



**TRANSCORP HOLDINGS LIMITED**  
(Company Registration No.: 199502905Z)  
(Incorporated in the Republic of Singapore)

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## UPDATE ON “CAR PROFILE” LEGAL ACTION

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The Board of Directors (the “**Board**”) of Transcorp Holdings Limited (the “**Company**”) refer to the announcement made on 5 March 2020 on the issuance of notice of demand to a supplier and various subsequent update announcements relating to the ongoing legal action (“**Car Profile legal action**”) by Regal Motors Pte Ltd (“**Regal Motors**”), a 89.5%-owned subsidiary of the Company.

From 4 March 2019 to 13 October 2020, the Company has directed Regal Motors to pursue the Car Profile legal action to seek full recovery of advance deposits amounting to S\$2,638,471 (“**Advanced Deposits**”) from a supplier (the “**Supplier**”) to Regal Motors. Regal Motors formally engaged a law firm, Hin Tat Augustine & Partners, as the external legal counsel for the Car Profile legal action. Mr Chua Heng Chuan Ronnie (“**Ronnie**”) was directed by the Company to sign an authorization letter as Director of Regal Motors to formally commence the legal action in July 2019. Ronnie subsequently also authorized representatives from the Company to negotiate a settlement for the legal case in March 2020, under the direction of the Company. As the Advance Deposits are secured by a letter of undertaking from a deemed shareholder of the Company, the external legal counsel proceeded with the necessary legal action to recover the Advance Deposits from the said deemed shareholder and the owner of the Supplier (together, the “**Defendants**”).

On 13 October 2020, the sole statutory director of Regal Motors, Ronnie, without any directive from or consultation with the Company, instructed the external legal counsel to stop all work on the Car Profile legal action and to file a Notice of Discontinuance in the suit to the Defendants’ lawyers with each party to bear their own cost. Regal Motor’s external legal counsel also advised Ronnie that such an instruction from Ronnie could result in the Defendants claiming legal costs against Regal Motors and insisting that Regal Motors can never make any further claim against the Defendants for the same matter.

Ronnie was able to act in this manner because he is the sole statutory director of Regal Motors. The Company’s capacity is that of shareholder. For the Car Profile legal action, the legal counsel stated that they can only act on the instruction of a Director/Officer of Regal Motors. The Company also discussed with the legal counsel whether a “shareholder’s resolution” from the Company would suffice as instructions from Regal Motors. The legal counsel maintained their position that they can only act on the instruction of a Director/Officer of Regal Motors.

When the Company was made aware of this instruction from Ronnie, the Company immediately informed the legal counsel not to proceed with the action and further informed

that the Company was in the process of contacting Ronnie to understand the basis of his instructions which were contrary to the direction of the ongoing legal action, and that Ronnie's instructions were against the best interests of Regal Motors. However, the legal counsel maintained their position on only taking instructions from a Director of Regal Motors and proceeded accordingly.

The Company also immediately contacted Ronnie to understand the basis of this instruction as it is contrary to the directive from the Company in its capacity as the controlling shareholder of Regal Motors. However, Ronnie was not forthcoming and has not responded to the Company's queries nor requests for a meeting, as at the date of this announcement.

The Company has confirmed with the external legal counsel of Regal Motors that Ronnie has instructed the external legal counsel to cease all work with regards to the Advanced Deposits and the legal counsel has accordingly filed a Notice of Discontinuance on 15 October 2020. Ronnie was also advised by the external legal counsel that as a direct result of his action, the Defendants could now claim legal costs against Regal Motors and could insist that Regal Motors can never make any further claim against them for the same matter.

As announced by the Company on 24 December 2019, Regal Motors had on 17 December 2019 received a notice from the Commercial Affairs Department ("CAD") to provide financial information and corporate email accounts of past employees to assist CAD to ascertain facts and circumstances of an ongoing CAD investigation.

Due to the ongoing CAD investigation which involves financial and other information provided by Regal Motors, and the irregularities arising from Ronnie's actions on 13 October 2020 which remain unexplained, the Company filed a Police Report on 16 October 2020 on this matter, with reference to the matters stated in the Company's announcement on 24 December 2019, so that further investigations can be made.

The Board is pursuing this matter with Ronnie by continuing to seek him out for a meeting and discussion to understand the basis of his actions and instructions on the Car Profile legal action. Subject to the police investigations arising from the police report made on 16 October 2020, and the availability of financial resources, the Company intends to pursue Ronnie's explanation on his actions which may include a legal review of his fiduciary obligations as the sole statutory director of Regal Motors.

The Company will make further announcements as and when there are material developments in relation to the Car Profile legal action.

**CAUTION IN TRADING**

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts as to the actions they should take.

By Order of the Board

Chia Siak Yan Vincent  
Non-Executive Chairman and Independent Director  
23 October 2020