



## TRANSCORP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 27 April 1995)  
(Company Registration Number: 199502905Z)

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### RESPONSE TO SGX-ST QUERIES ON 21 MAY 2019 ANNOUNCEMENT

The board of directors (the “**Board**”) of Transcorp Holdings Limited (“**Transcorp**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is pleased to set out its responses to the additional queries raised by the Singapore Exchange Regulation on the announcement in relation to various issues made on 21 May 2019 of which an initial set of queries was announced on 4 June 2019. This announcement should be read in conjunction with both the 21 May 2019 and 4 June 2019 announcements.

1. On the Company’s response to Q6, please see further follow-up queries below:

a. After the car was placed in a floor stock arrangement, the car belonged to who exactly? Regal Motors or the credit company?

A: In a floor stock arrangement, ownership of the car is transferred to the credit company.

b. The announcement states that the floor stock arrangement was then taken over by Ace Financial subsequently. Does that mean that the car belonged to Ace Financial when it took over the floor stock arrangement?

A: Yes.

c. The announcement states that after Ace Financial took over the floor stock arrangement, the car was then sold on to a customer through financing arranged by Ace Financial.

i. The car was sold by Ace Financial to the customer?

ii. Was the Company/Group involved in this transaction i.e. selling of car to the customer?

A: Yes the car was sold by Ace Financial. By right there was no need for Regal Motors to be involved in selling this car. However supporting documents were created by Hassan (Regal Motors staff) to support the application for hire purchase.

d. With reference to Q1a, if the car no longer belonged to Regal Motors, why was it involved in the provision of supporting documents for the documentation for the financing arrangements?

A: Please see the above answer.

e. Is the Group still practising floor stock arrangement now?

A: This is a common market practice in the automobile sales industry. It is a way to financing purchase of automobiles.

f. Noted that the Manager’s signature was not identifiable on the supporting documents for the hire purchase loan.

i. What was the Company’s policy with regard to providing supporting documents for hire purchase loan?

ii. For supporting documents for the hire purchase loan, how many signatures are required and whose signatures are required?

iii. Who are authorized to sign off as the ‘Manager’?

A: The Company’s policy is that we only provide supporting documents for cars that we have sold. There are three signatures on the documents, which are the customer’s signature, the manager’s signature and the staff’s signature. Only Ronnie Chua, our GM for Regal Motors is authorised to sign off as the Manager.

2. On the Company’s response to Q7, please see further follow-up queries below:

a. When did the Company buy back the car?

b. When did the Company sell on the car to another customer at the same price?

A: Once Ace Financial paid off Maybank, we found a third party buyer for the car. We thus bought back the car from Ace Financial and then sold it to the third party buyer at the same price.

3. On the Company's response to Q9, please see further follow-up queries below:

a. Noted that the staff's signature was on the supporting document and the Company has taken disciplinary action against the staff. Please elaborate what internal procedures did the staff not follow which resulted in the disciplinary action.

A: The staff prepared supporting documents when he was not supposed to. He also did not obtain the Manager's signature for the supporting documents.

4. On the Company's response to Q12, what were the relevant transaction(s) that were recorded by the Group?

A: There were two sets of transactions that were recorded. First it was that of a car being placed into a floor stock arrangement and then sold off to the customer. The selling price consisted of the floor stock monies and the lta registration for the car. Second was that of the car being bought back from Ace Financial and then sold to the third party buyer.

5. On the Company's response to Q13, please see further follow-up queries below:

Noted that the Company included 'projections of cashflow and its payables' in its going concern assessment, but did not elaborate further on this.

a. Is the Group generating cashflow from its operations? Please provide the Board's assessment on the sufficiency and adequacy of the Group's cashflow.

b. Please provide the Board's assessment and basis on whether the Group, at this point in time, can pay its debts and liabilities as and when they fall due for the next 12 months.

A: No the Group is not generating sufficient cashflow from its operations. It thus has to raise funds of \$1 mil to pay its debts and liabilities by the end of June 2019.

## **BY ORDER OF THE BOARD**

Chia Siak Yan Vincent  
Non-Executive Chairman and Independent Director

25 June 2019

*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.*

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