwo	(Executive Director and Chief Operating Officer)
Oei Siu Hoa @ Sukmawati Widjaja	(Executive Director)
Yeo Chin Tuan Daniel	(Independent Non-Executive Director)
Mimi Yuliana Maeloa	(Non-Executive Director)

Registered Office:

302 Orchard Road
#18-02, Tong Building
Singapore 238862

6 April 2021

To: The Shareholders of Top Global Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

Reference is made to the Notice of AGM dated 6 April 2021 of the Company, which is set out on pages 168 to 174 of the Annual Report.

The proposed Ordinary Resolution 7 in the Notice of AGM relates to the proposed renewal of Share Purchase Mandate, which Shareholders had previously approved at the annual general meeting of the Company held on 26 June 2020 ("**2020 AGM**"), to authorise the Directors to purchase Shares on the terms of the Share Purchase Mandate. The authority conferred by the Share Purchase Mandate will expire 28 April 2021, being the date of the 2021 AGM.

The purpose of this Appendix is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval in relation thereto at the 2020 AGM.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Appendix. If any Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may, for the time being, be applicable. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares.

The Company's existing Share Purchase Mandate was approved by the Shareholders at the annual general meeting of the Company held on 26 June 2020 and would expire at the 2021 AGM. Accordingly, the Directors are proposing to seek the approval of Shareholders at the 2021 AGM for the renewal of the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

2.2 Rationale

The rationale for the Company to undertake Share Purchase is as follows:

- (a) In managing the business of the Group, management will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, Share Purchase may be considered as one of the ways through which the ROE of the Company may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders.

To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.

- (c) The Share Purchase Mandate will provide the Company the flexibility to undertake Share Purchase up to the limit described in paragraph 2.3.1 below, at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.
- (d) Shares which are purchased by the Company pursuant to the Share Purchase Mandate and held in treasury may be transferred for the purposes of employee share schemes implemented by the Company, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

The purchase or acquisition of Shares pursuant to the Share Purchase Mandate will only be undertaken only as and when the Directors consider it to be in the best interest of the Company and/or Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised during the duration referred to in paragraph 2.3.2 below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

As at 16 March 2021 (the "**Latest Practicable Date**"), approximately 45,695,796 Shares (14.2%) of a total of 321,381,099 Shares issued by the Company (excluding Treasury Shares) are held by the public. The Company will ensure that the Shares purchases will not cause market illiquidity or affect orderly trade and will ensure that Rule 723 of the Listing Manual is complied with.

2.3 Authority and Limits

The authority and limitations placed on the Share Purchase Mandate are summarised below:

2.3.1 *Maximum Number of Shares*

The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued Shares as at the date of the 2021 AGM at which the proposed renewal of Share Purchase Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

LETTER TO SHAREHOLDERS

In exercising the Share Purchase Mandate, the Company has to ensure that it does not purchase Shares in a manner and to such extent that it would breach its obligations under any contracts, undertakings and/or lending agreements to which it is a party. Therefore, the maximum number of Shares which the Company may purchase without breaching its obligations may be less than 10% of the issued Shares of the Company.

Purely for illustrative purposes only, on the basis of 321,381,099 Shares in issue (excluding treasury shares of 514,200) as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the 2021 AGM, the purchase or acquisition by the Company of up to the maximum limit of 4.2% of its issued Shares will result in the purchase or acquisition of 13,557,686 shares.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2021 AGM, at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in general meeting; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next annual general meeting of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares by the Company may only be made by way of:

- (a) on-market purchases transacted through the Exchange's trading system or on another stock exchange on which the issuer's equity securities are listed (**market acquisition**); or
- (b) off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

In an off-market acquisition, the Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and the terms of all the offers are the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

Pursuant to the Listing Manual Rule 885, if the Company wishes to make an off-market acquisition in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (I) the terms and conditions of the offer;
- (II) the period and procedures for acceptances;
- (III) the reasons for the proposed purchase or acquisition of Shares;
- (IV) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (V) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (VI) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of market acquisition or off-market acquisition), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (VII) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for the Shares purchased or acquired pursuant to the Share Purchase Mandate will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate (both market acquisition and off-market acquisition) must not exceed 105% of the Average Closing Price of the Shares, excluding related expenses of the purchase or acquisition (the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the purchases are made, and deemed to be adjusted for any corporate action that occurs after the relevant five-Market Day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an off-market acquisition calculated on the foregoing basis) for each Share and relevant terms of the equal access scheme for effecting the off-market acquisition.

2.4 Status of Purchased Shares

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

LETTER TO SHAREHOLDERS

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

The Company may decide to cancel Shares which have been purchased by the Company or hold such Shares as treasury shares, depending on whether it is in the interests of the Company to do so.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, are summarised below:

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury shares before the subdivision or consolidation, as the case may be.

2.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

LETTER TO SHAREHOLDERS

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a market acquisition, for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if:

- (a) the company is able to pay its debts in full at the time of the payment of the purchase or acquisition of its shares and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of payment of the purchase or acquisition of its shares; and
- (b) the value of the company's assets exceeds its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will, principally, consider the availability of internal resources, the availability of external financing and particularly the prevailing gearing level of the Group. The Board will only make purchases or acquisitions of Shares pursuant to the Share Purchase Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2020 (“FY2020”), are based on the assumptions set out below.

LETTER TO SHAREHOLDERS

2.7.1 Purchase or Acquisition out of Capital and/or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

2.7.2 Number of Shares Acquired or Purchased and Maximum Price

As at the Latest Practicable Date, the Company has 321,381,099 Shares in issue (excluding treasury shares of 514,200).

Purely for illustrative purposes only, on the basis of 45,695,796 Shares in issue held in the hands of the public and a public float of approximately 14.2% as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the 2021 AGM, the exercise of the Share Purchase Mandate, on the Latest Practicable Date, up to an extent that would not affect adversely the listing status of the Shares on the SGX-ST, may result in the purchase or acquisition by the Company of 13,557,686 Shares, representing 4.2% of such issued Shares as at the Latest Practicable Date.

Assuming that the Company purchases or acquires the 13,557,686 Shares at the Maximum Price of \$0.322 for one Share (being 105% of the average of the closing market prices of the Shares over the last 5 Market Days immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of the 13,557,686 Shares is approximately \$4.366 million. The transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purposes of computing the financial effects.

2.7.3 Illustrative Financial Effects

Purely for illustrative purposes only, and on the basis of the assumptions set out in paragraph 2.7.2 above, the financial effects of:

- (a) the acquisition of 13,557,686 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and up to the maximum holding of treasury shares allowed;
- (b) the acquisition of 13,557,686 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for FY2020 are set out below:

LETTER TO SHAREHOLDERS

- (a) *Purchases of 13,557,686 Shares made entirely out of capital and up to maximum holding of treasury shares allowed*

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
As at 31 December 2020				
Profit/(Loss) After Tax	(16,027)	(16,027)	(1,874)	(1,874)
Share Capital	265,667	265,667	265,667	265,667
Retained Profits/(Accumulated Losses)	(16,160)	(16,160)	(10,072)	(10,072)
Non-controlling interests	133,617	133,617	–	–
Treasury shares (as at Latest Practicable Date)	(101)	(4,467)	(101)	(4,467)
Shareholders' funds	369,609	365,243	260,408	256,042
NTA ⁽¹⁾	234,607	230,241	260,408	256,042
Current Assets	122,454	118,088	130,080	125,714
Current Liabilities	44,532	44,532	8,818	8,818
Working Capital	77,922	73,556	121,262	116,896
Total Borrowings	142,978	142,978	7	7
Total Liabilities	194,787	194,787	8,821	8,821
Number of Shares (excluding treasury shares) ('000)	321,381	307,823	321,381	307,823
Number of Treasury Shares ('000) (as at Latest Practicable Date)	514	14,072	514	14,072
Financial ratios				
NTA per Share (cents)	73.00	74.80	81.03	83.18
Earning/(loss) per Share (cents) ⁽²⁾	(4.99)	(5.21)	(0.58)	(0.61)
Gearing ratio ⁽³⁾	0.39	0.39	–	–
Current ratio (times) ⁽⁴⁾	2.75	2.65	14.75	14.26

Notes:

- (1) NTA equals total equity less non-controlling interests less intangible assets, if any.
- (2) For illustrative purposes, EPS is computed based on profit/(loss) after tax and number of Shares as shown in the table above.
- (3) Gearing equals total bank borrowings for the Group and Company respectively, divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

LETTER TO SHAREHOLDERS

(c) *Purchases of 13,557,686 Shares made entirely out of capital and cancelled*

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
As at 31 December 2020				
Profit/(Loss) After Tax	(16,027)	(16,027)	(1,874)	(1,874)
Share Capital	265,667	261,301	265,667	261,301
Retained Profits/(Accumulated Losses)	(16,160)	(16,160)	(10,072)	(10,072)
Non-controlling interests	133,617	133,617	–	–
Treasury shares (as at Latest Practicable Date)	(101)	(101)	(101)	(101)
Shareholders' funds	369,609	365,243	260,408	256,042
NTA ⁽¹⁾	234,607	230,241	260,408	256,042
Current Assets	122,454	118,088	130,080	125,714
Current Liabilities	44,532	44,532	8,818	8,818
Working Capital	77,922	73,556	121,262	116,896
Total Borrowings	142,978	142,978	7	7
Total Liabilities	194,787	194,787	8,821	8,821
Number of Shares ('000)	321,381	307,823	321,381	307,823
Number of Treasury Shares ('000) (as at Latest Practicable Date)	514	514	514	514
Financial ratios				
NTA per Share (cents)	73.00	74.80	81.03	83.18
Earning/(loss) per Share (cents) ⁽²⁾	(4.99)	(5.21)	(0.58)	(0.61)
Gearing ratio ⁽³⁾	0.39	0.39	–	–
Current ratio (times) ⁽⁴⁾	2.75	2.65	14.75	14.26

Notes:

- (1) NTA equals total equity less non-controlling interests less intangible assets, if any.
- (2) For illustrative purposes, EPS is computed based on profit/(loss) after tax and number of Shares as shown in the table above.
- (3) Gearing equals total bank borrowings for the Group and Company respectively, divided by Shareholders' funds.
- (4) Current ratio equals current assets divided by current liabilities.

LETTER TO SHAREHOLDERS

The financial effects set out above based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2020 and the assumption that 13,557,686 Shares are acquired by the Company pursuant to the Share Purchase Mandate, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Purchase Mandate would enable the Company to potentially purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution. The Directors do not propose to exercise the Share Purchase Mandate to an extent that would materially and adversely affect the working capital requirements of the Company.

2.8 Reporting Requirements.

Within 30 days of the passing of the Shareholders' resolution to approve the proposed renewal of the Share Purchase Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA in the prescribed form within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition.

The Listing Manual Rule 886 specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a market acquisition, on the Market Day following the day of purchase or acquisition of any of its Shares, and
- (b) in the case of an off-market acquisition on an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares excluding treasury shares and the number of treasury shares held after the purchase.

2.9 Listing Manual

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with Listing Manual Rule 1207(19) and the Company's internal guide on securities dealings, the Company would not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company's half year and full-year financial results.

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The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public Shareholders. The term “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the listed company or its subsidiary companies, as well as the associates of such persons.

As at the Latest Practicable Date, approximately 14.2% of the issued Shares are in the hands of the public. Assuming that the Company purchases or acquires its issued Shares through market acquisitions up to the full 4.2% limit in order to maintain public float pursuant to the Share Purchase Mandate from the public, the number of Shares in the hands of the public would be reduced to 32,138,110 Shares, representing approximately 10% of the reduced issued share capital of the Company.

In undertaking any purchases or acquisitions of Shares pursuant to the Share Purchase Mandate, the Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is sufficient float for an orderly market in its securities when purchasing its Shares. The Directors will at all times ensure that when purchasing any Shares pursuant to the Share Purchase Mandate, at least 10% of its Shares will remain in the hands of the public in accordance with the Listing Manual without (a) affecting the listing status of the Shares on the SGX-ST; (b) causing market illiquidity of the Shares; and (c) affecting adversely the orderly trading of the Shares.

2.10 Take-over Implications

Appendix 2 of the Take-over Code (“**Appendix 2**”) contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.10.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”). If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14.

2.10.2 *Persons Acting in Concert*

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

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- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

2.10.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Based on the information in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings as at the Latest Practicable Date, none of the Directors or substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 as a result of the acquisition or purchase by the Company of 4.2% of its issued Shares as at the Latest Practicable Date. Further details of the interests of the Directors and substantial Shareholders in the Shares as at the Latest Practicable Date are set out in paragraph 4 of this Appendix.

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The Directors are not aware of any other Shareholder who may become obligated to make a mandatory take-over offer in the event that the Company purchases the maximum number of Shares under the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

2.11 Share Purchase in the Previous 12 Months

The Company has not purchased or acquired any Shares during the 12-month period preceding the Latest Practicable Date.

3. TAX IMPLICATION ARISING FROM SHARE PURCHASES

Shareholders who are in doubt as to their respective tax positions or any tax implications of Share Purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Directors' Interests

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date are set out below:

Name of Director	Number of Shares held			%	%
	Direct Interest	Deemed Interest	Total interest No. of Shares	Before Share Purchase	After Share Purchase ⁽²⁾
Madam Oei Siu Hoa @ Sukmawati Widjaja ⁽¹⁾	275,007,303	600,000	275,607,303	85.76	89.53
Hano Maeloa ⁽¹⁾	600,000	–	600,000	0.19	0.20
Chang Shyre Gwo	78,000	–	78,000	0.02	0.03
Yeo Chin Tuan Daniel	–	–	–	–	–
Lam Lee G	–	–	–	–	–
Mimi Yuliana Maeloa ⁽¹⁾	–	–	–	–	–

Note:

- (1) Madam Oei Siu Hoa @ Sukmawati Widjaja is the mother of Mr Hano Maeloa and Ms Mimi Yuliana Maeloa. Madam Oei Siu Hoa @ Sukmawati Widjaja has a deemed interest in the shareholdings held by her son, Mr Hano Maeloa.
- (2) The percentages in the table are calculated based on 321,381,099 Shares (excluding treasury shares of 514,200), assuming that the Company purchases 13,557,686 Shares.

5. DIRECTORS' RECOMMENDATION

Having fully considered the rationale and benefit of the Share Purchase Mandate, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2021 AGM.

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6. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 168 to 174 of the Annual Report, will be held on 28 April 2021 at 10.00 a.m (Singapore time) for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution set out in the Notice of AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

A Shareholder is unable to attend the 2021 AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon not later than 48 hours before the time appointed for the 2021 AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the 2021 AGM if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the 2021 AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the 2021 AGM.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

9. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Appendix up to the date of the 2021 AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report.

Yours faithfully
For and on behalf of the Board of Directors of
Top Global Limited

Jennifer Chang Shyre Gwo
Chief Operating Officer and Executive Director