TRANSCORP HOLDINGS LIMITED

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

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(1) RESPONSE TO SGX-ST QUERIES ON THE PROPOSED ACQUISITION OF A 10% STAKE IN THE ISSUED AND PAID-UP CAPITAL OF MOTOR MEGAMALL PTE. LTD. ON 28 MARCH 2018 AND 11 APRIL 2018 (THE "RESPONSE TO SGX-ST QUERIES"); AND

(2) CLARIFICATION TO THE ANNOUNCEMENT DATED 23 MARCH 2018 IN RELATION TO THE PROPOSED ACQUISITION OF A 10% STAKE IN THE ISSUED AND PAID-UP CAPITAL OF MOTOR MEGAMALL PTE. LTD. (THE "CLARIFICATION TO THE ANNOUNCEMENT DATED 23 MARCH 2018")

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(1) Response to SGX-ST Queries

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 queries raised by the Singapore Exchange Regulation in relation to the proposed acquisition of a 10% stake in the issued and paid-up capital of Motor Megamall Pte. Ltd. on 28 March 2018 and 11 April 2018.

Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the Announcement.

A. Company's responses to queries on 28 March 2018

Query 1

How is the Board (including key management) satisfied that the terms of the Proposed Acquisition are in the best interest of Transcorp and its minority shareholders given that Transcorp is paying a consideration that is 165 times the NAV of the Target [1.5 million / 90,599 X 10% stake] with a business that has yet to commence and would only result in Transcorp holding a 10% stake?

Company's response:

The Board (including the key management) is of the view that the Proposed Acquisition is complementary to the Company's existing automobile sales business and affords an opportunity for the Company to benefit from the use of the Target's platform to offer its motor vehicles for sale as well as participate in the profits of the Target as a shareholder should the Target's platform receives widespread acceptance and usage.

Query 2

How is the consideration of the S$1.5 million arrived at?

Company's response:

The Consideration was arrived at following arm's length negotiations on a willing buyer willing seller basis, taking into account, *inter alia*, the growth prospects of the Target, the relevance of its business and the level of experience of its Management.

Query 3

Who are the other shareholders of the Target? How are they related to Transcorp?

Company's response:

Mr Oh Chee Tat is the sole shareholder of the Target as at 23 March 2018. He is not related to any Directors, substantial shareholders and does not have any interest directly or indirectly in the Company.

Query 4

What is the purpose of the Shareholders' Agreement?

Company's response:

The purpose of the Shareholders' Agreement is to protect the Company's investment in the Target, to establish a fair relationship between the shareholders and govern how the Target is run. The Shareholders' Agreement will set out the shareholders' rights and obligations and provide an element of protection for minority shareholders and the Target.

B. Company's responses to queries on 11 April 2018

Query 1

Who introduced this deal to Transcorp?

Company's response:

No one has introduced this deal to Transcorp. Mr Oh Chee Tat approached Mr Ronnie Chua directly.

Query 2

What due diligence did Transcorp perform on the Target?

Company's response:

Transcorp checked on various commercial and operational issues such as market potential and financial viability.

Query 3

Has the Target obtained all requisite licences to operate its business? e.g. licences to run such a platform to match the lender and borrower? What are the requisite licences required?

Company's response:

No requisite licences are needed hence no licence was obtained.

(2) Clarification to the Announcement Dated 23 March 2018

The Board refers to the Company's announcement dated 23 March 2018 in relation to the proposed acquisition of a 10% stake in the issued and paid-up capital of Motor Megamall Pte. Ltd.

The Company wishes to clarify that there are typo errors in Para 4.4 point 3 as follows:

"to be responsible for further fund raising exercise of the Target to meet any working capital needs of the Target and/or to grow or expand its business provided always that the Seller shall procure that the ~~Company~~ Target will not raise fund through the issuance of new shares in the ~~Company~~ Target without the Purchaser's consent unless the Sale Shares have an implied value of not less than S$1,500,000 on a fully diluted basis based on the valuation that the ~~Company~~ Target is carrying out the fund raising exercise; and"

BY ORDER OF THE BOARD

Tan Wee Peng Kelvin
Lead Independent Director

18 May 2018

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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