TRANSCORP HOLDINGS LIMITED
Co. Reg. No. 199502905Z

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 APRIL 2019

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF FINANCIAL RESULTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	Six months ended 30 April 2019	Six months ended 30 April 2018	Increase/ Decrease
	S$	S$	%
Revenue	**1,512,013**	**2,911,944**	**(48.1)**
Cost of sales	(1,465,649)	(2,712,559)	(46.0)
Gross profit	**46,364**	**199,385**	(76.7)
Other income	68,727	40,374	70.2
Administrative expenses	(2,159,133)	(2,147,059)	0.6
Finance costs	(180,291)	(87,804)	105.3
Other operating expenses	(270,498)	(821,798)	(67.1)
Loss before tax	**(2,494,831)**	**(2,816,902)**	**(11.4)**
Income tax (expense)/credit	(10,407)	139,754	N.M
- Current	(10,407)	48	N.M
- Deferred	-	139,706	(100.0)
Loss for the financial period and total comprehensive loss for the financial period	**(2,505,238)**	**(2,677,148)**	**(6.4)**
Total comprehensive loss attributable to:			
Equity holders of the Company	(2,363,168)	(2,481,841)	(4.8)
Non-controlling interest	(142,070)	(195,307)	(27.3)
	(2,505,238)	**(2,677,148)**	**(6.4)**

N.M: Not meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Loss before income tax after charging/(crediting):

	Group		
	Six months ended 30 April 2019	Six months ended 30 April 2018	Increase/ Decrease
	S$	S$	%
Loss on disposal of property, plant and equipment	733,583	23,225	3,058.6
Impairment of refundable deposit	250,000	-	N.M
Depreciation of property, plant and equipment	157,740	298,004	(47.1)
Write down of inventories to net realisable value	-	821,798	(100.0)
Property, plant and equipment written off	20,460	-	N.M
Reversal of impairment on deposits paid to a supplier	(57,000)	-	N.M

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Apr-19 S$	31-Oct-18 S$	30-Apr-19 S$	31-Oct-18 S$
Non-current assets				
Property, plant and equipment	920,288	3,057,071	39,813	57,501
Investment in subsidiaries	-	-	1,584,600	1,584,600
Other investment	1,500,000	1,500,000	1,500,000	1,500,000
Total non-current assets	**2,420,288**	**4,557,071**	**3,124,413**	**3,142,101**
Current assets				
Inventories	955,242	1,892,701	-	-
Trade receivables and other receivables	2,771,699	3,030,228	5,104,087	5,901,330
Prepayments	82,899	99,154	5,224	7,796
Cash and cash equivalent	162,953	19,542	158,903	5,563
Total current assets	**3,972,793**	**5,041,625**	**5,268,214**	**5,914,689**
Total assets	**6,393,081**	**9,598,696**	**8,392,627**	**9,056,790**
Non-current liabilities				
Other payable	1,401,247	1,373,993	1,401,247	1,373,993
Finance lease liabilities	1,627,478	2,293,857	-	-
Total non-current liabilities	**3,028,725**	**3,667,850**	**1,401,247**	**1,373,993**
Current liabilities				
Trade payables and other payables	1,795,138	1,649,680	3,090,743	2,616,669
Finance lease liabilities	272,119	489,236	-	-
Income tax payable	10,407	-	-	-
Total current liabilities	**2,077,664**	**2,138,916**	**3,090,743**	**2,616,669**
Total liabilities	**5,106,389**	**5,806,766**	**4,491,990**	**3,990,662**
Net assets	**1,286,692**	**3,791,930**	**3,900,637**	**5,066,128**
Equity				
Share capital	28,667,767	28,667,767	28,667,767	28,667,767
Accumulated losses	(27,047,872)	(24,684,704)	(24,767,130)	(23,601,639)
	1,619,895	**3,983,063**	**3,900,637**	**5,066,128**
Non-controlling interest	(333,203)	(191,133)	-	-
Total equity	**1,286,692**	**3,791,930**	**3,900,637**	**5,066,128**

Notes to the Statements Of Financial Position

	Note	Group		Company	
		30-Apr-19 S$	31-Oct-18 S$	30-Apr-19 S$	31-Oct-18 S$
Trade and other receivables					
Trade receivables		50,675	17,406	-	-
Other receivables					
Refundable deposit	A	2,477,189	2,727,189	2,477,189	2,727,189
Sundry deposits		213,319	195,633	27,709	19,658
Due from related parties		21,218	-	3,133	-
Grants receivables		9,298	-	-	-
Due from subsidiaries, net of allowance for impairment		-	-	2,596,056	3,154,483
Advance deposits to a supplier, net of allowance for impairment	B	-	90,000	-	-
		2,771,699	**3,030,228**	**5,104,087**	**5,901,330**
Trade and other payables					
Non-current					
Consideration payable	C	**1,401,247**	**1,373,993**	**1,401,247**	**1,373,993**
Current					
Trade payables		292,856	528,043	-	-
Other payables		759,522	391,724	709,109	266,758
Accrued operating expenses		549,595	602,533	321,328	345,736
Amount due to related parties		193,165	127,380	53,160	-
Amount due to subsidiaries		-	-	2,007,146	2,004,175
		1,795,138	**1,649,680**	**3,090,743**	**2,616,669**

Notes:

A Refundable deposit relates to deposit placed with Dongshan Dibao Property Co., Ltd (the "**Project Company**") incorporated in the People's Republic of China for a property development project (the "**Project**"). Under the Memorandum of Understanding (the "**MOU**") dated 31 October 2017, the Company shall be granted the exclusive right but not the obligations to participate 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 S$6,003,000 as good faith deposit (the "**Refundable Deposit**") upon signing of the MOU. The Company is owned by Madam Cheng MingMing, a controlling shareholder of the Company (the "**Interested Person**").

The Refundable Deposit is secured by (i) a Deed of Guarantee and Pledge from the Interested Person which provided for a share charge on 64,703,400 shares in the Company held by the Interested Person and a guarantee from the Interested Person for the due and punctual payment by the Project Company of the Refundable Deposit in accordance with the MOU, if the Project Company does not make full and punctual payment of the Advance Deposit in accordance with the MOU, the Interested Person shall, upon written demand from the Company, pay that amount to the Company as if the Interested Person were the primary obligor under the MOU and the Interested Person undertakes to pay any accrued interest and any costs, charges, expenses and disbursements which the Company may incur in enforcing or preserving its rights under or seeking to enforce or preserve its rights under the Deed of Guarantee and Pledge and (ii) a deed of guarantee (the "**Deed**") for a sum of up to S$6,003,000 and any interest that may be accrued, cost, charges, expenses and disbursement that the Company may incur to preserve its rights or seeking

to enforce to preserve its rights under the Deed or otherwise due under the Deed, from SG Royal Pte Ltd, being a company wholly-owned by another controlling shareholder of the Company.

On 28 February 2019, the Company announced that it has written to the Project Company and the Interested Person, being a shareholder of the Project Company, to give the required one month notice to terminate the MOU and has requested the full refund of the Refundable Deposit by 31 March 2019.

On 12 April 2019, the Company issued letters of demand to the Interested Person and the Project Company, subsequently:

- there have been continued discussions with the Project Company over the return of the Refundable Deposit. However, this has not produced any acceptable repayment proposal;
- the Project Company's proposed schedule of repayment was rejected by the Company as the proposed upfront payment is not a significant percentage of the total Refundable Deposit;
- the Company is now in detailed discussions with its lawyers on affirmative legal action for the recovery process; and
- the Company does not rule out considering any subsequent proposals from the Project Company.

During the financial year ended 31 October 2018 ("**FY2018**"), S$3,275,811 of impairment was recognised in the Group's and the Company's profit or loss for the estimated amount with uncertainty over its recoverability, after considering the cash flows that are expected to be received by the Company with respect to the deposit placed. During the six months ended 30 April 2019 ("**1HFY2019"**), S$250,000 (1HFY2018: Nil) of impairment was recognised in the Group's and the Company's profit or loss for the same reason relating to the impairment made in FY2018.

B Advance deposits amounting to S$2,785,471 (the ***Advance Deposits**") were paid to a supplier by Regal Motors Pte Ltd ("**Regal Motors**"), a subsidiary of the Company, for the supply of motor vehicles in accordance with an agreement. During FY2018, S$2,695,471 of allowance for impairment was recognised in the Group's profit or loss as the refund was not forthcoming, resulting in a net balance of S$90,000 as at 31 October 2018. The Advance Deposits is secured by letters of undertaking from a deemed shareholder of the Company (being the former Executive Chairman of the Company and spouse of a controlling shareholder of the Company) and the owner of the supplier.

On 5 March 2019, the Company announced that Regal Motors issued a notice of demand to seek full recovery of the Advance Deposits within seven days from 4 March 2019, failure of which, Regal Motors will commence legal actions against the supplier to recover the Advance Deposits and any associated legal costs.

On 21 May 2019, the Company announced that that there have been continued discussions with the supplier over the return of the Advanced Deposits. However, this has not produced any acceptable repayment proposal as the proposed upfront payment is not a significant percentage of the Advanced Deposits. The Company is now in detailed discussions with its lawyers on affirmative legal action for the recovery process. However, the Company does not rule out considering any subsequent proposals from the supplier.

During 1HFY2019, a total collection of S$147,000 was made which resulted in a reversal of impairment of Advance Deposits amounting to S$57,000.

C Non-current other payable pertains to the consideration payable relating to the acquisition of a Company's subsidiary, Regal Motors, which is payable in 2021. The Group is required to pay S$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 S$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.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

	Group			
	30-Apr-19		31-Oct-18	
	Secured	Unsecured	Secured	Unsecured
	S$	S$	S$	S$
Borrowings - Finance lease obligations				
Amount repayable in one year or less, or on demand	272,119	-	489,236	-
Amount repayable after one year	1,627,478	-	2,293,857	-
	1,899,597	**-**	**2,783,093**	**-**

Details of any collaterals

Finance lease liabilities amounting to S$1.90 million (2018: S$2.78 million) are secured by Group's motor vehicles acquired under finance lease arrangements.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Six months ended 30 April 2019	Six months ended 30 April 2018
	S$	S$
Cash flow from operating activities		
Loss before tax	(2,494,831)	(2,816,902)
Adjustments for:		
Loss on disposal of property, plant and equipment	733,583	23,225
Impairment of redundable deposit	250,000	-
Finance costs	180,291	87,804
Depreciation of property, plant and equipment	157,740	298,004
Property, plant and equipment written off	20,460	-
Reversal of impairment on advance deposits paid to a supplier	(57,000)	-
Write down of inventories to net realisable value	-	821,798
Operating cash flows before changes in working capital	(1,209,757)	(1,586,071)
Trade and other receivables	86,747	295,980
Prepayments	16,255	73,495
Inventories	937,459	1,185,650
Trade and other payables	79,673	(68,434)
Cash used in operations	(89,623)	(99,380)
Income tax paid	-	(173,753)
Net cash used in operating activities	**(89,623)**	**(273,133)**
Cash flow from investing activities		
Procceds from disposal of property, plant and equipment	1,225,000	469,413
Payment on behalf of related parties	(21,218)	-
Purchase of property, plant and equipment	-	(182,236)
Net cash generated from investing activities	**1,203,782**	**287,177**
Cash flows from financing activities		
Repayment of finance leases liabilities	(883,496)	(159,669)
Interest paid	(153,037)	(61,599)
Advances from related parties	65,785	-
Net cash used in financing activities	**(970,748)**	**(221,268)**
Net increase (decrease) in cash and cash equivalents	143,411	(207,224)
Cash and cash equivalents at beginning of financial period	19,542	268,903
Cash and cash equivalents at end of financial period	**162,953**	**61,679**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to equity holders of the Company				
	Share capital	Accumulated losses	Total	Non-Controlling Interest	Total equity
	S$	S$	S$	S$	S$
Group					
Balance at 1 November 2018	28,667,767	(24,684,704)	3,983,063	(191,133)	3,791,930
Total comprehensive loss for the financial period	-	(2,363,168)	(2,363,168)	(142,070)	(2,505,238)
Balance as at 30 April 2019	**28,667,767**	**(27,047,872)**	**1,619,895**	**(333,203)**	**1,286,692**
Balance at 1 November 2017	27,167,767	(11,616,796)	15,550,971	498,710	16,049,681
Total comprehensive loss for the financial period	-	(2,481,841)	(2,481,841)	(195,307)	(2,677,148)
Balance as at 30 April 2018	27,167,767	(14,098,637)	13,069,130	303,403	13,372,533
Issuance of shares	1,500,000	-	1,500,000	-	1,500,000
Subscription of additional shares in a subsidiay	-	(10,282)	(10,282)	10,282	-
Total comprehensive loss for the financial period	-	(10,575,785)	(10,575,785)	(504,818)	(11,080,603)
Balance as at 31 October 2018	**28,667,767**	**(24,684,704)**	**3,983,063**	**(191,133)**	**3,791,930**
Company					
Balance at 1 November 2018	28,667,767	(23,601,639)	5,066,128	-	5,066,128
Total comprehensive loss for the financial period	-	(1,165,491)	(1,165,491)	-	(1,165,491)
Balance as at 30 April 2019	**28,667,767**	**(24,767,130)**	**3,900,637**	**-**	**3,900,637**
Balance at 1 November 2017	27,167,767	(9,530,145)	17,637,622	-	17,637,622
Total comprehensive loss for the financial period	-	(1,007,070)	(1,007,070)	-	(1,007,070)
Balance at 30 April 2018	27,167,767	(10,537,215)	16,630,552	-	16,630,552
Issuance of shares	1,500,000	-	1,500,000	-	1,500,000
Total comprehensive loss for the financial period	-	(13,064,424)	(13,064,424)	-	(13,064,424)
Balance as at 31 October 2018	**28,667,767**	**(23,601,639)**	**5,066,128**	**-**	**5,066,128**

During the six months ended 31 October 2018 ("**2HFY2018**"), the Company recognised impairment for investments in subsidiaries and impairment in receivables from subsidiaries amounting to S$6,833,736 and S$2,047,636 respectively which were reversed on consolidation.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Shares	
	30-Apr-19	**31-Oct-18**
Share capital		
Ordinary shares issued and fully paid		
Balance at the beginning of the financial period/year	269,393,000	239,393,000
Issuance of shares during the financial period/year	-	30,000,000
Balance at the end of the financial period/year	**269,393,000**	**269,393,000**

During 2HFY2018, the Company issued 30,000,000 ordinary shares at S$0.05 per share to satisfy the consideration of S$1,500,000 for the acquisition of 10% interest in the share capital of Motor Megamall Pte Ltd (shown as other investment in the Consolidated Statement of Financial Position). The newly issued shares rank *pari passu* in all respects with the previously issued shares.

As at 30 April 2019, the Company has no outstanding options on unissued shares (31 October 2018: Nil) and does not hold any treasury shares (31 October 2018: Nil).

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Please refer to 1(d)(ii) above.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

The Company did not have treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any subsidiary holdings during and at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

These figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the accounting policies and methods of computation applied by the Group and the Company to their financial statements for the current reporting period are consistent with those applied to the Group's and Company's audited financial statements for FY2018.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Adoption of SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International)

The Singapore Accounting Standards Council has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards as issued by the International Accounting Standards Board. The new framework is referred to as 'Singapore Financial Reporting Standards (International)' ("**SFRS(I)**") hereinafter.

The Group's and the Company's financial statements for the financial year beginning 1 November 2018 are prepared in accordance with the SFRS(I) issued by the Singapore Accounting Standards Council.

The adoption of SFRS(I) does not have any material impact on the financial performance or position of the Group and the Company.

SFRS(I) 9 Financial Instruments

SFRS(I) 9 which replaces FRS 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 FRS 39 incurred loss model.

The adoption of SFRS(I) 9 is not expected to have any material impact on the financial performance or position of the Group and the Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Six months ended 30 April 2019	**Six months ended 30 April 2018**
Loss attributable to owners of the Company	(2,363,168)	(2,481,841)
Weighted average number of ordinary shares in issue	269,393,000	239,393,000
Basic and diluted Earning Per Share ("EPS") (Singapore cents)	**(0.88)**	**(1.04)**

The basic and diluted EPS for the respective financial periods are computed based on the loss attributable to the owners of the Company and the weighted average of the Company's ordinary shares in issue during the respective financial periods.

The basic and diluted EPS are the same as there were no potentially dilutive ordinary shares in issue during and as at the end of the respective financial periods.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30-Apr-19	**31-Oct-18**	**30-Apr-19**	**31-Oct-18**
Net assets	1,619,895	3,983,063	3,900,637	5,066,128
Number of issued shares	269,393,000	269,393,000	269,393,000	269,393,000
Net asset per share (Singapore cent)	**0.60**	**1.48**	**1.45**	**1.88**

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group's statement of comprehensive income:

Revenue and cost of sales

The Group's revenue decreased from S$2.91 million in 1HFY2018 to S$1.51 million in 1HFY2019. The S$1.40 million reduction in revenue was largely attributable a reduction in the number of car sold which accounted for S$1.58 million reduction in sales which was partially offset by a S$0.18 million increase in car rental income. Correspondingly, the cost of goods sold decreased from S$2.71 million in 1HFY2018 to S$1.47 million in 1HFY2019. The decrease in gross profit was largely attributable to motor vehicles been sold at a deeper discount.

Other income

	Group	
	Six months ended 30 April 2019 S$	**Six months ended 30 April 2018 S$**
Reversal of impairment on deposits paid to a supplier	57,000	-
Government grants	6,653	26,501
Miscellenous	5,069	100
Interest income	5	3
Foreign exchange gain, net	-	13,770
	68,727	40,374

Other income increased from S$0.04 million in 1HFY2018 to S$0.07 million in 1HFY2019. The increase was largely attributable to the S$0.06 million increase in reversal of impairment of Advance Deposits which was partially offset by a reduction in foreign exchange gain and government grants.

Administrative expenses

Administrative expenses for 1HFY2019 included S$0.73 million of loss on disposal of property, plant and equipment. The loss was associated with the sale of three motor vehicles to third parties.

Excluding the S$0.73 million (1HFY2018: S$0.02 million) of loss on disposal of property, plant and equipment, administrative expenses decreased by S$0.70 million from S$2.12 million to S$1.43 million. The S$0.70 million reduction in administrative expenses was largely attributable to S$0.34 million reduction in remuneration paid to staff and directors, S$0.14 million reduction in depreciation and S$0.28 million reduction in rental expenses for office as a result of downsizing

Finance costs

Finance cost for 1HFY2019 has increased by S$0.09 million as compared to 1HFY2018 as a result of the increase in the average number of motor vehicles under finance leases.

Other operating expenses

	Group	
	Six months ended 30 April 2019 S$	Six months ended 30 April 2018 S$
impairment in refundable deposit	250,000	-
Property, plant and equipment written off	20,460	-
Foreign exchange loss	38	-
Write down of inventories to net realisable value	-	821,798
	270,498	821,798

Other operating expenses decreased by S$0.55 million from S$0.82 million in 1HFY2018 to S$0.27 million in 1HFY2019. The decrease was largely attributable to the reduction of S$0.82 million in write down of inventories to net realisable value which was offset by a S$0.25 million increase in impairment of Refundable Deposit (as explained in Note A on page 4 of this announcement) and a S$0.02 million increase in property, plant and equipment written off.

Income tax (expense)/credit

Income tax credit decreased by S$0.15 million from S$0.14 million in 1HFY2018 to an income tax expense of S$0.01 million in 1HFY2019. This reduction was largely attributable to the absence of S$0.14 million of reversal of deferred tax liabilities associated with inventories written down to net realisable value.

Loss for the financial year and total comprehensive loss for 1HFY2019

Loss and total comprehensive loss for 1HFY2019 decreased from S$2.68 million in 1HFY2018 to S$2.51 million in 1HFY2019. The S$0.17 million decrease was largely attributable S$0.55 million decrease in other expenses which was partially offset by the S$0.15 million reduction in gross profit, S$0.09 million increase in finance costs and S$0.15 million reduction in income tax credit as explained above.

Review of the Group's financial position:

Property, plant and equipment

As at 30 April 2019, property, plant and equipment decreased by S$2.14 million as compared to the end of last financial year. This reduction was largely due to routine depreciation amounting to S$0.16 million, S$0.02 million of property, plant and equipment write off and the disposal of motor vehicles with a net book value of S$1.96 million.

Other investment

The S$1.5 million investment pertains to 10% equity interest in Motor Megamall Pte Ltd.

Current assets

As at 30 April 2019, current assets amounted to S$3.97 million. This was a reduction of S$1.07 million as compared with 31 October 2018. The reduction was attributable largely to the following:

(i) a S$0.94 million decrease in inventories as a result of the recognition of inventories as cost of sale to match the revenue recognised during 1HFY2019;

(ii) a S$0.26 million reduction in trade and other receivables which was largely attributable to reduction of S$0.25 million of Refundable Deposit as a result of impairment recognised during 1HFY2019; and

(iii) set off by an increase of S$0.14 million in cash and cash equivalents.

Non-current liabilities

As at 30 April 2019, non-current liabilities amounted to S$3.03 million. This was a decrease of S$0.64 million as compared with 31 October 2018. The decrease was largely attributable to the S$0.67 million of decrease in finance lease liabilities, as a result of the disposal of motor vehicles under finance lease as well as routine repayment, which was partially offset by an S$0.03 million increase in other payables due to accretion of interest for the consideration payable.

Current liabilities

As at 30 April 2019, current liabilities amounted to S$2.08 million. This was a decrease of S$0.06 million as compared with 31 October 2018. The decrease was largely attributable a S$0.22 million decrease in finance lease liabilities, as explained under “Non-current liabilities”, which was partially offset by a S$0.14 million increase in trade and other payables.

The increase in trade and other payables amounting to S$0.14 million was largely attributable to a S$0.37 million increase in other payables, largely due to increase in unpaid corporate expenses incurred by the Company, which was partially offset by a reduction of S$0.24 million in trade payables due to routine payment.

Review of the Group’s cash flow

For 1HFY2019, cash flow used in operations amounted to S$0.09 million, this was largely attributable to the losses incurred by the Group. Cash flow generated flow from investing activities amounted to S$1.20 million which was largely attributable to the proceeds from the disposal of property, plant and equipment. The total cash flow used in financing activities amounted to S$0.97 million which was largely due to S$0.88 million of routine payment of finance lease liabilities and S$0.15 million of payment of interest relating to finance lease liabilities which was partially offset by a S$0.07 million of advances from related parties. These resulted in a net increase in cash and cash equivalent amounting to S$0.14 million resulting in a cash and cash equivalent of S$0.16 million as at 30 April 2019.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement was previously given.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

There continues to be no turnaround in the Group's automobile sales business. Strategic initiatives and plans by Management to revive this line of business did not produce their intended results and hence fewer cars were sold this financial period as compared to the corresponding financial period.

One strategic initiative was to setup a car leasing business. The Group currently has a fleet of 23 cars that are leased out to private hire car drivers. The ride hailing app industry is expected to develop vibrantly with other apps such as Gojek, TADA, Ryde and others also entering or entered the market in FY2019. The Group is also actively exploring and evaluating other business opportunities that may enhance shareholders' value as well as lead the Group back to profitability.

The Group's financial position and performance will be also be affected by (i) the outcome of the efforts to recover the Refundable Deposit, in the event that the Group fails to obtain recovery and/or future decline in the Company's share prices (which is pledged as a security over the Refundable Deposit), further impairment may be required; and (ii) the outcome of the efforts to recover the Advance Deposits, in the event that recovery were to be made, reversal of impairment made in FY2018 will be reversed resulting in a gain to the Group. Please see Note A and B on pages 3 and 4 of this announcement for a summary of the latest updates as disclosed up to the date of this announcement.

The Company announced on 10 June 2019 that the Company is in discussion with potential investors but there has been no definitive agreement signed nor is there any guarantee that these discussions will materialise into actual funds raised. If the Company is not able to raise sufficient funding by the end of June 2019, then there will be a going concern issue with the Company.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend has been declared or recommended.

(b)(i) Amount per share (cents):

Not applicable.

(b)(ii) Previous corresponding period (cents):

No dividend has been declared or recommended.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date of dividend is payable

Not applicable.

(e) Book closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect and reason(s) for the decision.

In view of the Group's losses in 1HFY2019, no dividend has been declared or recommended by the Board of Directors for 1HFY2019.

13. If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Goh Chin Soon Sale of a motor vehicle	S$260,000	Nil

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

The motor vehicle was sold without any gain or loss.

The Transaction was completed in November 2018, at the point of completing the Transaction, the latest audited Group's Net Tangible Assets ("**NTA**") available was for FY2017 which amounted to $15,550,971. Hence, the Transaction was approximately 1.7% of the then available Group's latest audited NTA and no immediate announcement was required.

On 30 December 2018, the Company announced its unaudited results for FY2018 and the unaudited Group's NTA as at 31 October 2018 amounted to S$9,828,949. The Transaction was approximately 2.8% of the Group's unaudited NTA as at 31 October 2018. Hence, no immediate announcement was required.

On 6 March 2019, upon the finalisation of the FY2018 audit, the announced Group's audited NTA amounted to $3,983,063. The variance between unaudited results as announced on 29 December against the audited results were explained in the announcement dated 6 March 2019 titled "Material Variances Between Unaudited Financial Statements And Audited Financial Statements For The Financial Year Ended 31 October 2018".

This was the point of time that Transaction, which has been completed, crossed both the threshold of 3% and 5% of the Group's latest audited NTA (i.e. as at 31 October 2018). The Company inadvertently failed to immediate announce the Transaction and explain that at the point of completion of the Transaction, it was only 1.7% of the Group's latest audited NTA (as at 31 October 2017) but due to the audit adjustments made during the finalisation of FY2018 audit, the Transaction crossed both the 3% and 5% threshold based on the Group's audited NTA as at 31 October 2018.

The Company's Board confirms that save as disclosed above, there was no other interested person transaction during 1HFY2019.

14. Confirmations by the Board pursuant to Rule 705(5)

The Board of Directors of Transcorp Holdings Limited hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial statements of the Group and the Company for the half year ended 30 April 2019 to be false or misleading in any material aspect.

15. Confirmations that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7H under Rule 720(1).

BY ORDER OF THE BOARD

Chia Siak Yan Vincent
Non-Executive Chairman
and Independent Director

14 June 2019

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*This announcement 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 announcement including the correctness of any of the figures used, statements or opinions made.*

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

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