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EXPLORING NEW HORIZONS

ANNUAL REPORT 2017



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This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this Annual Report including the correctness of any of the figures used, statements or opinions made.

This Annual Report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Annual Report including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Liau H.K.

Telephone number: 6221 0271

CHAIRMAN'S STATEMENT AND 2017 YEAR IN REVIEW

Dear Valued Shareholders

On behalf of the Board of Directors of Transcorp Holdings Limited (the "**Company**" or "**Transcorp**") and together with its subsidiaries (the "**Group**"), I am pleased to present the Annual Report for the financial year ended 31 October 2017 ("**FY2017**").

Financial Aspect

Revenue for FY2017 came in at S$6.08 million, a 9.5% decline year-on-year. The decrease was largely due to the drop in the number and type of cars sold.

The Group's incurred a gross loss of S$0.44 million in FY2017. In FY2016, the Group reported a gross profit of S$0.02 million. This was mainly due to the drop in the number and type of cars sold despite better management of the cost of cars as well as operating costs such as parts and accessories and storage charges,

Administrative expenses increased by S$0.89 million to S$4.60 million in FY2017 mainly due to increase in depreciation, staff cost and directors' remuneration.

Other operating expenses of S$1.07 million incurred in FY2017 was reversal of fair value on inventories due to the fair value of inventories lower than the expected selling price of inventories at financial year-end.

Loss before tax decreased by S$4.41 million to S$5.97 million in FY2017 was mainly due to decrease in other operating expenses offset by higher operating loss incurred in current year.

a. Liquidity ratio at 7.48 (2016: 12.42)

b. Net Tangible Asset per share (cents) at 6.50 (2016: 8.73)

c. Loss per share (cents) at 2.23 (2016: 3.00)

d. Gearing ratio at 0.06 (2016: 0.03)



CHAIRMAN'S STATEMENT AND 2017 YEAR IN REVIEW

Business Aspect

FY2017 was another difficult year for Transcorp due to the continuing growth in the market for private hire cars which affect the actual automobile sales for parallel importer operators like us as well as changes in the emission rules. On 1 September 2017, automobile imported into Singapore must comply with the emission standard "Euro 6". Prior to the effective date, the Group has started clearing and controlling the importing of Japanese automobiles which only meet the emission standard "Euro 4".

The challenging conditions resulted in the Group suffered a net loss of S$5.71 million in FY2017.

Notwithstanding the above, the Company intends to continue focusing on the automobile sales sector and in this regards, the Company has incorporated a wholly-owned subsidiary, Stallion Auto Pte. Ltd. on 25 October 2017 with an intention to expand its automobile business into wholesaling and leasing in addition to its current retail business.

The Group is also currently exploring and evaluating other business opportunities that may enhance shareholders' value in the long term. On 31 October 2017, the Company released an announcement that the Company has entered into a Memorandum of Understanding with an interested person to participate in a property development project in Dongshan China.

A Note of Appreciation

The eventual success of the Group is very dependent on the commitment and quality of the staff. I am very appreciative of our staff in Transcorp, who has weathered the difficult times with us.

I believe we are not out of the woods yet but we are making steady progress. Despite the uncertain world economy, we will continue to focus on growing our retail business and concentrate on the wholesaling and leasing sector. We are determined to create an enterprise that can ensure profitability through thick and thin.

On behalf of the Board of Directors, I would like to express our gratitude and extend our deepest appreciation to our shareholders, customers, suppliers, business associates who have stayed with us and have faith in us during these difficult times.

Goh Chin Soon
Executive Chairman

BOARD OF DIRECTORS

Goh Chin Soon
Executive Chairman

Mr Goh Chin Soon ("**Mr Goh**") has served the Board since December 2015. He was appointed as the Chairman of the Board and re-designated as the Executive Chairman of the Company on 27 June 2016. He assumes responsibilities for, amongst others, exercising control over quality, quantity and timeliness of information between Management and the Board, and assisting in ensuring compliance with the Company's guidelines on corporate governance. Mr Goh has been performing the functions as the Chief Executive Officer ("**CEO**") and is responsible for the business directions and operational decisions of the Group and steering the strategic direction and growth of the Group's business. He assists the Company in its efforts to identify business opportunities and provides management leadership of the Company.

Date of first appointment as a director:
17 December 2015

Date of last re-elected as a director:
4 February 2016

Directorship in other listed companies

Present & Past 3 years
Nil

Other Principal Commitments
- Dongshan Overseas Chinese Hotel, Chairman
- Fu Jia Development Co Ltd, CEO
- Hua Xin Development Co Ltd, CEO

Family Relationship
Husband of Madam Chu Wan Zhen, a controlling shareholder of the Company

Tan Wee Peng Kelvin
Lead Independent Director

Tan Wee Peng Kelvin ("**Mr Kelvin Tan**") is our Lead Independent Director and was appointed to our Board on 27 June 2016. He has over 30 years of professional and management experience in the private and public sectors in Singapore. From 1996 to 2003, Mr Kelvin Tan was with Temasek Holdings Pte Ltd, where his last held position was the Managing Director of its Private Equity Funds Investment Unit. From 2003 to 2004, he was the Global Head of Business Development of PSA International Pte. Ltd. and concurrently CEO of PSA India Pte Ltd. He later assumed the position of the President of AETOS Security Management Pte Ltd from 2004 to 2008. From 2008 to 2014, Mr Kelvin Tan was the Managing Director of GBE Holdings Pte. Ltd. Mr Kelvin Tan also advises private companies and private equity funds in the areas of corporate governance, finance and investments, business strategy and corporate development, and leadership development in addition to being an Adjunct Associate Professor with the NUS Business School.

Mr Kelvin Tan graduated from the National University of Singapore with a Bachelor of Accountancy (First Class Honours) on a Police Scholarship and also obtained a Master of Business Administration from the National University of Singapore. He has also attended the Program for Management Development at the Harvard Business School. Mr Kelvin Tan is a Council Member and Fellow of the Institute of Singapore Chartered Accountants, a member of the Singapore Institute of Directors, and a member of the Institute of Management Consultants (Singapore).

Date of first appointment as a director:
27 June 2016

Date of last re-elected as a director:
28 April 2017

Directorship in other listed companies

Present
- IREIT Global Group Pte. Ltd.
- Sabana Real Estate Investment Management Pte Ltd
- Unusual Limited
- Viking Offshore and Marine Limited

Past 3 Years
Accrelist Ltd. (formerly known as WE Holdings Ltd.)
Shanghai Turbo Enterprise Ltd

Other Principal Commitments
Nil

BOARD OF DIRECTORS

Chia Siak Yan Vincent
Independent Director

Mr Chia Siak Yan Vincent ("**Mr Vincent Chia**") is our Independent Director and was appointed to our Board on 13 July 2017. He started his career with Temasek Holdings where he received his grounding in private equity and venture capital work. He then gained further merger and acquisition as well as corporate planning and strategy experience at Singapore Press Holdings Limited and KPMG Corporate Finance. He was also previously the General Manager of Corporate Development at Cityneon Holdings Limited.

Mr Vincent Chia has about 20 years of corporate investment and strategy development experience. He has also been involved in a variety of transactions and corporate exercises across various industries such as media and internet, technology and IT, engineering and construction, environmental and renewables, real estate, healthcare, commodities and trading as well as education.

His first degree is in Civil Engineering with a Minor in Law and his masters is in Applied Economics, both from the National University of Singapore.

Date of first appointment as a director:
13 July 2017

Date of last re-elected as a director:
Not applicable

Directorship in other listed companies

Present & Past 3 years
Nil

Other Principal Commitments
- Savinco Advisory Pte Ltd, Director

Tan Chade Phang Roger
Independent Director

Mr Tan Chade Phang ("**Mr Roger Tan**") is our Independent Director and was appointed to our Board on 23 May 2017. He is the CEO and founder of Voyage Research since 2009 till present. Prior to setting up Voyage Research, he was an Investment Analyst with Standard Chartered Bank Singapore from 2007 to 2008, and was also the lead Investment Analyst in SIAS Research from 2005 to 2006. He is currently also the President of the Small and Middle Capitalisation Association (SMCCA) where he actively tries to gather small and middle capitalisation companies within a single entity to work closely with the authorities and professionals to improve the visibility and governance standards of its members. Mr Roger Tan also sits on the Board of Dapai International Holdings Co. Ltd., OUE Lippo Healthcare Limited and Starland Holdings Limited as an Independent Director.

He graduated with a Bachelor of Business in Accountancy Degree from RMIT University and obtained a Master of Finance from the same university.

Date of first appointment as a director:
23 May 2017

Date of last re-elected as a director:
Not applicable

Directorship in other listed companies

Present
- Dapai International Holdings Co. Ltd.
- OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited)
- Starland Holdings Limited

Past 3 years
Nil

Other Principal Commitments
- Bodhi Tree Network, Director
- Small and Middle Capitalisation Company Association, President
- Voyage Research Pte Ltd, CEO

KEY MANAGEMENT

Lim Boon Ping
Chief Financial Officer

Mr Lim Boon Ping ("**Mr Lim**") was appointed as the Group Chief Financial Officer in July 2017. He oversees the Group's financial functions which relate to corporate finance, financial reporting, tax, corporate secretarial matters as well as liaising with external parties in respect of the Group's financial matters. His responsibilities include the review of the Group's performance, cash flow planning and funding structure. Mr Lim has over 19 years of experience in finance and accounting. Prior to joining our Group, from 2008 to 2016, he was the Group Chief Financial Officer of Libra Group Limited, GLG Corp Limited, Scintronix Corporation Ltd and Ying Li International Real Estate Ltd ("**Ying Li**"). He was the Financial Controller of a company engaged in the manufacturing and distribution of ophthalmic lenses prior to joining Ying Li.

Mr Lim holds a professional qualification from the Chartered Association of Certified Accountants of United Kingdom and is currently a Fellow member of the Institute of Singapore Chartered Accountants, Chartered Association of Certified Accountants of United Kingdom and a member of Singapore Institute of Directors.

Chua Heng Chuan Ronnie
Executive Director of Regal Motors Pte Ltd

Mr Chua Heng Chuan Ronnie ("**Mr Ronnie Chua**") joined Regal Motors Pte Ltd in Oct 2013 as an Executive Director. Mr Ronnie Chua has more than 36 years of experience in the automotive industry with an emphasis on automobile sales. He has held position of various capacities at different stages of his career, including in shipping and marketing Executive at Tan Chong & Sons Motor Co. Pte Ltd, Sale Manager at Euroasia Auto Pte Ltd and as founder of two different companies dealing in used cars and as a parallel importer. Mr Ronnie Chua is responsible for overseeing the operations and management of the Group's motor cars business. He is also responsible to oversee any new business that the Group is embarking on.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Goh Chin Soon
Executive Chairman

Tan Wee Peng Kelvin
Lead Independent Director

Chia Siak Yan Vincent
Independent Director
(Appointed on 13 July 2017)

Tan Chade Phang Roger
Independent Director
(Appointed on 23 May 2017)

AUDIT COMMITTEE

Tan Wee Peng Kelvin (Chairman)
Chia Siak Yan Vincent
Tan Chade Phang Roger

NOMINATING COMMITTEE

Tan Chade Phang Roger (Chairman)
Chia Siak Yan Vincent
Tan Wee Peng Kelvin

REMUNERATION COMMITTEE

Chia Siak Yan Vincent (Chairman)
Tan Chade Phang Roger
Tan Wee Peng Kelvin

SECRETARIES

Lai Kuan Loong Victor
Kelly Kiar Lee Noi

REGISTERED OFFICE

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COMPANY REGISTRATION NUMBER

199502905Z

AUDITORS

Baker Tilly TFW LLP
600, North Bridge Road
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Singapore 188778

Partner-in-charge: Lee Chee Sum Gilbert
(Appointed since financial year ended 31 October 2016)

SPONSOR

Asian Corporate Advisors Pte. Ltd.
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#21-05 SBF Center
Singapore 068914

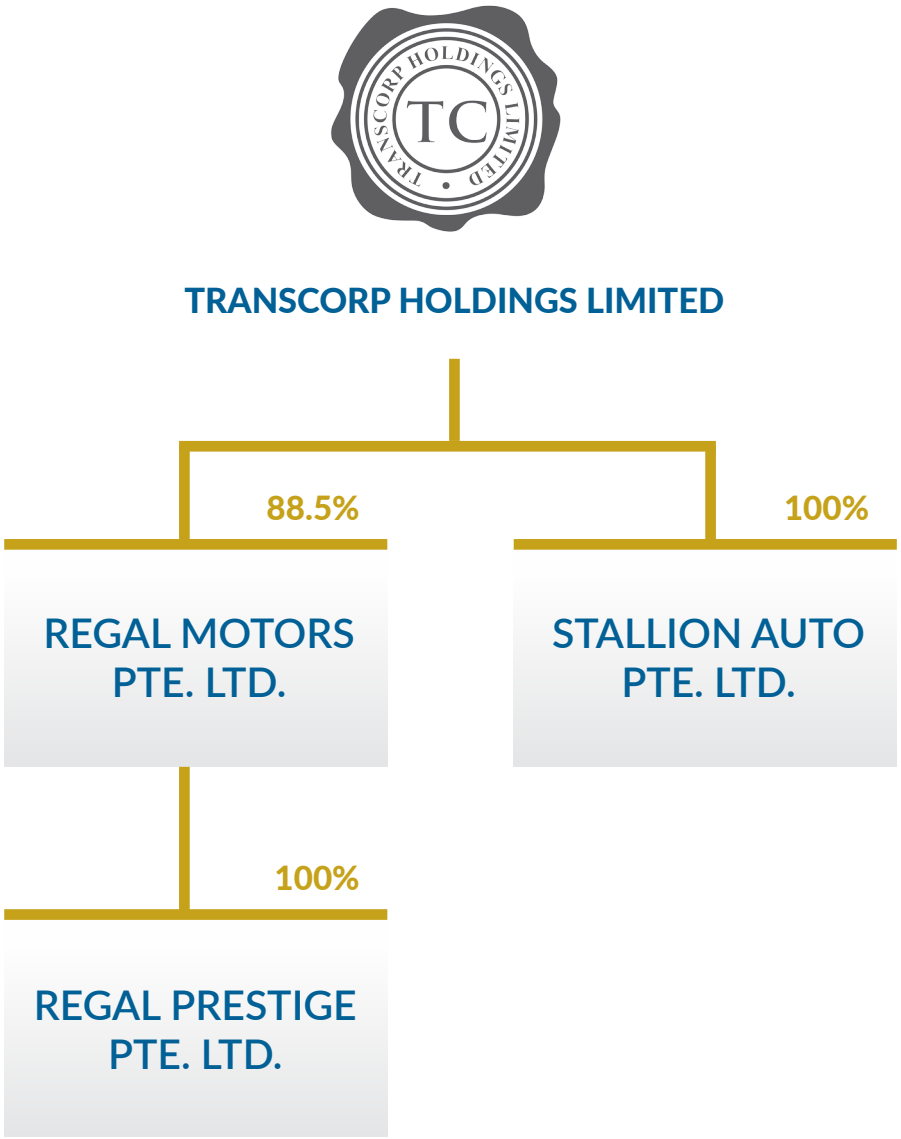
SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
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Singapore 048623
Tel: (65) 6536 5355
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BANKERS

United Overseas Bank Limited
Oversea-Chinese Banking Corporation

CORPORATE STRUCTURE



CORPORATE GOVERNANCE REPORT

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

The board of directors (the "**Board**" or "**Directors**") of Transcorp Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") recognises the importance of corporate governance to shareholders and is committed to ensuring the practices recommended in the Code of Corporate Governance 2012 (the "**Code**") are practiced throughout the Group. The Company believes that good corporate governance provides the framework for an ethical and accountable corporate environment, which will maximise long term shareholders' value and protect the interests of shareholders.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 October 2017 ("**FY2017**"), with specific reference made to the principles of the Code and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in January 2015 (the "**Guide**").

The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable. Appropriate explanations have been provided in the relevant sections below where there are any deviations from the Code and/or the Guide.

I. BOARD MATTERS

The Board's Conduct of its Affairs
Principle 1: Effective Board to lead and control the Company

The Board oversees the management of the business and affairs of the Group. The Board's role is to:

(a) set and direct strategic plans and performance objectives of the Group, to provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(b) establish a framework of prudent and effective controls which enables the identification, assessment, and management of risks;

(c) approving the nomination of Board members and the appointment of key management personnel;

(d) review key management personnel's performance;

(e) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(f) evaluating the adequacy of the Group's internal controls, risk management, financial reporting and compliance;

(g) set the Group's values and standards, including ethical standards, and ensure that obligations to shareholders and other stakeholders are understood and met;

(h) review and approve financial plans and financial results, annual budgets, proposals for acquisitions, investments and disposals, material borrowings, fund raising exercises and announcements;

(i) consider sustainability issues, such as environmental and social factors, as part of its strategic formulation; and

(j) ensure accurate, adequate and timely reporting to, and communication with shareholders.

CORPORATE GOVERNANCE REPORT

The Board has delegated specific responsibilities to its three committees (the "**Board Committees**"), namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**"). These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis.

The Board meets at least twice in each financial year to coincide with the announcements of the Group's half year and full year financial results. Additional ad-hoc meetings are held where circumstances require to address any specific or significant matters that may arise. The Constitution of the Company allows for Board meetings to be conducted by way of tele-conference and/or by means of similar communication equipment where all Directors participating in the meeting are able to hear each other. Decisions of the Board and Board Committees may also be obtained through circular resolutions.

The Board is involved in the supervision of the management of the Group's operations. All Directors shall discharge their fiduciary duties and responsibilities at all times in the interests of the Group. Matters which specifically require the Board's decision or approval include:

(1) corporate strategy, business plans and direction of the Group;

(2) material acquisitions and disposals of assets;

(3) corporate and financial restructuring;

(4) share issuance and dividends;

(5) appointment, termination and compensation of Executive Director(s);

(6) annual budgets, financial results announcements, annual report and audited financial statements; and

(7) interested person transactions.

The number of meetings held and attended by each Director for the financial year under review are set out below:

Directors	Board		AC[1]		NC[1]		RC[1]	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Goh Chin Soon	3	2	3	2*	1	Not applicable	1	Not applicable
Tan Wee Peng Kelvin	3	3	3	3	1	1	1	1
Chia Siak Yan Vincent[2]	3	Not applicable	3	Not applicable	1	Not applicable	1	Not applicable
Tan Chade Phang Roger[3]	3	2	3	2	1	Not applicable	1	Not applicable
Chu Wan Zhen[4]	3	–	3	–	1	–	1	–
Lim Yit Keong[5]	3	1	3	1	1	1	1	1

* By invitation

(1) The AC, NC and RC comprises three (3) members, all of whom, including the Chairman, are Independent and Non-Executive Directors.

(2) Mr Chia Siak Yan Vincent was appointed as an Independent Director on 13 July 2017 and the Chairman of the RC, in place of Mr Tan Chade Phang Roger, and a member of the AC and NC.

(3) Mr Tan Chade Phang Roger was appointed as an Independent Director, the Chairman of the NC and RC, and a member of the AC on 23 May 2017. On 13 July 2017, he had relinquished his role as the Chairman of the RC and continued to remain as a member of the RC.

(4) Madam Chu Wan Zhen had retired as a Non-Executive Director on 28 April 2017.

(5) Mr Lim Yit Keong was appointed as an Independent Director, the Chairman of the NC and RC, and a member of the AC on 18 November 2016 and subsequently retired on 28 April 2017.

As a general rule, Board papers are sent to Directors before the Board meeting so that members understand the matters before the Board meeting and discussion will be focused on questions that the Board has about the Board papers.

All newly appointed Directors will undergo an informal orientation programme where the Director would be briefed on the Group's business operations, strategic directions and policies, corporate functions and governance practices, as well as the expected duties of a Director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel.

The Directors also have access to further relevant training, particularly on relevant new laws, regulations and changing commercial risks, from time to time, at the expense of the Company.

The Board values on-going professional development and recognises that it is important that all Directors receive regular training so as to be able to serve effectively on and contribute to the Board. The Board will consider adopting a policy on continuous professional development for Directors.

To ensure Directors can fulfil their obligations and to continually improve the performance of the Board, all Directors are encouraged to undergo continual professional development during the term of their appointment. Professional development may relate to a particular subject area, committee membership, or key developments in the Company's environment, market or operations which may be provided by accredited training providers such as the Singapore Institute of Directors. Directors are encouraged to consult the Chairman of the Board if they consider that they personally, or the Board as a whole, would benefit from specific education or training regarding matters that fall within the responsibility of the Board or relate to the Company's business. Such training costs are borne by the Company.

Briefings, updates and trainings for the Directors in FY2017 included:

- the external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards; and

- the Company Secretary had briefed the Board on the continuing obligations under the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") as well as periodic updates on the Catalist Rules where necessary.

Formal letters of appointment will be furnished to any newly appointed directors, explaining among other matters, the roles, obligations, duties and responsibilities as a member of the Board.

Board Composition and Balance
Principle 2: Strong and independent element on the Board

As at the date of this report, the Board comprises only one (1) Executive Director and three (3) Independent Directors, namely:

Goh Chin Soon	Executive Chairman
Tan Wee Peng Kelvin	Lead Independent Director
Chia Siak Yan Vincent (appointed on 13 July 2017)	Independent Director
Tan Chade Phang Roger (appointed on 23 May 2017)	Independent Director

CORPORATE GOVERNANCE REPORT

In view that the Chairman of the Board (the "**Executive Chairman**") is part of the management team and is not an Independent Director, Guideline 2.2 of the Code is met as the Independent Directors make up more than half the Board. Mr Tan Wee Peng Kelvin, who is the Lead Independent Director of the Company, makes himself available to shareholders at the Company's general meetings and through the Company by way of an appointment which can be made at the registered office of the Company at 20 Martin Road, #09-01 Seng Kee Building, Singapore 239070.

The NC had reviewed the independence of the Independent Directors post-FY2017 at a meeting held on 26 December 2017. The independence of each Director will be reviewed annually by the NC in accordance with the Code.

The Independent Directors, Mr Tan Wee Peng Kelvin, Mr Chia Siak Yan Vincent and Mr Tan Chade Phang Roger, have confirmed that they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of their independent business judgement with a view to the best interests of the Company.

The Board has determined, taking into account the views of the NC, that Mr Tan Wee Peng Kelvin, Mr Chia Siak Yan Vincent and Mr Tan Chade Phang Roger are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the judgement of each of the aforesaid Directors.

There are no Directors who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

As at the date of this Annual Report, none of the Independent Directors have served on the Board beyond nine (9) years since the date of his first appointment.

Nonetheless, the independence of any Directors who has served on the Board beyond nine (9) years since the date of his first appointment will be subject to particularly rigorous review.

The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's operations, the requirements of the business and the need to avoid undue disruptions from changes to the composition of the Board and Board Committees, the Board, in concurrence with the NC, believes that its current board size and the existing composition of the Board Committees effectively serve the Group. It provides sufficient diversity of skills, experience and knowledge of the Group without interfering with efficient decision-making.

The Board is of the opinion that it would be most effective to draw on the wealth of experience from the longer serving Directors while concurrently taking progressive steps to review and consider opportunities to refresh the Board as and when deemed required.

To meet the changing challenges in the industry which the Group operates, such reviews, which include considering factors such as the expertise, skills and perspectives which the Board needs against the existing competencies would be done on an annual basis to ensure that the Board dynamics remain optimal.

The Board's policy in identifying Director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

The current Board composition provides a diversity of skills, experience, and knowledge to the Company as follows:

Core Competencies	Number of Directors	Proportion of Board
– Accounting or finance	3	3/4
– Business management	4	4/4
– Legal or corporate governance	3	3/4
– Relevant industry knowledge or experience	4	4/4
– Strategic planning experience	4	4/4
– Customer based experience or knowledge	4	4/4

The Board has taken the following steps to maintain or enhance its balance and diversity:

- annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

- annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors.

All of the Company's Non-Executive Directors are also Independent Directors. Management provides the Independent Directors with accurate, complete and timely information. Further, the Independent Directors have unrestricted access to Management and the auditors and the Company Secretary. The Independent Directors also have access to Management to query and request for further information on proposed significant transactions and the development of business strategies. The Board (including the Independent Directors) reviews the business performance of the Company on semi-annual basis prior to the release of the financial results. The Independent Directors also review the performance of Management in meeting agreed goals and objectives and monitor reporting of performance. Such review of Management's performance is done annually and the Independent Directors provide their feedback to the Board in relation to Management's performance.

The profile of the Directors is set out in the section, "Board of Directors" of the Annual Report.

Chairman and Chief Executive Officer
Principle 3: Clear division of responsibilities and balance of power and authority

Mr Goh Chin Soon is the Executive Chairman and has been performing the functions as the Chief Executive Officer ("**CEO**"). The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters, and that the existing leadership arrangement is effective. The Board is of the opinion that the two roles should not be separated after taking into consideration the following:

- size and capabilities of the Board;

- size and operations of the Group; and

- sufficient safeguards and checks in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable power and influence.

The duties of the Executive Chairman and CEO include:

(a) leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda;

(b) ensuring that Directors receive complete, accurate and timely information;

(c) ensuring effective communication with shareholders;

(d) encouraging constructive relations within the Board;

(e) encouraging constructive relations between the Board and Management;

(f) facilitating effective contribution of Non-Executive Directors;

(g) promoting a culture of openness and debate at the Board;

(h) promoting high standards of corporate governance; and

(i) responsible for identifying and securing new businesses for the Group.

The Board will continue to review the role of the Chairman and CEO as well as the composition (including the independence) of the Board to ensure that it does not impede the principles of independence and objectivity in decision making.

In line with the Code's recommendation, Mr Tan Wee Peng Kelvin has been appointed as the Lead Independent Director in view of the fact that the Executive Chairman is part of the management team and is not an Independent Director. The Lead Independent Director is available to shareholders where they have concerns for which contact through the normal channels of the Executive Chairman and CEO has failed to resolve or for which such contact is inappropriate.

During the financial year, the Independent Directors have met once in the absence of key management personnel and Executive Director, to discuss matters and provide relevant feedback.

Board Membership
Principle 4: Formal and transparent process for the appointment and reappointment of Directors to the Board

As at the date of this report, the NC comprises the following three (3) members, all of whom, including the Chairman, are Independent and Non-Executive Directors:

Tan Chade Phang Roger	Chairman
Chia Siak Yan Vincent	Member
Tan Wee Peng Kelvin	Member

The NC is guided by the key terms of reference as follows:

(a) appointment of new Directors with the appropriate profile with regards to their expertise, experiences, industry background, track record and competencies;

(b) annual review of skills required by the Board, and the size of the Board;

(c) determining annually and as and when required, the independence of Directors;

(d) to make plans for succession, in particular for the Chairman of the Board and the CEO;

(e) re-nominating Directors for re-election in accordance with the Company's Constitution at each annual general meeting ("**AGM**") of the Company;

(f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the number of his listed company board representations and/or other principal commitments;

(g) Set guideline on multiple board representations;

(h) deciding the assessment process and implementing a set of objective performance criteria for evaluation of the Board's performance;

(i) evaluating the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted; and

(j) review and recommend training and professional development programs for the Board.

Pursuant to Article 91 of the Company's Constitution, one third (1/3) of the Board (other than the Managing Director) is to retire by rotation and subject themselves to re-election by shareholders at every AGM. The NC recommended to the Board that Mr Goh Chin Soon be nominated for re-election under Article 91 at the forthcoming AGM of the Company.

Each member of the NC shall abstain from voting on any recommendation and/or participating in respect of matters in which he has an interest.

Mr Goh Chin Soon will, upon re-election as a Director of the Company, remain as the Executive Chairman of the Company.

Pursuant to Article 97 of the Company's Constitution, any new Director so appointed by the Directors shall hold office until the next AGM of the Company and shall be eligible for re-election. The NC recommended to the Board that Mr Chia Siak Yan Vincent and Mr Tan Chade Phang Roger be nominated for re-election under Article 97 at the forthcoming AGM of the Company.

Mr Chia Siak Yan Vincent will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the RC, and a member of the AC and NC of the Company respectively. Mr Tan Chade Phang Roger will, upon re-election as a Director of the Company, remain as an Independent Director of the Company, the Chairman of the NC, and a member of the AC and RC of the Company respectively. Mr Chia Siak Yan Vincent and Mr Tan Chade Phang Roger are considered by the Board to be independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

The Board has not capped the maximum number of listed company board representations each Director may hold.

The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments, not guided by a numerical limit. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.

The considerations in assessing the capacity of Directors include the following:

- expected and/or competing time commitments of Directors, including whether such commitment is a full-time or part-time employment capacity;
- size and composition of the Board;
- nature and scope of the Group's operations and size;
- relevant industry knowledge and experience;
- relevant corporate, professional and management experience; and
- capacity, complexity and expectations of the other listed directorships and principal commitments held.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, taking into account the multiple directorships and other principal commitments of each of the Directors (if any), and is satisfied that all Directors have discharged their duties adequately in FY2017.

The Company does not have any alternate directors currently. Alternate directors will be appointed as and when the Board deems necessary. Circumstances which warrant such appointments may include health, age related concerns as well as Management succession plans.

The NC is responsible for identifying candidates and reviewing all nominations for the appointment, re-appointment or termination of Directors and Board Committee members.

In the nomination and selection process, the NC identifies the candidates and reviews the nominations for the appointments based on the following criteria:

- at least half of Directors shall be Independent Directors; and
- the candidate shall be a fit and proper person to hold such office, and the most qualified candidate nominated for the office, taking into account his or her participation and contributions during and outside board meetings, the candidate's track record, experience, capabilities and other relevant factors.

Where the need to appoint a new Director arises, the NC will review the composition and range of expertise, skills and attributes of the Board and Board Committees. The NC will prepare a shortlist of candidates with the appropriate profile for nomination before sourcing for candidates through an extensive network of contacts. Candidates are identified based on the desired qualifications, skill sets, competencies and experience, which are required to supplement the Board's existing attributes. If need be, the NC may seek assistance from external search consultants for the selection of potential candidates. Directors and Management may also put forward names of potential candidates, together with their curriculum vitae, for consideration. After the NC Chairman, the Chairman of the Board and the other NC members have interviewed the candidates, the candidates are shortlisted for the NC's formal consideration for appointment to the Board.

As at the date of this report, the year of initial appointment and last re-election of each Director as well as their present and past three (3) years' directorships in other listed companies are set out below:

Name of Director	Date of initial Appointment	Date of last re-election	Directorships in other listed companies		Other principal Commitments
			Present	Past three years	
Goh Chin Soon	17 December 2015	4 February 2016	Nil	Nil	(1) Dongsan Overseas Chinese Hotel, Chairman (2) Fu Jia Development Co Ltd, CEO (3) Hua Xin Development Co Ltd, CEO
Tan Wee Peng Kelvin	27 June 2016	28 April 2017	(1) IREIT Global Group Pte Ltd (2) Sabana Real Estate Investment Management Pte. Ltd. (3) Unusual Limited (4) Viking Offshore and Marine Limited	(1) Accrelist Ltd. (2) Shanghai Turbo Enterprises Ltd	
Chia Siak Yan Vincent	13 July 2017	Not applicable	Nil	Nil	Savinco Advisory Pte Ltd, Director
Tan Chade Phang Roger	23 May 2017	Not applicable	(1) Dapai International Holdings Co. Ltd. (2) OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Limited) (3) Starland Holdings Limited	Nil	(1) Bodhi Tree Network, Director (2) Small and Middle Capitalisation Company Association, President (3) Voyage Research Pte Ltd

CORPORATE GOVERNANCE REPORT

Board Performance
Principle 5: Formal assessment of the effectiveness of the Board and contribution by each Director

The NC decides on how the Board's performance is to be evaluated and to propose objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole.

In evaluating the Board's performance, the NC considers a set of quantitative and qualitative performance criteria that has been approved by the Board. The performance criteria for the Board's evaluation are in respect of:

- Board size and composition;
- Access to information;
- Board processes;
- Board information and accountability;
- Risk management; and
- Board Committee performance in relation to discharging their responsibilities set out in their respective terms of reference.

The NC had concurred that it was difficult to evaluate the performance of the Board Committees and individual Directors given the relatively small size of the Board. As such, no assessment was carried out for the Board Committees and each individual Director for FY2017. The NC would consider implementing such performance evaluation for each Board Committee and individual Director at a time deemed appropriate.

The Board has not engaged any external facilitator to conduct the performance evaluation of the Board. Where relevant and when the need arises, the NC will consider such an engagement.

The NC had assessed the current Board's performance for 2017 and is of the view that the performance of the Board as a whole was satisfactory.

Access to Information
Principle 6: Board members to have access to complete, adequate and timely information

In order to ensure that the Board is able to fulfil its responsibilities, Management provides all Directors with complete, adequate and timely information prior to Board meetings, and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities. In additions, all relevant information on the Group's annual budgets, financial statements, internal and external auditors' reports, shareholding statistics, material events and transactions complete with background and explanations are circulated to Directors as and when they arise. As stated above, it is as and when it need to provide to Directors the management account. To the Directors, a half-year results announcement is adequate for them at this point in time and that it is deemed adequate by the Directors taking into account current business and operations of the Company. All Directors have separate and independent access to the Company's senior management, who together with the Company Secretaries, are responsible for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with. Whenever necessary, senior management staff will be invited to attend the Board meetings and AC meetings to answer queries and provide detailed insights into their areas of operations.

All Directors have separate and independent access to the Company Secretaries. The role of the Company Secretaries, the appointment and removal of whom is a matter for the Board as a whole, is as follows:

Ensuring that Board procedures are observed and that the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the Catalist Rules, are complied with:

- Assists the Chairman to ensure good information flows within the Board and its Board Committees and key management personnel;
- Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;
- Attends and prepares minutes for all Board and Board Committee meetings;
- As Secretaries to all the other Board Committees, the Company Secretaries assist to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and
- Assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.

Should the Directors, whether individually or as a group, require independent advice on any specific issues, they may engage independent professionals at the Company's expense to enable them to discharge their duties with adequate knowledge on the matters being deliberated.

Changes to regulations and accounting standards are closely monitored by Management. The Directors are briefed either during Board and Board Committee meetings or by any of the Company Secretaries of these changes especially where these changes, *inter alia*, have an important bearing on the Directors' disclosure obligations.

II. REMUNERATION MATTERS

Procedures for Developing Remuneration Policies
Principle 7: Formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of Directors

As at the date of this report, the RC comprises the following members, all of whom, including the RC Chairman, are Independent and Non-Executive Directors:

Chia Siak Yan Vincent	Chairman
Tan Chade Phang Roger	Member
Tan Wee Peng Kelvin	Member

The RC is guided by the key terms of reference as follows:

(a) Reviewing and recommending to the Board for endorsement by the entire Board, a general framework of remuneration for the Board, the specific remuneration packages and terms of employment for each Director, the CEO (if the CEO is not a Director) and key management personnel and employee related to the Executive Director(s) or controlling shareholders of the Group;

(b) Reviewing and recommending for endorsement by the entire Board, share-based incentives or awards or any long-term incentive schemes which may be set up from time to time, in particular to review whether Directors and key management personnel should be eligible for such schemes and also evaluating the cost and benefits of such scheme and doing all acts necessary in connection therewith;

(c) Carrying out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board from time to time; and

(d) Ensuring that all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards and benefits-in-kind are covered.

The RC met once during the FY2017.

The RC recommends to the Board for endorsement, a framework of remuneration for the Board and key management personnel to ensure that the structure is competitive and sufficient to attract, retain and motivate senior management to run the Company successfully in order to maximize shareholder value.

There is a formal and transparent procedure for fixing the remuneration packages of the Directors comprises a basic retainer fee, additional fees for appointment to Board Committees. No individual Director is involved in deciding his own remuneration. Independent Directors are paid Directors' fees annually on a standard fee basis.

In reviewing the remuneration packages, the RC takes into account the current market circumstances and the need to attract and retain Directors of experience and good standing. The RC has full authority to obtain external professional advice on matters relating to remuneration should the need arise.

No remuneration consultants were engaged by the Company in FY2017.

The RC reviews the terms and conditions of service agreements of the Executive Director and key management personnel before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of Executive Director and key management personnel, to ensure that the service agreements contain fair and reasonable termination clauses and are not overly generous so as to avoid rewarding poor performance.

The service agreements entered into with the Executive Director commenced on the effective date and will automatically continue from year to year unless terminated in accordance with the terms of the agreement. The service agreement does not contain any onerous removal clauses.

Level and Mix of Remuneration
Principle 8: Remuneration of Directors should be adequate but not excessive

The Company adopts a remuneration policy, which comprises fixed and variable components. The fixed and variable components comprise a base salary, variable bonus, other benefits, and/or profit sharing. In setting remuneration packages, the Company takes into account the Group's relative performance and the performance of individual Directors. The pay and employment conditions within the same industry and in comparable companies are also given due consideration.

The review of the remuneration of the key management personnel takes into consideration the performance and the contributions of the key management personnel to the Company and gives due regard to the financial and business performance of the Group. The Group seeks to offer a competitive level of remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

Currently, the Company does not have long-term incentive schemes. The RC will explore a suitable incentive plan/scheme as and when it deems necessary.

The fees of the Independent Directors are determined by the Board according to the level of contribution, and taking into account factors such as the effort and time spent, and their respective responsibilities. The fees are subject to approval by the shareholders at each AGM. Except as disclosed, the Independent Directors do not receive any other remuneration from the Company. They do not have any service agreements with the Company.

The Company currently does not have any contractual provisions which allow it to reclaim incentives from the Executive Director and key management personnel. The Board is of the view that as the Group pays performance bonuses based on the actual performance of the Group and/or Company (and not on forward looking results) as well as the actual performance of its Executive Director and key management personnel, "claw-back" provisions in the service agreements may not be relevant or appropriate.

Disclosure on Remuneration
Principle 9: Disclosure on remuneration policy, level and mix of remuneration and procedure for setting remuneration

The Board has not included a separate annual remuneration report to shareholders in the Annual Report on the remuneration of Directors and the top five key management personnel (who are not Directors or the CEO of the Company) as the Board is of the view that the matters which are required to be disclosed in such annual remuneration report have already been sufficiently disclosed in this report and in the financial statements of the Company.

The remuneration of each individual Director and key management personnel of the Group is however not disclosed as the Company believes that disclosure may be prejudicial to its business interests, affect the retention or recruitment of competent personnel as well as the competitive pressures in the talent market given the highly competitive environment it is operating in.

The Board is of the opinion that due to confidentiality and sensitivity issues attached to remuneration matters, it would not be in the best interests of the Company to disclose the remuneration of each individual Director to the nearest thousand as recommended by the Code. The RC has also reviewed the practice of the industry and considered the pros and cons of such disclosure.

Disclosure on Directors' Fees and Remuneration

A breakdown, showing the level and mix of each individual Director's remuneration for FY2017 is as follows:

Name of Director	Salary (%)	Bonus (%)	Other Benefits (%)	Directors' fee (%)	Total (%)
$250,000 - $500,000					
Goh Chin Soon	83	–	17	–	100
Below $250,000					
Tan Wee Peng Kelvin	–	–	–	100	100
Chia Siak Yan Vincent[1]	–	–	–	100	100
Tan Chade Phang Roger[2]	–	–	–	100	100
Lim Yit Keong[3]	–	–	–	100	100

Notes:

(1) Mr Chia Siak Yan Vincent was appointed as an Independent Director on 13 July 2017 and the Chairman of the RC, in place of Mr Tan Chade Phang Roger, and a member of the AC and NC.

(2) Mr Tan Chade Phang Roger was appointed as an Independent Director, the Chairman of the NC and RC, and a member of the AC on 23 May 2017. On 13 July 2017, he had relinquished his role as the Chairman of the RC and continued to remain a member of the RC.

(3) Mr Lim Yit Keong was appointed as an Independent Director, the Chairman of the NC and RC, and a member of the AC on 18 November 2016 and subsequently retired on 28 April 2017.

Disclosure on Key Management Personnel's Remuneration

The Company has three (3) Key Management Personnel for FY2017.

The breakdown for the remuneration of the Group's Key Management Personnel (who are not Directors or the CEO) in FY2017 is as follows:

Name of Key Management Personnel	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
$250,000 – $500,000				
Chua Heng Chuan Ronnie	92	–	8	100
Below $250,000				
Kwan Hun Fah[(1)]	94	–	6	100
Lim Boon Ping[(2)]	93	–	7	100

Notes:

(1) Mr Kwan Hun Fah was appointed as the Chief Executive Officer on 18 November 2016 and subsequently resigned on 31 March 2017.

(2) Mr Lim Boon Ping was appointed as the Chief Financial Officer with effect from 3 July 2017.

The total remuneration paid to the three (3) key management personnel in FY2017 was S$389,127.

The employees who are family members of a Director or the CEO and who received remuneration in excess of S$50,000 in FY2017 were as follows:

Name of employee	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
$100,000 - $150,000				
Goh Hong Shih	91	–	9	100
Goh Teck Wah	91	–	9	100
$50,000 - $100,000				
Bernard Neo Yim Pui	93	–	7	100

Both Mr Goh Hong Shih and Mr Goh Teck Wah are Business Development Managers of the Company. Mr Goh Hong Shih is tasked to source relevant business opportunities for growth and Mr Goh Teck Wah focus on overseas projects. Mr Bernard Neo Yim Pui is the Human Resource and Admin manager.

Mr Goh Hong Shih is the son of the Executive Chairman, Mr Goh Chin Soon. Mr Goh Teck Wah and Mr Bernard Neo Yim Pui are the nephew and brother-in-law respectively of the Executive Chairman, Mr Goh Chin Soon.

The Company does not have any employee performance and share option scheme.

Save as disclosed above, the Company does not have any other employee who is an immediate family member of any Director or the CEO whose remuneration exceeded S$50,000 during FY2017.

There were no termination or retirement benefits, as well as post-employment benefits that are granted to the Directors, Executive Chairman and the CEO and key management personnel.

The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Director and key management personnel to work in alignment with the goals of all stakeholders:

Performance Conditions	Performance Criteria
Qualitative	1. Leadership and people development 2. Brand development 3. Commitment 4. Teamwork 5. Current market and industry practices 6. Macro-economic factors
Quantitative	1. Profit before tax 2. Return on equity 3. Relative financial performance of the Group to its industry peers 4. Sales growth

The Executive Director and key management personnel have substantially met their qualitative performance conditions in FY2017. However, not all quantitative performance conditions were met because of the economic climate and the industry performance. The NC is of the view that the performance of the Executive Directors and key management personnel in FY2017 had been satisfactory.

III. ACCOUNTABILITY AND AUDIT

Accountability
Principle 10: Presentation of a balanced and understandable assessment of Company's performance, position and prospects

The Board, with the assistance of the professional advisors, ensures compliance with the disclosure requirements under the Catalist Rules. In this regard, the Company demonstrates its accountability to its shareholders by announcing its financial results on a half yearly basis and other information via SGXNET in accordance with the requirements of the SGX-ST, so that the shareholders can have a detailed explanation and balanced assessment of the Company's financial position and prospects.

The Board reviews and approves the results as well as any announcements before its release, with a view to ensuring that the Company's announcements are understandable by shareholders. Strong emphasis is placed on removing technical jargon and using simple language for clarity.

The Board will furnish, among others and whenever necessary, interim and other price sensitive public reports, and reports to the regulators with the aim of providing a balanced and understandable assessment of the Company's performance, position and prospects.

Management provides the Board with management accounts and such explanation and information relating to the Company's performance on a regular basis and as the Board may require from time to time to assist the Board in understanding and in making a balanced and informed assessment of the Company's performance, financial position and prospects.

Risk Management and Internal Controls
Principle 11: Maintenance of sound system of risk management and internal controls

The Board, with the concurrence of the AC, is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2017.

The bases for the Board's view are as follows:

- Assurance has been received from the Executive Chairman and Chief Financial Officer that the financial records have been properly maintained and the financial statements for the FY2017 give a true and fair view of the Company's operations and finances, and the Company's risk management and internal control systems were adequate and effective;

- An internal audit has been done by the internal auditors and significant matters highlighted to the AC and key management personnel were appropriately addressed;

- Management regularly assesses and reviews the Group's business and operational environment in order to identify areas of significant business and financial risks such as credit risks, foreign exchange risks, liquidity risks, interest rate risks, as well as, appropriate measures to control and mitigate these risks, and report to the AC and the Board on material findings; and

- Discussions were held between the AC and auditors in the absence of Management to review and address any potential concerns.

The Board notes that the system of internal controls and risk management controls established by the Company are designed to manage, rather than to eliminate, the risk of failure in achieving business objectives. It can only provide reasonable but not absolute assurance against any material misstatement or loss.

There were no significant deficiencies highlighted by the internal auditors during the course of their audit performed in FY2017.

The Company manages risks under an overall strategy determined by the Board and supported by the AC, RC and NC respectively. The Company sets acceptable risk management standards and periodically reviews the risks that the Group is subject to. Risk management in the Group is a continuous, iterative and integrated process which has been incorporated into various planning, approval, execution, monitoring, review and reporting systems. The Group adopts a top-down as well as bottom-up approach on risk management to ensure strategic, business, operational, financial, reporting, compliance and information technology risk exposures are identified and appropriately managed.

Audit Committee
Principle 12: Establishment of Audit Committee with written terms of reference

As at the date of this report, the AC comprises the following members, all of whom, including the AC Chairman, are Independent and Non-Executive Directors:

Tan Wee Peng Kelvin	Chairman
Chia Siak Yan Vincent	Member
Tan Chade Phang Roger	Member

All members of the AC who do not have any management and business relationships with the Company or any substantial shareholder of the Company. None of the AC members were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

The Board is of the view that the members of the AC have expertise or experience in accounting and related financial management and are qualified to discharge the AC's responsibilities.

The AC has the explicit authority to investigate any matter within its terms of reference, gain full access to and co-operation by Management, exercise full discretion to invite any Director or executive officer to attend its meetings, and gain reasonable access to resources to enable it to discharge its functions properly.

The AC is guided by the key terms of reference as follows:

(a) Reviewing with the external auditors ("**EA**") on the audit plan, the evaluation of the system of internal accounting controls, the audit report and the management letter and Management's response;

(b) Ensuring co-ordination where more than one audit firm is involved;

(c) Reviewing the half-year and annual financial statements to ensure integrity of the said financial statements before the Board for approval prior to release to the SGX-ST;

(d) Reviewing any formal announcements relating to the Company's financial performance;

(e) Discussing problems and concerns, if any, arising from the interim and final audits, in consultation with the EA and the internal auditors ("**IA**") where necessary;

(f) Meeting with the EA and with the IA without the presence of Management, at least annually, to discuss any problems and concerns they may have;

(g) Reviewing the assistance given by Management to the EA;

(h) Reviewing annually the scope and results of the external audit and its cost effectiveness as well as the independence and objectivity of the EA;

(i) Reviewing the internal audit program and the adequacy and effectiveness of the Company's internal audit function, as well as to ensure co-ordination between the IA and the EA and Management;

(j) Overseeing and advising the Board in formulating its risk policies to effectively identify and manage the Company's current (and future) risks in its financial, operational, compliance and information technology systems and all strategic transactions to be undertaken by the Company;

(k) Overseeing the design and implementation of the overall risk management systems and internal control systems (including financial, operational, compliance and information technology controls);

(l) Reviewing the adequacy and effectiveness of the Company's risk management and internal control systems (including financial, operational, compliance and information technology controls) and to report to the Board annually;

(m) Reviewing the scope and results of the internal audit procedures including effectiveness of the internal audit functions and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company;

(n) Reviewing and discussing with the EA, any suspected fraud or irregularity, or suspect infringement of any law, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and Management's response;

(o) Investigating any matter within its terms of reference, with full access to and cooperation by Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;

(p) Reviewing policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensuring that arrangements are in place for such concerns to be raised and independently investigated and for appropriate follow up actions to be taken;

(q) Reporting to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(r) Reviewing interested person transactions falling within the scope of the listing rules;

(s) Approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting firm/auditing firm or corporation which the internal audit function is outsourced. The AC also ensures that the internal audit function is staffed with persons with the relevant qualification and experience and that they carry out their function according to the standards set by nationally or internationally recognized professional bodies, including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors;

(t) Recommending to the Board the appointment, re-appointment and removal of the EA, and approving the remuneration and terms of engagement of the EA;

(u) Reviewing the audit representation letters before consideration by the Board, giving particular consideration to matters that related to non-standard issues;

(v) Undertaking such other reviews and projects as may be requested by the Board; and

(w) Undertaking such other functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time.

The AC had met with the IA and the EA once in the absence of the Management during FY2017 to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit, and the independence, objectivity and observations of the auditors. The EA present to the AC the audit plan and updates relating to any change of accounting standards and issues which have a direct impact on financial statements during the AC meetings.

The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of Messer Baker Tilly TFW LLP as the EA of the Company at the forthcoming AGM.

External auditor fees in FY2017	**S$**	**% of total**
Audit fees	113,000	86.6
Non-audit fees	17,500	13.4
Total	130,500	100.0

The Company's EA are a firm of Chartered Accountants in Singapore registered with the Accounting and Corporate Regulatory Authority. The Company's EA are engaged to audit the financial statements of the Company and its Singapore-incorporated subsidiary. The Company does not have any foreign-incorporated subsidiaries and associated companies. Accordingly, the Company complies with the requirements of Rules 712 and 715 of the Catalist Rules of the SGX-ST.

The AC noted that the external auditor has identified value of inventories, deposit to supplier, and investment in subsidiary as key audit matters in its audit report.

The AC agreed that these are indeed significant matters for the Group in view of the challenging business conditions the Company and its subsidiary, Regal Motors Pte Ltd, are facing in the motor car trade. The AC also noted the approach taken by the external auditor and is satisfied with the work done by both the external auditor and management in dealing with these matters.

The AC would like to highlight to shareholders that while both inventories and investment in subsidiary have been written down and impaired respectively, these write down and impairment do not at this moment represent a realised loss to the Group. In this regard, the AC and the Board have supported management's decision to explore new business areas relating to the motor car trade such as car wholesaling and rental with a view to improving the Group's performance.

In relation to the deposit to supplier, while the AC understands the business rationale offered by management, the AC has urged management to reduce the amount of the deposit to align with the business volume so as to better manage risks associated with such deposits. The AC has also advised management to reduce such deposits and to redeploy the cash resources to the new motor car businesses and the recently announced property project in China.

Last but not least, the AC is working closely with management and the internal auditor to strengthen internal controls via processes and documentation in various aspects of the Group's administration.

Following the review and discussions the AC recommended to the Board to approve the full year financial statements.

The above were also areas of focus for the external auditors.

The external auditor has included the above as items under Key Audit Matters in the audit report for the financial year ended 31 October 2017. Refer to pages 34 to 36 of this Annual Report for the auditor's comments.

Whistle-blowing Policy

The AC has put in place a whistle-blowing policy, whereby employees of the Group and external parties, may in confidence, raise concerns about possible improper financial reporting or other matters to Mr Tan Wee Peng Kelvin, the AC Chairman via email at whistleblowing@transcorp.com.sg. The objective for such arrangement is to ensure independent investigations of such matters and for appropriate follow-up actions. The AC did not receive any whistle-blowing report during FY2017.

Internal Audit
Principle 13: Effective and independent internal audit function

The Company's internal audit function is outsourced to BDO LLP ("BDO") that reports directly to the AC Chairman. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit, with the outcome of the internal audit presented to and reviewed by Management, the AC and the Board.

The AC is responsible for the hiring, removal, evaluation and compensation of the accounting/auditing firm which the internal audit function of the Company is outsourced to. The internal audit plan complements that of the EA and together forms a robust risk-based audit approach to facilitate the AC's review of the adequacy and effectiveness of the Group's risk management and internal control systems.

The AC is satisfied that IA is able to discharge its duties effectively as the IA:

- The internal audit function is carried out based on the BDO Global Internal Audit methodology which is consistent with the standards set by nationally or internationally recognized professional bodies including the standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors;

- The IA are adequately resourced as there is a team of at least four (4) members assigned to the Company's internal audit, led by the Engagement Partner who has more than fifteen (15) years of relevant experience; and

- The IA have the appropriate standing in the Company, given, *inter alia*, its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.

IV. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder rights
Principle 15: Communication with shareholders
Principle 16: Conduct of shareholder meetings

Shareholders are entitled to attend the general meetings of shareholders and are afforded the opportunity to participate effectively in and vote at general meetings of shareholders. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures, that govern the general meetings of shareholders.

The Company's Constitution allows a shareholder to appoint up to two (2) proxies to attend and vote in the shareholder's place at the general meetings of shareholders. There is no provision in the Company's Constitution that limits the number of proxies for nominee companies.

Communication with shareholders is managed by the Board. All announcements are released via SGXNET including the half-year and full-year financial results, distribution of notices, announcement on acquisitions and other major developments. Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalist Rules. All shareholders will receive the annual report together with the notice of AGM, which will also be made available on the SGXNET.

The Company does not practice selective disclosure of material information. The Group makes all necessary disclosures to the public via SGXNET.

While the AGM of the Company is a principal forum for dialogue and interaction with all shareholders, the Company will consider use of other forums such as analyst briefings, meeting with investors and fund managers as and when such needs arise.

Before and after every general meeting, the Chairman and other members of the Board will engage in dialogue with shareholders, to gather views or inputs, and address shareholders' concerns.

The Company currently does not have an investor relations policy but considers advice from its professionals on appropriate disclosure requirements before announcing material information to shareholders. The Company will consider the appointment of a professional investor relations officer to manage the function should the need arises.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends would depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate that are beneficial to the Company. Notwithstanding the above, any declaration of dividends is clearly communicated to the shareholders via SGXNET. Taking into consideration these factors, the Group did not declare any dividends for FY2017.

The Company does not intend to implement absentia-voting methods such as email, fax or mail until security, integrity and other pertinent issues are satisfactorily resolved.

The Directors, including the respective Chairman of the Board Committees, and Management will be present at all general meetings of shareholders to address any questions the shareholders may have concerning the Group. The EA will also be present to address shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report.

Every matter requiring shareholders' approval is proposed as a separate resolution. Detailed information on each item in the AGM agenda is accompanied by explanatory notes in the notice of AGM. "Bundling" of resolutions will be kept to a minimum and will be done only where the resolutions are interdependent so as to form one significant proposal and only where there are reasons and material implications justifying the same. Questions are always sought from the shareholders before the voting on any resolution.

In compliance with Rule 730A(2) of the Catalist Rules, all resolutions tabled at general meetings of shareholders will be put to vote by poll, the procedures of which will be explained by the appointed scrutineer(s) at the general meetings of shareholders. Detailed results of all resolutions put to vote will be announced on SGXNET after conclusion of the general meeting.

The Company also maintains minutes of the AGM, which includes the key comments and queries raised by shareholders and the responses from the Board and Management. All minutes of general meetings will made available to shareholders upon their request after the general meetings.

Dealings in Securities

The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, the Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of each of the Company's half-year financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the relevant results.

The Directors are also required to notify the Company of any dealings in the Company's securities within two (2) days of the transaction and to submit an annual confirmation on their compliance with the Code of Best Practices.

Interested Persons Transactions

The Group has procedures governing all interested person transactions ("**IPTs**") to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The Group does not have a general mandate from shareholders for IPTs.

The IPTs transacted in FY2017 by the Group were as follows:

Name of Interested Person	Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) S$	Aggregate value of all IPTs conducted under shareholder's mandate pursuant to Rule 920 (excluding transactions less than S$100,000) S$
Chu Wan Zhen[1] – Consultancy services: Explore, evaluate and recommend potential project investment and M&A target for Company.	240,000	–
Cheng MingMing[2] – Consultancy services: Explore, evaluate and recommend new car businesses from countries like China, Hong Kong & Vietnam etc.	216,000	–

Notes:

(1) SG Royal Group Pte Ltd, a controlling shareholder, holding 29.50% of the issued and paid-up shares of the Company. Madam Chu Wan Zhen owns 100% of the issued shares of SG Royal Group Pte Ltd.

(2) A controlling shareholder holding 27.03% of the issued and paid-up shares of the Company.

Material Contracts

Pursuant to Rule 1204(8) of the Catalist Rules, the Company confirms that except as disclosed in the above section on IPTs and the Directors' Statement and Financial Statements, there were no other material contracts to which the Company and its subsidiaries is a party and which involve the interests of the CEO or any Director or controlling shareholder, either still subsisting at the end of FY2017 or if not then subsisting, which were entered into since the end of the previous financial year.

Non-Sponsor Fees

There were no non-sponsor fees paid to the current and previous Company's sponsor, Asian Corporate Advisors Pte. Ltd. and Stamford Corporate Services Pte. Ltd. respectively, in FY2017.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Transcorp Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 October 2017.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company as set out on pages 39 to 79 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2017 and of the financial performance, changes in equity, and cash flows of the Group and changes in equity of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore; and

(b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Goh Chin Soon	Executive Chairman
Tan Wee Peng Kelvin	
Tan Chade Phang (Chen Yifan)	(Appointed on 23 May 2017)
Chia Siak Yan Vincent (Xie Shuoyan Vincent)	(Appointed on 13 July 2017)

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The directors of the Company holding office at the end of the financial year had no interests in the shares and debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act except as follows:

	Number of ordinary shares			
	Shareholdings registered in their own names		Shareholdings in which a director is deemed to have an interest	
Name of directors and Company in which interest is held	At beginning of year	At end of year	At beginning of year	At end of year
Company				
Goh Chin Soon	–	–	70,616,151[#]	70,616,151[#]

[#] Pursuant to the Act, Goh Chin Soon is deemed to have an interest in the shares of the Company held by SG Royal Group Pte. Ltd. in which his spouse is the controlling shareholder.

Directors' interests in shares and debentures (cont'd)

Goh Chin Soon, by virtue of his interest of not less than 20% of the issued share capital of the Company is deemed to have an interest in the shares held by the Company in the following subsidiaries that are not wholly-owned by the Group:

	Number of ordinary shares	
	At beginning of year	At end of year
Subsidiaries		
Regal Motors Pte. Ltd.	5,309,735	5,309,735
Regal Prestige Pte. Ltd.	–	1,769,912

The director's interest in the ordinary shares of the Company as at 21 November 2017 were the same as those as at 31 October 2017.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

Share options

No option to take up unissued shares of the Company or any corporation in the Group was granted during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or any corporation in the Group whether granted before or during the financial year.

There were no unissued shares of the Company or any corporation in the Group under option at the end of the financial year.

Audit committee

The Audit Committee ("AC") carried out its functions in accordance with Section 201B(5) of the Act, including the following:

- Reviewed the audit plans of the external auditors of the Group and the Company and the assistance given by the Group and the Company's management to the external auditors;
- Reviewed the annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board of Directors;
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management;
- Met with the external auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

Audit committee (cont'd)

- Reviewed the cost effectiveness and the independence and objectivity of the external auditors;
- Reviewed the nature and extent of non-audit services provided by the external auditors;
- Recommended to the Board of Directors the external auditors to be nominated, approved the compensation of the external auditors, and reviewed the scope and results of the audit;
- Reported actions and minutes of the AC to the Board of Directors with such recommendations as the AC considers appropriate; and
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual Section B: Rules of Catalist.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened two meetings during the financial year with attendance from majority of members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors

Goh Chin Soon
Director

Tan Wee Peng Kelvin
Director

5 February 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Transcorp Holdings Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Transcorp Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 39 to 79, which comprise the balance sheets of the Group and of the Company as at 31 October 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 October 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Net realisable value of inventories

The Group's inventories comprises of motor vehicles. As disclosed in Note 13 to the financial statements, the inventories stated at the lower of cost and net realisable value amounted to $6,388,640 as at 31 October 2017.

The determination of the estimated net realisable value of inventories is highly dependent on the Group's expectation of estimated selling prices and estimated selling expenses. Market conditions and recent change in government policies on issuance of certificates of entitlement for motor vehicles may exert pressure on transaction volumes and market prices. In determining the estimated selling prices, management applied their knowledge of the business and made reference to publicly available market prices adjusted for certain assumptions such as age, specification and model of the motor vehicles.

The assessment on the appropriateness of carrying value of the Group's inventories is considered to be significant to our audit because the carrying value of inventories amounting to $6,388,640 recognised in the Group's balance sheet is material to the financial statements. Moreover, we focused on this area because significant judgement is required in determining the estimated selling prices of inventories.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Net realisable value of inventories (cont'd)

Our procedures to address the key audit matter

We obtained an understanding of management's process of estimating the net realisable value of inventories.

Our audit procedures focused on assessment of the net realisable value of inventories provided by the management. We corroborated the Group's assessment of estimated selling prices by comparing the estimated selling prices to, where available, market prices of similar motor vehicles from independent source which are publicly available. We assess the reasonableness of adjustments made to the market prices of motor vehicles in calculating the estimated net realisable value of inventories by management.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Carrying value of advance deposits to a supplier

As disclosed in Note 14 to the financial statements, advance deposits to a supplier amounted to $4,025,271 as at 31 October 2017.

The assessment on the appropriateness of carrying value of advance deposits involves significant management's judgement. The initial supply of vehicles agreement signed between the Group's subsidiary and the supplier expired on 31 December 2017. Subsequent to the end of the financial year, the Group's subsidiary renewed the supply of vehicles contract for a further period of two years from 1 January 2018 to 31 December 2019. The supplier's creditworthiness and ability to return the deposit in the event of non-delivery of motor vehicles is critical in determining the recoverability of the advance deposits at balance sheet date. In the event that the supplier is not able to supply motor vehicles to the Group and there is objective evidence that the supplier is unable to refund the advance deposits, the advance deposits may need to be written off and a corresponding charge may need to be recognised in the Group's profit or loss.

The assessment of the carrying value of the Group's advance deposits to a supplier is considered to be significant to our audit because the carrying value of advance deposits amounting to $4,025,271 recognised in the Group's balance sheet is material to the financial statements.

Our procedures to address the key audit matter

We evaluated management's assessment on the appropriateness of carrying value of the advance deposits.

We evaluated management's assessment on the creditworthiness of the supplier.

We sighted to the supply of vehicles contract signed between the Group's subsidiary and the supplier.

We circularised and obtained confirmation from the supplier acknowledging the balance as at 31 October 2017.

We examined inventories delivered and refunds received from the supplier during the financial year and subsequent refund receipts from the supplier after balance sheet date.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Impairment review of the Company's investment in subsidiaries

As disclosed in Note 12 to the financial statements, an impairment loss of $1,748,885 was recognised in profit or loss of the Company in current financial year to write down the investment in Regal Motors Pte. Ltd., a subsidiary, to its recoverable amount of $5,868,036.

The recoverable amount of the investment in Regal Motors Pte. Ltd. has been determined by management based on fair value less cost to sell. The recoverable amount was determined with reference made to market prices of non-financial assets of the subsidiary that are publicly available adjusted for certain assumptions made by management. In calculating the adjusted market prices of those non-financial assets, adjustments made to the market prices were based on management's assumptions and judgement such as market condition, the age, specification, model and selling prices of motor vehicles subsequent to the balance sheet date. Management has determined that financial assets and financial liabilities whose carrying amounts are measured at amortised cost approximate their fair values.

The assessment of recoverable amount of the Company's investments in subsidiaries is considered to be significant to our audit because of the significance of the carrying value of investments in subsidiaries on the Company's balance sheet, and the impairment loss of $1,748,885 recognised in the Company's profit or loss is material to the financial statements of the Company. The calculation of fair value less cost to sell also requires use of subjective assumptions and application of judgement by management.

Our procedures to address the key audit matter

We obtained an understanding of management's impairment policy and assessment process.

We assessed management's determination of recoverable amounts based on our understanding of the nature of the Group's business and the economic environment in which the Group operates.

Our audit procedures focused on the assessment of the fair values of the non-financial assets provided by the management. Our procedures include comparing fair values provided by the management to independent sourced publicly available market prices and assessing the reasonableness of adjustments made to the market prices by management.

We have also assessed the adequacy and appropriateness of the disclosures made in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 2017, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT

To the Members of Transcorp Holdings Limited

Report on the Audit of the Financial Statements (cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Lee Chee Sum Gilbert.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

5 February 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 October 2017

	Note	Group 2017 $	Group 2016 $
Continuing operations			
Revenue	3	**6,083,356**	6,720,343
Cost of sales		**(6,521,825)**	(6,700,631)
Gross (loss)/profit		**(438,469)**	19,712
Other income	4	**305,358**	91,753
Expenses			
Administrative expenses		**(4,604,447)**	(3,710,623)
Finance costs	5	**(163,676)**	(78,948)
Other operating expenses	6	**(1,071,157)**	(6,705,210)
Loss before tax	7	**(5,972,391)**	(10,383,316)
Income tax credit	8	**263,610**	133,907
Loss from continuing operations, net of tax		**(5,708,781)**	(10,249,409)
Profit from discontinued operations, net of tax	9	**–**	3,316,545
Loss for the financial year		**(5,708,781)**	(6,932,864)
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Fair value gains on available-for-sale financial assets		**–**	59,661
Reclassification adjustment on available-for-sale financial assets		**–**	(114,851)
Currency translation differences arising on consolidation		**–**	(2,183)
Realisation of currency translation differences on disposal of subsidiaries		**–**	1,213,699
Other comprehensive income for the financial year, net of tax		**–**	1,156,326
Total comprehensive loss for the financial year		**(5,708,781)**	(5,776,538)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 October 2017

	Note	Group 2017 $	2016 $
Loss attributable to:			
Equity holders of the Company		**(5,348,446)**	(6,755,583)
Non-controlling interest		**(360,335)**	(177,281)
Loss for the financial year		**(5,708,781)**	(6,932,864)
(Loss)/profit attributable to equity holders of the Company relates to:			
Loss from continuing operations		**(5,348,446)**	(10,072,128)
Profit from discontinued operations		**–**	3,316,545
		(5,348,446)	(6,755,583)
Total comprehensive loss attributable to:			
Equity holders of the Company		**(5,348,446)**	(5,599,257)
Non-controlling interest		**(360,335)**	(177,281)
		(5,708,781)	(5,776,538)
(Losses)/earnings per share for (loss)/profit attributable to equity holders of the Company (cents per share)			
Basic - continuing and discontinued operations		**(2.23)**	(3.00)
Diluted - continuing and discontinued operations		**(2.23)**	(3.00)
Basic - continuing operations	10	**(2.23)**	(4.47)
Diluted - continuing operations	10	**(2.23)**	(4.47)
Basic - discontinued operations	9	**–**	1.47
Diluted - discontinued operations	9	**–**	1.47

The accompanying notes form an integral part of these financial statements.

BALANCE SHEETS

As at 31 October 2017

	Note	Group 2017 $	Group 2016 $	Company 2017 $	Company 2016 $
Non-current assets					
Property, plant and equipment	11	**3,619,672**	2,786,126	**131,376**	8,247
Investment in subsidiaries	12	**–**	–	**7,868,036**	7,616,921
Total non-current assets		**3,619,672**	2,786,126	**7,999,412**	7,625,168
Current assets					
Inventories	13	**6,388,640**	5,707,238	**–**	–
Trade and other receivables	14	**10,263,730**	17,130,736	**12,960,850**	15,337,727
Prepayments		**122,462**	81,927	**4,507**	22,618
Cash and cash equivalents		**268,903**	481,373	**240,654**	242,383
Total current assets		**17,043,735**	23,401,274	**13,206,011**	15,602,728
Total assets		**20,663,407**	26,187,400	**21,205,423**	23,227,896
Non-current liabilities					
Other payables	15	**1,321,147**	1,238,092	**1,321,147**	1,238,092
Finance lease liabilities	16	**872,882**	873,369	**–**	–
Deferred tax liabilities	17	**139,706**	433,316	**–**	–
Total non-current liabilities		**2,333,735**	2,544,777	**1,321,147**	1,238,092
Current liabilities					
Trade and other payables	15	**1,827,845**	1,485,522	**2,246,654**	84,379
Finance lease liabilities	16	**278,345**	223,333	**–**	–
Income tax payable		**173,801**	175,306	**–**	–
Total current liabilities		**2,279,991**	1,884,161	**2,246,654**	84,379
Total liabilities		**4,613,726**	4,428,938	**3,567,801**	1,322,471
Net assets		**16,049,681**	21,758,462	**17,637,622**	21,905,425
Equity					
Share capital	18	**27,167,767**	27,167,767	**27,167,767**	27,167,767
Accumulated losses		**(11,616,796)**	(6,268,350)	**(9,530,145)**	(5,262,342)
Equity attributable to equity holders of the Company		**15,550,971**	20,899,417	**17,637,622**	21,905,425
Non-controlling interest		**498,710**	859,045	**–**	–
Total equity		**16,049,681**	21,758,462	**17,637,622**	21,905,425

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 October 2017

	← Attributable to equity holders of the Company →				
	Share capital $	Accumulated losses $	Total $	Non-controlling interest $	Total equity $
Group					
Balance at 1 November 2016	27,167,767	(6,268,350)	20,899,417	859,045	21,758,462
Loss and total comprehensive loss for the financial year	–	(5,348,446)	(5,348,446)	(360,335)	(5,708,781)
Balance at 31 October 2017	**27,167,767**	**(11,616,796)**	**15,550,971**	**498,710**	**16,049,681**

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 October 2017

	Attributable to equity holders of the Company						
	Share capital $	Accumulated profits/(losses) $	Fair value adjustment reserve $	Foreign currency translation reserve $	Total $	Non-controlling interest $	Total equity $
Group							
Balance at 1 November 2015	18,541,551	487,233	55,190	(1,211,516)	17,872,458	–	17,872,458
Loss for the financial year	–	(6,755,583)	–	–	(6,755,583)	(177,281)	(6,932,864)
Other comprehensive income/(loss)							
Fair value gains on available-for-sale financial assets	–	–	59,661	–	59,661	–	59,661
Reclassification adjustment on available-for-sale financial assets	–	–	(114,851)	–	(114,851)	–	(114,851)
Currency translation differences arising on consolidation	–	–	–	(2,183)	(2,183)	–	(2,183)
Realisation of currency translation differences on disposal of subsidiaries	–	–	–	1,213,699	1,213,699	–	1,213,699
Other comprehensive (loss)/income for the financial year, net of tax	–	–	(55,190)	1,211,516	1,156,326	–	1,156,326
Total comprehensive (loss)/income for the financial year	–	(6,755,583)	(55,190)	1,211,516	(5,599,257)	(177,281)	(5,776,538)
Issue of shares (Note 18)	8,626,216	–	–	–	8,626,216	–	8,626,216
Acquisition of a subsidiary	–	–	–	–	–	1,036,326	1,036,326
Balance at 31 October 2016	27,167,767	(6,268,350)	–	–	20,899,417	859,045	21,758,462

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 October 2017

	Share capital $	Accumulated profits/(losses) $	Total equity $
Company			
Balance at 1 November 2015	18,541,551	1,435,758	19,977,309
Loss and total comprehensive loss for the financial year	–	(6,698,100)	(6,698,100)
Issue of shares (Note 18)	8,626,216	–	8,626,216
Balance at 31 October 2016	27,167,767	(5,262,342)	21,905,425
Loss and total comprehensive loss for the financial year	–	(4,267,803)	(4,267,803)
Balance at 31 October 2017	**27,167,767**	**(9,530,145)**	**17,637,622**

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 October 2017

	Note	Group 2017 $	2016 $
Cash flows from operating activities			
Loss before tax from continuing operations		**(5,972,391)**	(10,383,316)
Profit before tax from discontinued operations	9	**–**	3,316,545
Loss before tax, total		**(5,972,391)**	(7,066,771)
Adjustments for:			
Amount due from disposed subsidiaries written off		**–**	316,600
Depreciation of investment properties		**–**	166,588
Depreciation of property, plant and equipment	11	**479,809**	230,282
Finance costs	5	**163,676**	78,948
Gain on disposal of subsidiaries	9	**–**	(3,302,328)
Impairment of goodwill		**–**	6,388,610
Interest income on loan to investee company	9	**–**	(124,174)
Operating cash flows before changes in working capital		**(5,328,906)**	(3,312,245)
Decrease/(increase) in trade and other receivables		**6,867,006**	(10,625,983)
(Increase)/decrease in prepayments		**(40,535)**	13,272
(Increase)/decrease in inventories		**(681,402)**	1,385,023
Increase in trade and other payables		**342,323**	8,779,382
Cash generated from/(used in) operations		**1,158,486**	(3,760,551)
Income taxes paid		**(31,505)**	(244,583)
Net cash generated from/(used in) operating activities		**1,126,981**	(4,005,134)
Cash flows from investing activities			
Purchases of property, plant and equipment	11	**(1,013,355)**	(419,479)
Proceeds from disposal of subsidiaries		**–**	3,851,700
Net cash paid for acquisition of subsidiary		**–**	(4,461,295)
Net cash used in investing activities		**(1,013,355)**	(1,029,074)
Cash flows from financing activities			
Repayment of finance lease liabilities		**(245,475)**	(351,220)
Interest paid		**(80,621)**	(73,470)
Net cash used in financing activities		**(326,096)**	(424,690)
Net decrease in cash and cash equivalents		**(212,470)**	(5,458,898)
Cash and cash equivalents at beginning of financial year		**481,373**	5,940,271
Cash and cash equivalents at end of financial year		**268,903**	481,373

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 October 2017

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Corporate information

The Company (Co. Reg. No. 199502905Z) is listed on the Singapore Exchange Securities Trading Limited ("SGX") and incorporated and domiciled in Singapore. The address of its registered office is at 20 Martin Road, #09-01 Seng Kee Building, Singapore 239070.

The principal activities of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 12.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements are presented in Singapore dollar ($), which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 2(v).

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables and finance lease liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Group has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Group and the Company.

2. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 October 2017 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company, except as follows:

Convergence with International Financial Reporting Standards (IFRS)

The Accounting Standards Council ("ASC") announced that Singapore incorporated companies listed on the Singapore Exchange ("SGX") or are in the process of issuing equity or debt instruments for trading on SGX, will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS Convergence"), known as Singapore Financial Reporting Standards (International) ["SFRS(I)"], with effect from annual periods beginning on or after 1 January 2018. The Group's financial statements for the financial year ending 31 October 2019 will be prepared in accordance with SFRS(I) issued by ASC.

In adopting the new framework, the Group will be required to apply the specific transition requirements in SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*. In addition to the adoption of the new framework, the Group will be adopting other new SFRS(I), amendments to standards and interpretations of SFRS(I) which are effective from the same date. The Group does not expect the application of IFRS Convergence to have significant impact on the financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

SFRS(I) 15 replaces International Accounting Standards ("IAS") 18 'Revenue', IAS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. SFRS(I) 15 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in SFRS(I) 15 by applying a 5-step approach.

Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. SFRS(I) 15 includes disclosure requirements that will result in disclosure of comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Based on the existing sources of revenue as at 31 October 2017, management does not anticipate that the application of SFRS(I) 15 will have a material impact on the Group's financial statements. Further evaluation will be undertaken should the source of revenue change in the financial year when SFRS(I) 15 becomes effective. The Group plans to adopt the standard when it becomes effective in financial year ending 31 October 2019.

2. Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 which replaces IAS 39, includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace IAS 39 incurred loss model.

(a) *Classification and measurement*

While the Group has yet to undertake a detailed assessment of the classification and measurement of its financial assets, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. Loan and receivables that are currently accounted for at amortised cost will continue to be accounted using amortised cost model under SFRS(I) 9.

(b) *Impairment*

SFRS(I) 9 requires the Group to record expected credit losses on loans and receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

The Group has not undertaken a detailed assessment of the impact of the impairment provisions under SFRS(I) 9 but the Group expects that the new expected loss model may result in an earlier recognition of credit losses. The Group plans to adopt the standard when it becomes effective in financial year ending 31 October 2019.

SFRS(I) 16 Leases

SFRS(I) 16 replaces the existing IAS 17: *Leases*. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as SFRS(I) 16 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The standard will affect primarily the accounting for the Group's operating leases. At the balance sheet date, the Group has non-cancellable operating lease commitments as disclosed in Note 21. The Group anticipates that the adoption of SFRS(I) 16 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of SFRS(I) 16 until the Group performs a detailed assessment. The Group will perform a detailed assessment of the effect of SFRS(I) 16 and plans to adopt the standard on the required effective date.

2. Summary of significant accounting policies (cont'd)

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity, and the amount of revenue and related cost can be reliably measured.

Sale of goods

Revenue from sale of goods is recognised when a group entity has delivered the products to the customer and significant risks and rewards of ownership of the goods have been passed to the customer.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Rental income

Rental income from operating leases are recognised on a straight-line basis over the lease term.

(c) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. Subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

The financial statements of the subsidiaries are prepared for the same reporting date as the parent company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

Intragroup balances and transactions, including income, expenses and dividends, are eliminated in full. Profits and losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full.

2. Summary of significant accounting policies (cont'd)

(d) Basis of consolidation (cont'd)

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are recognised as expenses as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the fair value of the consideration transferred in the business combination, the amount of any non-controlling interest in the acquiree (if any) and the fair value of the Group's previously held equity interest in the acquiree (if any), over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is accounted for in accordance with the accounting policy for goodwill stated in Note 2(e). In instances where the latter amount exceeds the former and the measurement of all amounts has been reviewed, the excess is recognised as gain from bargain purchase in profit or loss on the date of acquisition.

Contingent consideration transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration (other than measurement period adjustment) are recognised in profit or loss.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

For non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, the Group elects on an acquisition-by-acquisition basis whether to measure them at fair value, or at the non-controlling interests' proportionate share of the acquiree's net identifiable assets, at the acquisition date. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to accumulated losses/profits if required by a specific FRS.

(e) Goodwill

Goodwill is initially measured at cost and is subsequently measured at cost less any accumulated impairment losses.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

2. Summary of significant accounting policies (cont'd)

(e) Goodwill (cont'd)

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(f) Property, plant and equipment

The property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Buildings	25
Computers	1 to 3
Office equipment	3
Motor vehicles	6 to 10
Furniture and fittings	1.5
Renovation	3

2. Summary of significant accounting policies (cont'd)

(f) Property, plant and equipment (cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(g) Impairment of non-financial assets excluding goodwill

At each reporting date, the Group assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in profit or loss.

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis. Cost comprises costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(i) Leases

When a Group entity is the lessee:

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards incidental to ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased asset or the present value of the minimum lease payments. Each lease payment is allocated between reduction of the liability and finance charges. The corresponding lease liabilities, net of finance charges, are included in finance lease liabilities. The interest element of the finance cost is taken to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. Summary of significant accounting policies (cont'd)

(i) Leases (cont'd)

Operating leases

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

When a Group entity is the lessor:

Operating leases

Leases where the Group entity retains substantially all the risks and rewards incidental to ownership of the asset are classified as operating leases. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as revenue in the period in which they are earned.

(j) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised outside profit or loss, either in other comprehensive income or directly in equity in which the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity respectively).

Current tax is the expected tax payable or recoverable on the taxable income for the current year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable or recoverable in respect of previous years.

Deferred income tax is provided using the liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except where the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on currently enacted or substantively enacted tax rates at the balance sheet date.

2. Summary of significant accounting policies (cont'd)

(k) Financial assets

Classification

The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group's financial assets comprises loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "trade and other receivables" (excluding advance deposits to a supplier) and "cash and cash equivalents" on the balance sheets.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Summary of significant accounting policies (cont'd)

(k) Financial assets (cont'd)

Impairment (cont'd)

Loans and receivables (cont'd)

If in subsequent periods, the impairment loss decreases, and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversed date.

(l) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of changes in value.

(m) Financial liabilities

Financial liabilities include trade and other payables and finance lease liabilities. Financial liabilities are recognised on the balance sheet when and only when, the Group becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(n) Share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

(o) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2. Summary of significant accounting policies (cont'd)

(p) Borrowing costs

Borrowing costs, which comprise interest and other costs incurred in connection with the borrowing of funds, are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are recognised in the profit or loss using the effective interest method.

(q) Employee benefits

Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

(r) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which that entity operates (the "functional currency"). The financial statements of the Group and the Company are presented in Singapore dollar, which is the Company's functional currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the foreign currency translation reserve within equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2. Summary of significant accounting policies (cont'd)

(s) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(t) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision maker for making decisions about allocating resources and assessing performance of the operating segments.

(u) Discontinued operations

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative consolidated statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(v) Significant accounting judgements and estimates

In the process of applying the Group's accounting policies, management has made the following judgements and estimations that have the most significant effect on the amounts recognised in the financial statements.

Net realisable value of inventories

The Group's inventories comprises of motor vehicles. As disclosed in Note 13, the inventories stated at the lower of cost and net realisable value amounted to $6,388,640 (2016: $5,707,238) as at 31 October 2017.

2. Summary of significant accounting policies (cont'd)

(v) Significant accounting judgements and estimates (cont'd)

Net realisable value of inventories (cont'd)

The determination of the estimated net realisable value of inventories is highly dependent on the Group's expectation of estimated selling prices and estimated selling expenses. Market conditions and recent change in government policies on issuance of certificates of entitlement for motor vehicles may exert pressure on transaction volumes and market prices. In determining the estimated selling prices, management applied their knowledge of the business and made reference to publicly available market prices adjusted for certain assumptions such as age, specification and model of the motor vehicles. In general, such an evaluation process requires significant judgement and materially affects the carrying amount of inventories at the balance sheet date. Possible changes in these estimate could result in revisions to the valuation of inventory.

Carrying value of advance deposits to a supplier

As disclosed in Note 14, advance deposits to a supplier amounted to $4,025,271 (2016: $9,422,337) as at 31 October 2017.

The assessment on the appropriateness of carrying value of advance deposits involves significant management's judgement. The initial supply of vehicles agreement signed between the Group's subsidiary and the supplier expired on 31 December 2017. Subsequent to the end of the financial year, the Group's subsidiary renewed the supply of vehicles contract for a further period of two years from 1 January 2018 to 31 December 2019. The supplier's creditworthiness and ability to return the deposit in the event of non-delivery of motor vehicles is critical in determining the recoverability of the advance deposits at balance sheet date. In the event that the supplier is not able to supply motor vehicles to the Group and there is objective evidence that the supplier is unable to refund the advance deposits, the advance deposits may need to be written off and a corresponding charge may need to be recognised in the Group's profit or loss. In general, such an evaluation process requires significant judgement and materially affects the carrying value of advance deposits to a supplier at the balance sheet date.

Impairment of investment in subsidiaries

Investment in subsidiaries are tested for impairment whenever there is objective evidence or indication that these assets may be impaired. Judgement is required to determine if any such indication exists, based on the evaluation of both internal and external sources of information. If any such indication exists, management assesses the recoverable amount of the subsidiaries based on the higher of fair value less costs to sell and value in use calculation at the balance sheet date.

If the recoverable amount of the subsidiaries is less than its carrying amount, an impairment loss is recognised in profit or loss to reduce the carrying amount of the investment in subsidiaries to its recoverable amount.

The Company recognised an impairment loss of $1,748,885 (2016: $6,746,893) in relation to investment in subsidiaries during the current financial year. The carrying amount of the Company's investment in subsidiaries at the balance sheet date is disclosed in Note 12.

3. Revenue

Revenue comprises the sales of motor vehicles, net of goods and services tax, rebates and discounts.

4. Other income

	Group	
	2017	2016
	$	$
Gain on foreign currency exchange, net	**276,355**	–
Government grants	**28,470**	44,235
Miscellaneous income	**533**	47,518
	305,358	91,753

5. Finance costs

	Group	
	2017	2016
	$	$
Interest expense:		
- third parties	**16,441**	50,342
- finance lease liabilities	**64,180**	23,128
- interest accretion on consideration payable	**83,055**	5,478
	163,676	78,948

6. Other operating expenses

	Group	
	2017	2016
	$	$
Write down of inventories	**1,071,157**	–
Impairment of goodwill	**–**	6,388,610
Amount due from disposed subsidiaries written off	**–**	316,600
	1,071,157	6,705,210

7. Loss before tax from continuing operations

Loss before tax from continuing operations is stated after charging:

	Group	
	2017	2016
	$	$
Audit fees paid/payable to:		
- auditors of the Company	**113,000**	73,000
Fees for non-audit services paid/payable to:		
- auditors of the Company	**17,500**	–
- other auditors	**23,950**	–
Cost of inventories	**2,622,356**	2,319,967
Legal and other professional fees	**841,192**	1,017,580
Transportation charges	**16,468**	22,751
Advertising and promotional expenses	**16,990**	38,457
Rental expenses	**705,958**	595,608
Salaries and related costs	**1,533,249**	1,299,403
Contributions to defined contribution plans	**108,094**	77,558
Depreciation of property, plant and equipment	**479,809**	181,180
Car registration expenses	**3,665,118**	3,740,630

8. Income tax credit

Tax credit attributable to profits is made up of:

	Group	
	2017	2016
	$	$
From continuing operations		
Current income tax provision		
- Under provision in respect of previous financial years	**30,000**	–
Deferred income tax (Note 17)	**(293,610)**	(133,907)
	(263,610)	(133,907)

8. Income tax credit (cont'd)

The income tax credit on the results of the financial year differs from the amount of income tax determined by applying the domestic rates applicable in the countries where the Group entities operate due to the following factors:

	Group	
	2017	2016
	$	$
Loss before tax from:		
Continuing operations	**(5,972,391)**	(10,383,316)
Discontinued operations	**–**	3,316,545
	(5,972,391)	(7,066,771)
Tax at the domestic rates applicable to losses in the countries where the Group operates	**(1,015,306)**	(1,201,118)
Expenses not deductible for tax purposes	**540,152**	1,641,851
Deferred tax assets not recognised	**248,907**	446
Income not subject to tax	**(67,363)**	(592,044)
Effect of tax rebate	**–**	(4,970)
Under provision in respect of previous financial years	**30,000**	–
Others	**–**	21,928
	(263,610)	(133,907)

The above tax reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

As at the balance sheet date, the Group has unutilised tax losses of approximately $1,393,000 (2016: $nil) that are available for carry forward to offset against future taxable income subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation. The potential deferred tax assets arising from the unutilised tax losses have not been recognised in the financial statements, as it is not probable that future taxable income will be sufficient to allow the unutilised tax losses to be realised in the foreseeable future.

9. Discontinued operations

On 9 May 2016, the Company completed the disposal of Transrich Pte Ltd, Tee to Green (H.K.) Limited, Transcorp Resources Pte Ltd and Transcorp Development Pte Ltd (which previously contributed to the Golf Business and Investment Property segment). The results from the subsidiaries are presented separately on the statement of profit or loss and comprehensive income as "Profit/(loss) from discontinued operations, net of tax".

The assets and liabilities of the disposed subsidiaries as at 9 May 2016 were as follows:

	Group 2016 $
Assets:	
Property, plant and equipment	65,474
Investment properties	2,845,047
Investment securities	1,372,034
Deposit in Escrow account	2,800,000
Trade and other receivables	6,340,056
Cash and cash equivalents	179,576
Assets of disposed group	13,602,187
Liabilities:	
Trade and other payables	(8,782,008)
Income tax payable	(38,607)
Liabilities of disposed group	(8,820,615)
Net assets of disposed group	4,781,572
Reclassification adjustment on available-for-sale financial assets	(114,851)
Realisation of currency translation differences on disposal of subsidiaries	1,213,699
Gain on disposal of subsidiaries	3,302,328
Total cash consideration	9,182,748
Less: Cash and cash equivalents in subsidiaries disposed of	(179,576)
Amount due from shareholders	(5,151,472)
Net cash inflows on disposal of subsidiaries	3,851,700

The results of discontinued operations is as follows:

Revenue	512,415
Expenses	(498,198)
Profit before tax from discontinued operations	14,217
Tax	–
Profit from discontinued operations, net of tax	14,217
Gain on disposal of subsidiaries	3,302,328
Total profit from discontinued operations, net of tax	3,316,545

9. Discontinued operations (cont'd)

Profit before tax from discontinued operations, net of tax

Profit before tax from discontinued operations is stated after (crediting)/charging:

	Group 2016 $
Interest income on loan to investee company	(124,174)
Rental income	(386,273)
Legal and other professional fees	65,079
Operating lease expenses	1,553
Salaries and related costs	113,916
Depreciation of investment properties	166,588
Depreciation of property, plant and equipment	49,102

The impact of the discontinued operations on the cash flows of the Group were as follows:

Net cash outflows - operating	(243,943)

Earnings per share from discontinued operations

Earnings per share from discontinued operations attributable to owners of the Company (cents per share)	
- Basic and Diluted	1.47

The basic and diluted earnings per share from discontinued operations are calculated by dividing the profit from discontinued operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings per share computation respectively.

10. Losses per share

The calculation of the basic and diluted losses per share attributable to the ordinary equity holders of the Company is based on the following data:

	2017 $	2016 $
Net loss from continuing operations for the financial year attributable to equity holders of the Company	**(5,348,446)**	(10,072,128)
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share	**239,393,000**	225,432,331
Basic and diluted losses per share (cents per share)	**(2.23)**	(4.47)

At the balance sheet date, the diluted losses per share is the same as the basic losses per share as there were no outstanding potential ordinary shares.

11. Property, plant and equipment

	Computers $	Office equipment $	Motor vehicles $	Furniture and fittings $	Renovation $	Total $
Group						
2017						
Cost						
Balance at 1 November 2016	60,626	5,519	3,167,726	55,182	47,150	3,336,203
Additions	4,627	4,390	877,134	107,062	320,142	1,313,355
Balance at 31 October 2017	**65,253**	**9,909**	**4,044,860**	**162,244**	**367,292**	**4,649,558**
Accumulated depreciation						
Balance at 1 November 2016	52,871	3,653	425,323	35,112	33,118	550,077
Depreciation charge	3,735	1,414	390,223	27,958	56,479	479,809
Balance at 31 October 2017	**56,606**	**5,067**	**815,546**	**63,070**	**89,597**	**1,029,886**
Net carrying amount						
Balance at 31 October 2017	**8,647**	**4,842**	**3,229,314**	**99,174**	**277,695**	**3,619,672**

	Buildings $	Computers $	Office equipment $	Motor vehicles $	Furniture and fittings $	Renovation $	Total $
2016							
Cost							
Balance at 1 November 2015	77,699	11,487	–	352,889	207,935	–	650,010
Additions	–	10,539	998	1,467,942	–	–	1,479,479
Acquisition of subsidiary	–	50,087	4,521	1,699,784	55,182	47,150	1,856,724
Disposal of subsidiaries	(77,699)	(11,487)	–	(352,889)	(207,935)	–	(650,010)
Balance at 31 October 2016	–	60,626	5,519	3,167,726	55,182	47,150	3,336,203
Accumulated depreciation							
Balance at 1 November 2015	45,065	11,487	–	298,975	179,907	–	535,434
Depreciation charge	–	2,784	803	194,251	25,865	6,579	230,282
Acquisition of subsidiary	–	50,087	2,850	261,941	27,480	26,539	368,897
Disposal of subsidiaries	(45,065)	(11,487)	–	(329,844)	(198,140)	–	(584,536)
Balance at 31 October 2016	–	52,871	3,653	425,323	35,112	33,118	550,077
Net carrying amount							
Balance at 31 October 2016	–	7,755	1,866	2,742,403	20,070	14,032	2,786,126

11. Property, plant and equipment (cont'd)

	Computers $	Office equipment $	Furniture and fittings $	Renovation $	Total $
Company					
2017					
Cost					
Balance at 1 November 2016	10,539	708	–	–	11,247
Additions	4,627	–	99,500	40,000	144,127
Balance at 31 October 2017	**15,166**	**708**	**99,500**	**40,000**	**155,374**
Accumulated depreciation					
Balance at 1 November 2016	2,784	216	–	–	3,000
Depreciation charge	3,734	236	11,472	5,556	20,998
Balance at 31 October 2017	**6,518**	**452**	**11,472**	**5,556**	**23,998**
Net carrying amount					
Balance at 31 October 2017	**8,648**	**256**	**88,028**	**34,444**	**131,376**
2016					
Cost					
Additions during the financial year and balance at 31 October 2016	10,539	708	–	–	11,247
Accumulated depreciation					
Depreciation charge during the financial year and balance at 31 October 2016	2,784	216	–	–	3,000
Net carrying amount					
Balance at 31 October 2016	7,755	492	–	–	8,247

As at the balance sheet date, the net carrying value of property, plant and equipment of the Group acquired under finance lease arrangements amounted to $2,694,537 (2016: $2,117,575). Additions include $300,000 (2016: $1,060,000) of property, plant and equipment acquired under finance leases.

12. Investment in subsidiaries

	Company	
	2017	2016
	$	$
Unquoted equity shares, at cost	**16,363,814**	14,363,814
Less: Impairment losses		
Balance at beginning of the financial year	**(6,746,893)**	(2,989,374)
Impairment loss	**(1,748,885)**	(6,746,893)
Written off	**–**	2,989,374
Balance at end of the financial year	**(8,495,778)**	(6,746,893)
	7,868,036	7,616,921

Details of subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest (%)	
			2017	2016
Held by the Company				
Regal Motors Pte. Ltd.[(a)]	Singapore	Wholesale of motor vehicles except motorcycles and scooters	**88.5**	88.5
Stallion Auto Pte. Ltd.[(b)]	Singapore	Import of motor vehicles except motorcycles and scooters	**100**	–
Held through Regal Motors Pte. Ltd.				
Regal Prestige Pte. Ltd.[(a)]	Singapore	Renting and leasing of private cars without operator	**88.5**	–

(a) Audited by Baker Tilly TFW LLP, Singapore.
(b) Dormant since its incorporation on 25 October 2017.

Stallion Auto Pte. Ltd.

On 25 October 2017, Transcorp Holdings Limited incorporated a wholly-owned subsidiary, Stallion Auto Pte. Ltd. in Singapore, with 2,000,000 shares at $1 per share. The capital has not been paid up as at the end of the financial year.

Regal Prestige Pte. Ltd.

On 27 March 2017, Regal Motors Pte. Ltd. incorporated a wholly-owned subsidiary, Regal Prestige Pte. Ltd. in Singapore, with 2,000,000 shares at $1 per share.

12. Investment in subsidiaries (cont'd)

(a) Summarised financial information of subsidiary with material non-controlling interest ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI
Regal Motors Pte. Ltd. ("Regal Motors")	Singapore	11.5%

The following are the summarised financial information of Regal Motors with NCI that is considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Balance Sheet

	Regal Motors	
	2017	2016
	$	$
Non-current assets	**5,488,296**	2,777,879
Current assets	**7,678,074**	17,463,871
Non-current liabilities	**(1,012,588)**	(1,306,685)
Current liabilities	**(7,817,175)**	(11,465,108)
Net assets	**4,336,607**	7,469,957
Net assets attributable to NCI	**498,710**	859,045

Summarised Income Statement

	Regal Motors	
	2017	2016
	$	$
Revenue	**6,083,356**	6,720,343
Loss before tax	**(3,103,351)**	(1,541,572)
Income tax expense	**(30,000)**	–
Loss after tax	**(3,133,351)**	(1,541,572)
Other comprehensive income	**–**	–
Total comprehensive loss	**(3,133,351)**	(1,541,572)
Loss allocated to NCI	**(360,335)**	(177,281)

12. Investment in subsidiaries (cont'd)

(a) Summarised financial information of subsidiary with material non-controlling interest ("NCI") (cont'd)

Summarised Cash Flows

	Regal Motors	
	2017	2016
	$	$
Cash inflows/(outflows) from operating activities	**3,298,679**	(8,582,120)
Cash outflows from investing activities	**(2,869,228)**	(668,231)
Cash (outflows)/inflows from financing activities	**(650,161)**	9,445,652
Net (decrease)/increase in cash and cash equivalents	**(220,710)**	195,301

(b) Company level - Impairment review of investment in subsidiaries

During the financial year, management performed an impairment test on the investment of Regal Motors. An impairment loss of $1,748,885 was recognised in the Company's profit or loss to write down the investment in Regal Motors to its recoverable amount of $5,868,036.

The recoverable amount of the investment in Regal Motors has been determined by management based on fair value less cost to sell. The recoverable amount was determined by management with reference made to market prices of non-financial assets of the subsidiary that are publicly available adjusted for certain assumptions made by management. In calculating the adjusted market prices of those non-financial assets, adjustments made to market prices were based on management's assumptions and judgement such as market condition, the age, specification, model and selling prices of motor vehicles subsequent to the balance sheet date. Management has determined that financial assets and financial liabilities whose carrying amounts are measured at amortised cost approximate their fair values. The fair value measurement is categorised in Level 3 of the fair value hierarchy.

13. Inventories

	Group	
	2017	2016
	$	$
Motor vehicles	**6,388,640**	5,707,238

At 31 October 2016, inventories with carrying amounts of $1,030,294 were pledged as securities for other payables (Note 15).

14. Trade and other receivables

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Trade receivables	**–**	6,426	**–**	–
Other receivables				
Sundry deposits	**235,459**	123,633	**57,997**	47,116
Refundable deposit	**6,003,000**	–	**6,003,000**	–
Advance deposits to a supplier	**4,025,271**	9,422,337	**–**	–
Amounts due from subsidiaries	**–**	–	**6,899,853**	9,665,325
Amount due from shareholders	**–**	5,955,943	**–**	5,200,683
Amount due from related parties	**–**	4,742	**–**	–
Amount due from third parties	**–**	1,617,655	**–**	424,603
	10,263,730	17,130,736	**12,960,850**	15,337,727

Refundable deposit relates to deposit placed with Dongshan Dibao Property Co., Ltd ("Project Company") incorporated in the People's Republic of China for a property development project. Under the Memorandum of Understanding ("MOU") dated 31 October 2017, the Company shall be granted the exclusive right but not the obligation to participate in the Project, up to an interest of 51% in the Project, whether by way of subscribing of new shares in the Project Company, entering into a funding and management contract with the Project Company, or via a combination of any of the aforesaid structures. The Company has paid the Project Company a sum of $6,003,000 as good faith deposit upon signing of MOU.

The amounts due from subsidiaries, shareholders, related parties and third parties are non-trade in nature, unsecured, interest-free (2016: amount due from subsidiaries interest at 2% per annum), repayable on demand.

15. Trade and other payables

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Non-current				
Consideration payable	**1,321,147**	1,238,092	**1,321,147**	1,238,092
Current				
Trade payables	**1,542,508**	625,846	**–**	–
Other payables	**35,046**	459,695	**79,232**	–
Amount due to subsidiaries	**–**	–	**2,000,000**	–
Amount due to shareholder	**43,698**	1,000	**–**	–
Accrued operating expenses	**206,593**	398,981	**167,422**	84,379
	1,827,845	1,485,522	**2,246,654**	84,379

15. Trade and other payables (cont'd)

The amount due to subsidiaries and shareholder are non-trade in nature, unsecured, interest-free and repayable on demand.

At 31 October 2016, other payables amounting to $442,448 was non-trade, secured by inventories (Note 13), bore interest rates of 1.25% to 2.25% per annum and was repayable on demand. The balance was settled during the financial year.

Contingent payable

As part of the acquisition agreement for Regal Motors in year 2016, the Group is required to pay the previous owner of Regal Motors additional cash payment of $6,000,000 if Regal Motors generates profit after tax of $2,500,000, $3,000,000 and $3,500,000 for the financial year ended 31 October 2016, 31 October 2017 and 31 October 2018 respectively. Based on the management's assessment, Regal Motors will not likely be able to meet the financial targets and therefore, no contingent consideration is recognised.

Apart from the above contingent consideration, the Group is required to pay $1,499,986 to the previous shareholder of Regal Motors in January 2021. The fair value of the consideration payable due in January 2021 was estimated at $1,232,614 at date of acquisition. The fair value of the consideration payable was calculated by discounting the consideration payable at 4% per annum. The balance is measured at amortised cost using the effective interest method.

Based on discounted cash flow analysis using market lending rate for similar borrowings which the management expects would be available to the Group and Company at the balance sheet date, the fair value of the consideration payable at the balance sheet date approximates its carrying amount as there are no significant changes in the interest rates available to the Group and Company at the balance sheet date. This fair value measurement for disclosure purpose is categorised in Level 3 of the fair value hierarchy.

16. Finance lease liabilities

	Group			
	2017		2016	
	Minimum lease payments	**Present value**	Minimum lease payments	Present value
	$	**$**	$	$
Not later than one financial year	**332,138**	**278,345**	273,960	223,333
Later than one financial year but not later than five financial years	**887,935**	**814,909**	957,079	873,369
Later than five financial years	**59,690**	**57,973**	–	–
Total minimum lease payments	**1,279,763**	**1,151,227**	1,231,039	1,096,702
Less: Future finance charges	**(128,536)**	**–**	(134,337)	–
Present value of finance lease liabilities	**1,151,227**	**1,151,227**	1,096,702	1,096,702
Representing finance lease liabilities				
Current	**278,345**		223,333	
Non-current	**872,882**		873,369	
	1,151,227		1,096,702	

16. Finance lease liabilities (cont'd)

At 31 October 2017, the finance leases bear effective interest rates ranging from 3.57% to 5.42% (2016: 3.57% to 5.42%) per annum.

The net carrying value of property, plant and equipment acquired under finance lease arrangements is disclosed in Note 11.

Based on discounted cash flow analysis using market lending rate for similar borrowings which the management expects would be available to the Group at the balance sheet date, the fair values of the non-current finance lease liabilities at the balance sheet date approximates its carrying amount as there are no significant changes in the interest rates available to the Group at the balance sheet date. This fair value measurement for disclosure purpose is categorised in Level 3 of the fair value hierarchy.

17. Deferred tax liabilities

The movement in the deferred tax account is as follows:

	Group	
	2017	2016
	$	$
Fair value adjustment		
Balance at beginning of financial year	**433,316**	–
Acquisition of subsidiary	**–**	567,223
Charge to profit or loss (Note 8)	**(293,610)**	(133,907)
Balance at end of financial year	**139,706**	433,316

18. Share capital

	Group and Company			
	2017		2016	
	No. of shares	**$**	No. of shares	$
Issued and fully paid ordinary shares				
Balance at beginning of financial year	**239,393,000**	**27,167,767**	179,280,000	18,541,551
Issue of shares	**–**	**–**	60,113,000	8,626,216
Balance at end of financial year	**239,393,000**	**27,167,767**	239,393,000	27,167,767

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

The newly issued shares rank pari passu in all respects with the previously issued shares.

19. Related party transactions

(a) In addition to the information disclosed elsewhere in the financial statements, the following significant transactions took place between the Group and its related parties on terms agreed between the parties concerned:

	Group	
	2017	2016
	$	$
With director		
Advances from director	**130,000**	–
Expenses paid on behalf by the Group	**20,000**	–
With shareholders		
Advances from subsidiary	**–**	49,211
Consultancy fees paid by the Group	**456,000***	16,190
Expenses paid on behalf by the Group	**445,126**	–
Expenses paid on behalf for the Group	**43,698**	–
With related parties		
Advances from subsidiary	**–**	4,742
Expenses paid on behalf by the Group	**6,850**	–
Refundable deposit paid	**6,003,000**	–

Included in consultancy fees are $336,000 paid to key management personnel of the Group [Note 19(b)].

Related parties refer to companies in which the controlling shareholders of the Company have controlling interest.

(b) Compensation of key management personnel

Total key management personnel compensation is analysed as follow:

	Group	
	2017	2016
	$	$
Salaries and related costs	**790,510**	766,209
Consultancy fees	**336,000**	–
Contributions to defined contribution plans	**33,195**	26,322
Directors' fees	**177,809**	113,750
	1,337,514	906,281

20. Segment information

The Group is organised into business units based on the nature of their activities. The Group has two (2016: four) reportable segments as follows:

(i) The sales of motor vehicles;

(ii) The golf business representing business activities from managing a public golf course and golf driving ranges;

(iii) The investment property business representing rental income earned from the leasing out of investment properties; and

(iv) The corporate activity segment providing corporate support services to the Group.

The golf and investment property businesses were discontinued in 2016 (Note 9).

Except as indicated above, no operating segments have been aggregated to form the above reportable segments. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

	2017	2016
	$	$
Revenue from continuing operations		
Sales of motor vehicles	**6,083,356**	6,720,343
Segment loss		
Sales of motor vehicles	**(3,159,863)**	(10,281,355)
Corporate	**(4,267,803)**	(6,698,100)
	(7,427,666)	(16,979,455)
Eliminations	**1,455,275**	6,596,139
	(5,972,391)	(10,383,316)

The Group does not have any customer who individually contributed 10% or more of the Group's revenue.

20. Segment information (cont'd)

	← Continuing operations →		← Discontinued operations →				
	Sales of Motor Vehicles $	Corporate $	Corporate $	Golf Business $	Investment Property $	Eliminations $	Consolidated $
2017							
Depreciation of property, plant and equipment	**458,811**	**20,998**	–	–	–	–	**479,809**
Finance costs	**80,621**	**83,055**	–	–	–	–	**163,676**
Segment assets includes:							
Additions to non-current assets	**1,169,228**	**144,127**	–	–	–	–	**1,313,355**
Segment assets	**17,462,540**	**21,205,423**	–	–	–	**(18,004,556)**	**20,663,407**
Segment liabilities	**9,864,539**	**3,567,801**	–	–	–	**(8,818,614)**	**4,613,726**
2016							
Depreciation of property, plant and equipment	178,180	3,000	46,170	2,932	–	–	230,282
Depreciation of investment properties	–	–	–	–	166,588	–	166,588
Finance costs	73,470	5,478	–	–	–	–	78,948
Impairment of goodwill	6,388,610	–	–	–	–	–	6,388,610
Segment assets includes:							
Additions to non-current assets	1,468,232	11,247	–	–	–	–	1,479,479
Segment assets	20,241,750	23,227,896	–	–	–	(17,282,246)	26,187,400
Segment liabilities	12,771,792	1,322,471	–	–	–	(9,665,325)	4,428,938

20. Segment information (cont'd)

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Sales to external customers		Non-current assets	
	2017	2016	**2017**	2016
	$	$	**$**	$
Singapore	**6,083,356**	6,720,343	**3,619,672**	2,786,126

Non-current assets information presented above consist of property, plant and equipment in the consolidated balance sheet.

21. Operating leases commitments - where the Group is a lessee

The Group and Company lease shops and office from non-related parties under non-cancellable operating lease agreements. The leases have a tenure of between 1 to 3 years, varying terms, escalation clauses and renewal options. No restrictions are imposed on dividends or further leasing.

Commitments in relation to non-cancellable operating leases contracted for at balance sheet date, but not recognised as liabilities, are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Not later than one financial year	**689,804**	336,822	**150,000**	98,688
Later than one financial year but not later than five financial years	**1,045,505**	–	**237,500**	–
	1,735,309	336,822	**387,500**	98,688

22. Financial instruments

(a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	Group		Company	
	2017	2016	**2017**	2016
	$	$	**$**	$
Financial assets				
Loans and receivables (including cash and cash equivalents)	**6,507,362**	8,189,772	**13,201,504**	15,580,110
Financial liabilities				
Trade and other payables	**3,148,992**	2,723,614	**3,567,801**	1,322,471
Finance lease liabilities	**1,151,227**	1,096,702	**–**	–
At amortised cost	**4,300,219**	3,820,316	**3,567,801**	1,322,471

(b) Financial risk management

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

39% (2016: 55%) of the Group's trade and other receivables comprises advance deposits paid to a supplier and nil% (2016: 31%) comprises balance due from a shareholder. 53% (2016: 63%) of the Company's other receivables comprises balance due from a subsidiary and nil% (2016: 34%) comprises amount due from a shareholder.

As the Group and Company do not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the balance sheets.

22. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and cash equivalents are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

There are no financial assets that are significant and past due and/or impaired.

Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

In managing its liquidity, management monitors and reviews the Group's and Company's forecasts of liquidity reserves. The table below summarises the maturity profile of the Group's and Company's financial assets and liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	One year or less $	One to five years $	Five years or more $	Total $
Group				
2017				
Trade and other payables	1,827,845	1,499,986	–	3,327,831
Financial lease liabilities	332,138	887,935	59,690	1,279,763
	2,159,983	**2,387,921**	**59,690**	**4,607,594**
2016				
Trade and other payables	1,485,522	1,499,986	–	2,985,508
Financial lease liabilities	273,960	957,079	–	1,231,039
	1,759,482	2,457,065	–	4,216,547
Company				
2017				
Trade and other payables	**2,246,654**	**1,499,986**	**–**	**3,746,640**
2016				
Trade and other payables	84,379	1,499,986	–	1,584,365

22. Financial instruments (cont'd)

(b) Financial risk management (cont'd)

Foreign currency risk

At 31 October 2017, the Group and Company have no significant foreign currency risk as its financial assets and liabilities are mainly denominated in its functional currency.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of the Group's and Company's financial instruments will fluctuate due to changes in market interest rates. The Group's and Company's exposure to interest rate risk as at the balance sheet date are not significant.

23. Fair value of assets and liabilities

(a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (ie derived from prices); and

c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(b) Carrying amounts of financial assets and financial liabilities approximate to fair values

Other than finance lease liabilities (Note 16) and non-current consideration payable (Note 15), the financial assets and financial liabilities whose carrying amounts are measured at amortised cost approximate their fair values due to their short-term nature and thus the effect of discounting is immaterial.

24. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy working ratios in order to support its business and maximise shareholder value.

The Group's working capital comprises inventories, trade and other receivables, trade and other payables and cash and cash equivalents stated on the consolidated balance sheet. The Group manages its working capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the working capital structure, the Group may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the financial years ended 31 October 2017 and 31 October 2016.

Capital comprises share capital and accumulated losses. The Company manages capital by regularly monitoring its current and expected liquidity requirements. The Company is not subject to either internally or externally imposed capital requirements.

25. Authorisation of financial statements for issue

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 October 2017 were authorised for issue in accordance with a resolution of the directors dated 5 February 2018.

SHAREHOLDERS' INFORMATION

As at 23 January 2018

Class of equity securities	Number of issued shares excluding treasury shares	Voting Rights
Ordinary Shares	239,393,000	One vote per share

There are no treasury shares held in the issued share capital of the Company. There are no subsidiary holdings held by the Company.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	11	0.87	454	0.00
100 - 1,000	52	4.12	28,250	0.01
1,001 - 10,000	758	60.01	2,552,383	1.07
10,001 - 1,000,000	427	33.81	33,812,962	14.12
1,000,001 AND ABOVE	15	1.19	202,998,951	84.80
TOTAL	**1,263**	**100.00**	**239,393,000**	**100.00**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
SG Royal Group Pte Ltd	70,616,151	29.50%	–	–
Chu Wan Zhen [(1)]	–	–	70,616,151	29.50%
Goh Chin Soon [(2)]	–	–	70,616,151	29.50%
Cheng MingMing	64,703,400	27.03%	–	–
Chua Heng Chuan Ronnie	16,955,000	7.08%	–	–
Tsai Yeou-Tsang	14,846,325	6.20%	–	–

Notes:

(1) Madam Chu Wan Zhen owns 100% of the issued shares of SG Royal Group Pte Ltd and is deemed to be interested in the 70,616,151 shares in the Company held by SG Royal Group Pte Ltd.

(2) Mr Goh Chin Soon is deemed to be interested in the 70,616,151 shares in the Company through his spouse, Mdm Chu Wan Zhen, by virtue of her interest in the Company's shares held by SG Royal Group Pte Ltd.

SHAREHOLDERS' INFORMATION

As at 23 January 2018

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	SG ROYAL GROUP PTE LTD	70,616,151	29.50
2	CHENG MINGMING	64,703,400	27.03
3	CHUA HENG CHUAN RONNIE	16,955,000	7.08
4	TSAI YEOU-TSANG	14,846,325	6.20
5	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	7,677,250	3.21
6	PHILLIP SECURITIES PTE LTD	6,470,050	2.70
7	KOH TUCK SENG	4,454,600	1.86
8	TAN CHEOW GUEK	4,067,675	1.70
9	TAY KOK KIONG	2,762,000	1.15
10	DBS NOMINEES (PRIVATE) LIMITED	2,660,800	1.11
11	NG TECK CHUAN (HUANG DEQUAN)	2,518,300	1.05
12	KIM SENG HOLDINGS PTE LTD	1,733,000	0.72
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	1,349,400	0.56
14	TAM WANG KEI	1,165,000	0.49
15	SAW TIN SOO	1,020,000	0.43
16	LIM BOON TECK JERRY	1,000,000	0.42
17	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	807,750	0.34
18	LEE CHOON YEOW	800,000	0.33
19	RAFFLES NOMINEES (PTE) LIMITED	724,350	0.30
20	HL BANK NOMINEES (SINGAPORE) PTE LTD	697,300	0.29
	TOTAL	**207,028,351**	**86.47**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

30.19% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Transcorp Holdings Limited (the "**Company**") will be held at Poolside Events Room, Level 1, Singapore Polytechnic Graduates' Guild, 1010 Dover Road, Singapore 139658 on Tuesday, 27 February 2018 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 October 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Articles 91 and 97 of the Constitution of the Company:

Mr Goh Chin Soon	(retiring under Article 91)	**(Resolution 2)**
Mr Chia Siak Yan Vincent	(retiring under Article 97)	**(Resolution 3)**
Mr Tan Chade Phang Roger	(retiring under Article 97)	**(Resolution 4)**

Mr Chia Siak Yan Vincent will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees respectively, and will be considered independent.

Mr Tan Chade Phang Roger will, upon re-election as a Director of the Company, remain as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees respectively, and will be considered independent.

3. To approve the payment of Directors' fees of S$160,000 for the financial year ending 31 October 2018, payable half yearly in arrears (FY2017: S$147,700). **(Resolution 5)**

4. To re-appoint Messrs Baker Tilly TFW LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

6. **Authority to issue shares**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)] **(Resolution 7)**

By Order of the Board

Lai Kuan Loong Victor
Kelly Kiar Lee Noi
Secretaries
Singapore, 12 February 2018

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Note:

(i) The Ordinary Resolution 7 in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Annual General Meeting (the "**Meeting**"). A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.

   (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member (which number and class of shares shall be specified).

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 20 Martin Road #09-01, Seng Kee Building, Singapore 239070 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Asian Corporate Advisors Pte. Ltd., for compliance with the revelant rules of the SGX-ST. The Company's Sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Mr. Liau H. K.
Telephone number: 6221 0271

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting ("**AGM**") and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

TRANSCORP HOLDINGS LIMITED

Company Registration No. 199502905Z
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this form of proxy is not valid for use and shall be ineffective for all intents and purpose if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, _____

of _____

being a member/members of **Transcorp Holdings Limited** (the "**Company**"), hereby appoint:

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held on Tuesday, 27 February 2018 at 10.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

No.	**Resolutions relating to:**	**Number of Votes For(1)**	**Number of Votes Against(1)**
1	Directors' Statement and Audited Financial Statements for the financial year ended 31 October 2017		
2	Re-election of Mr Goh Chin Soon as a Director		
3	Re-election of Mr Chia Siak Yan Vincent as a Director		
4	Re-election of Mr Tan Chade Phang Roger as a Director		
5	Approval of Directors' fees amounting to S$160,000 for the financial year ending 31 October 2018, payable half yearly in arrears		
6	Re-appointment of Messrs Baker Tilly TFW LLP as Auditors		
7	Authority to issue new shares		

(1) If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of February 2018

Total number of Shares in:	**No. of Shares**
(a) CDP Register	
(b) Register of Members	

_____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Notes:

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 81SF of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. 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 of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at the Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the Meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 20 Martin Road #09-01, Seng Kee Building, Singapore 239070 not less than forty-eight (48) hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which 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 Meeting, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 February 2018.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.