TRANSCORP HOLDINGS LIMITED
(Formerly known as Transview Holdings Limited)
Co. Reg. No. 199502905Z

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE HALF YEAR ENDED 30 APRIL 2017

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS 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		
	Ref	Period ended 30/04/2017 (S$'000)	Period ended 30/04/2016 (S$'000)	% Increase / (decrease)
Revenue	a			
Sales of goods		3,101	2,076	49
Rental income		-	386	NM
Interest income		-	124	NM
Other revenue		76	54	41
Total revenue		3,177	2,640	20
Other items of expenses				
Costs of goods sold	b	(3,008)	(1,335)	>100
Salaries and employee benefits	c	(1,042)	(676)	54
Advertising and promotional expenses	d	(223)	(4)	>100
Deposit written off		-	(53)	NM
Rental expenses	e	(347)	(217)	60
Depreciation of property, plant and equipment	f	(120)	(220)	(45)
Depreciation of investment properties		-	(46)	NM
Depreciation of intangible asset		-	(1)	NM
Other operating expenses		(684)	(973)	(30)
Finance costs	g	(42)	(5)	>100
Foreign currency gain		2	-	NM
		(5,464)	(3,530)	55
Loss before taxation		(2,287)	(890)	>100
Taxation		6	-	NM
Loss for the period		(2,281)	(890)	>100

For Ref (a) to (g) above, please refer to item 8 below

Note:

(1) The comparative figures have been reclassified to conform with current period presentation.
(2) NM denotes not meaningful.
(3) Any discrepancies in the tables included herein between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Consolidated Statement of Comprehensive Income (Cont'd)

	Group		
	Period ended 30/04/2017 (S$'000)	Period ended 30/04/2016 (S$'000)	% Increase / (decrease)
Other comprehensive income/(loss):			
Items that are or may be reclassified subsequently to profit or loss:			
Net fair value gain on available-for-sale financial assets	-	60	NM
Realisation of foreign currency translation	-	316	NM
Other comprehensive income for the period, net of tax	-	376	NM
Total comprehensive loss for the period	(2,281)	(514)	>100
Loss attributable to:			
Owners of the Company	(2,139)	(935)	>100
Non-controlling interest	(142)	45	(>100)
	(2,281)	(890)	>100
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(2,139)	(559)	>100
Non-controlling interest	(142)	45	(>100)
	(2,281)	(514)	>100

1(a)(ii) Other profit and loss items disclosure

	Group		
	Period ended 30/04/2017 (S$'000)	Period ended 30/04/2016 (S$'000)	% Increase/ (decrease)
The following items were charged to the Consolidated Statement of Comprehensive Income:-			
Interest income	-	124	NM
Fair value gain on available-for-sale assets	-	60	NM

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.

Statements of Financial Position

	Ref	Group		Company	
		30/04/2017 (S$'000)	31/10/2016 (S$'000)	30/04/2017 (S$'000)	31/10/2016 (S$'000)
Non-current assets					
Property, plant and equipment	h	3,680	2,786	6	8
Intangible assets		-	-	-	-
Investment in subsidiaries		-	-	7,617	7,617
		3,680	2,786	7,623	7,625
Current assets					
Inventories		5,422	5,707	-	-
Trade and other receivables	i	6,699	17,130	10,410	15,338
Prepayments		16	82	7	23
Cash and cash equivalents		7,806	481	4,244	242
		19,943	23,400	14,661	15,603
Current liabilities					
Trade and other payables	j	1,063	1,486	166	84
Finance lease liabilities	j	328	223	-	-
Income tax payable		175	175	-	-
		1,566	1,884	166	84
Net current assets		18,377	21,516	14,495	15,519
Non-current liabilities					
Finance lease liabilities	j	889	873	-	-
Other payable	j	1,263	1,238	1,263	1,238
Deferred tax liabilities		427	433	-	-
		2,579	2,544	1,263	1,238
Net assets		19,478	21,758	20,855	21,906
Equity					
Share capital		27,168	27,168	27,168	27,168
Accumulated losses		(8,407)	(6,268)	(6,313)	(5,262)
Equity attributable to equity holders of the Company		18,761	20,900	20,855	21,906
Non-controlling interest		717	858	-	-
Total equity		19,478	21,758	20,855	21,906

For Ref (h) to (j) above, please refer to item 8 below

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

Amount repayable in one year or less, or on demand

	Group			
	As at 30/04/2017		As at 31/10/2016	
	Secured	Unsecured	Secured	Unsecured
	($'000)	($'000)	($'000)	($'000)
Amount repayable in one year or less, or on demand	328	-	223	-
Amount repayable after one year	889	-	873	-

The Group's borrowings relate to the finance leases which bear effective interest rates ranging from 3.57% to 5.24% per annum.

Details of any collateral

Finance lease liability of S$1.22 million for HY2017 (FY2016 of S$1.10 million) is secured by a subsidiary'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.

Consolidated Statement Of Cash Flow

	Group	
	Period ended 30/04/2017 (S$'000)	**Period ended 30/04/2016 (S$'000)**
Cash flows from operating activities		
Loss before taxation	(2,287)	(890)
Adjustments for:-		
Depreciation of property, plant and equipment	120	220
Depreciation of investment properties	-	46
Depreciation of intangible asset	-	1
Finance Costs	37	-
Interest income	-	(124)
Currency realignment	-	316
Operating income before changes in working capital	(2,130)	(431)
Changes in working capital		
Decrease/(Increase) in trade and other receivables	10,431	(77)
Decrease in prepayments	66	9
Decrease/(Increase) in inventories	285	(22)
Decrease in trade and other payables	(727)	(346)
Increase in accrued operating expenses	329	84
Cash flows used in operations	8,254	(783)
Income tax paid, net of refund	-	(245)
Net cash flows used in operating activities	8,254	(1,028)
Cash flows from investing activities		
Acquisition of subsidiary	-	(4,500)
Purchase of property, plant and equipment	(56)	(126)
Purchase of intangible asset	-	(5)
Net cash flows used in investing activities	(56)	(4,631)
Cash flows from financing activities		
Repayment of finance lease liabilities, representing net cash used in financing activity	(873)	-
Net increase in cash and cash equivalents	7,325	(5,659)
Cash and cash equivalents at beginning of financial period	481	5,940
Cash and cash equivalents at end of financial period	7,806	281

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.

Statement of Changes in Equity

	← Attributable to equity holders of the Company →				
Group	**Share capital (S$'000)**	**Accumulated profits / (losses) (S$'000)**	**Total (S$'000)**	**Non-controlling interest (S$'000)**	**Total equity (S$'000)**
Balance at 1 November 2016	27,168	(6,269)	20,899	859	21,758
Loss and total comprehensive loss for the period	-	(2,139)	(2,139)	(142)	(2,283)
Balance at 30 April 2017	27,168	(8,408)	18,760	717	19,477

Statement of Changes in Equity (Cont'd)

	← Attributable to equity holders of the Company →						
	Share capital (S$'000)	**Accumulated profits / (losses) (S$'000)**	**Fair value adjustment reserve (S$'000)**	**Foreign currency translation reserve (S$'000)**	**Total (S$'000)**	**Non-controlling interest (S$'000)**	**Total equity (S$'000)**
Group							
Balance at 1 November 2015	18,542	487	55	(1,211)	17,873	-	17,873
Loss for the financial year	-	(935)	-	-	(935)	45	(890)
Other comprehensive income							
Fair value gain on available-for-sale financial assets	-	-	60	-	60	-	60
Foreign currency translation	-	-	-	316	316	-	316
Other comprehensive income for the period, net of tax	-	-	60	316	376	-	376
Total comprehensive (loss)/income for the period	-	(935)	60	316	(559)	45	(514)
Issue of shares	8,626	-	-	-	8,626	-	8,626
Acquisition of a subsidiary	-	-	-	-	-	1,036	1,036
Balance at 30 April 2016	27,168	(448)	115	(895)	25,940	1,081	27,021

	Share capital (S$'000)	Accumulated profit/(losses) (S$'000)	Total equity (S$'000)
Company			
Balance at 1 November 2016	27,168	(5,262)	21,906
Loss after tax, representing total comprehensive loss for the period	-	(1,050)	(1,050)
Balance at 30 April 2017	27,168	(6,312)	20,856
Balance at 1 November 2015	18,542	1,436	19,978
Shares issued	8,626	-	8,626
Loss after tax, representing total comprehensive loss for the period	-	(1,268)	(1,268)
Balance at 30 April 2016	27,168	168	27,336

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 also 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 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.

There was no change in the Company's share capital since the end of the previous period reported on (31 October 2016).

The Company has no outstanding options on unissued shares (31 October 2016: Nil) and does not hold any treasury shares as at 30 April 2017 (31 October 2016: 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.

	30/04/2017 ('000)	31/10/2016 ('000)
Total number of issued shares, excluding treasury shares	239,393	239,393

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

Not applicable. The Company did not have treasury shares during and as 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.

The Group has adopted the new or revised Singapore Financial Reporting Standard ("FRS") and Interpretations to FRS ("INT FRS") that are effective for financial periods beginning on or after 1 November 2016. Save for this, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared with the audited financial statements for the year ended 31 October 2016.

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.

The adoption of the new or revised FRS and INT FRS does not have any material impact on the financial statements 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	
	Period ended 30/04/2017	**Period ended 30/04/2016**
(Loss)/Earnings per share ("EPS")		
Based on the number of shares in issue during the period	(0.89) cents	(0.44) cents
On a fully diluted basis	(0.89) cents	(0.44) cents

The EPS for the period from 31 October 2016 to 30 April 2017 is calculated based on the weighted average number of ordinary shares in issue during the period of 239,393,000 ordinary shares (31 October 2015 to 30 April 2016: 211,674,228 ordinary shares).

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.

	As at 30/04/2017	**As at 31/10/2016**
Net asset value per ordinary share		
Group	7.8 cents	8.7 cents
Company	8.7 cents	9.2 cents

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

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

Background

During the half year ended 30 April 2016 ("HY2016"), the Company performed the following two corporate exercises which changed the nature of the Company's business and consequently, had an effect on the financials of the Group for HY2016.

1. On 25 January 2016, the Company completed the acquisition of approximately 88.5% of Regal Motors Pte Ltd ("RMPL"). Accordingly, RMPL's financial results has been consolidated into the Group's financial results for HY2016.

2. On 29 April 2016, the Company announced the divestment of its subsidiaries, Tee to Green (H.K.) Limited, Transcorp Development Pte. Ltd., Transcorp Resources Pte. Ltd. and Transrich Pte. Ltd (collectively, the "Divestment").

The Divestment was subsequently completed on 9 May 2016. As a result, the consolidation of the Group accounts reduced to only two (2) entities (i.e. Transcorp Holdings Limited and its subsidiary, RMPL).

On 27 March 2017, RMPL had incorporated a new entity, Regal Carmart Wholesale Centre Pte Ltd ("RCWC") and RCWC is wholly-owned by RMPL. The principal activities of RCWC are: (i) wholesale of motor vehicles except motorcycles and scooters; and (ii) general wholesale trade (including general importers and exporters). As at 30 April 2017, RCWC has not engaged in any business.

For the half year ended 30 April 2017 ("HY2017"), the Group was operating under challenging economic conditions in the automobile business sector. Additionally, there was a knock-on effect carried from FY2016 resulting from the termination of the Group's distributorship of the "Lorinser" brand. The termination resulted in the Group holding in inventory a number of Lorinser vehicles which were previously acquired, and which have not been particularly saleable (especially in light of the currently challenging general economic conditions in Singapore).

Review of Financial Performance of the Group

Statement of Comprehensive Income

Revenue

a. Sales revenue increased from S$2,076,000 for the HY2016 to S$3,101,000 for HY2017 mainly due to the sale of motor cars/vehicles.

Other items of expenses

b. Costs of goods sold increased by S$1,673,000 from S$1,335,000 for HY2016 to S$3,008,000 for HY2017. The increase in costs of goods sold was in mainly due to the increase in inventories and storage charges for the inventories held by RMPL and payment made to the authorities for registration of new vehicles.

c. Salaries and employees' benefits are attributable to Directors' fees and remuneration. Salaries and employees' benefits increased from S$676,000 for HY2016 to S$1,042,000 for HY2017. The increase was mainly due to changes in the composition of the Board of Directors and also the payment of remuneration for Directors and employees of RMPL.

d. Advertising and promotional expenses increased from S$4,000 for HY2016 to S$223,000 for HY2017. The increase was mainly due to fees related to the push of sales of vehicles to the public and other car companies.

e. Rental expenses increased from S$217,000 in HY2016 to S$347,000 in HY2017 mainly due to increase in rental expenses incurred by RMPL for its automobile sales business.

f. Depreciation of property, plant and equipment decreased from S$220,000 for HY2016 to S$120,000 for HY2017 due to the Divestment.

g. Finance cost increased from S$5,000 for HY2016 to S$42,000 for HY2017 mainly due to increase in cost for securing finance for motor vehicle.

As a result of the above, the Group recorded an operating loss before taxation of S$2,289,000 for HY2017 as compared to S$890,000 for HY2016.

Statement of Financial Position

Property, plant and equipment

h. Carrying amount of property, plant and equipment increased by S$894,000 from S$2,786,000 as at 31 October 2016 to S$3,680,000 as at 30 April 2017. The increase was mainly due to the vehicles bought and classified as fixed assets for the usage by the directors of RMPL and for the company itself.

Working capital

The working capital of the Group is set out below:-

	As at 30/04/2017 ($'000)	As at 31/10/2016 ($'000)
Total current assets	19,943	23,400
Total current liabilities	1,566	1,884
Working capital	18,377	21,516

The Group had positive working capital of S$18,377,000 as at 30 April 2017, as compared to S$21,516,000 as at 31 October 2016.

Trade and other receivables	Group	
	As at 30/04/2017 ($'000)	As at 31/10/2016 ($'000)
Trade receivables:	152	6
Other receivables:		
Sundry deposit	326	124
Advance deposits to a supplier	5,248	9,422
Amount due from shareholders	-	5,956
Amount due from related parties	863	4
Amount due from third parties	-	1,618
Other assets	110	-
	6,699	17,130

i. Carrying amount of trade and other receivables decreased from S$17,130,000 as at 31 October 2016 to S$6,699,000 as at 30 April 2017. This was mainly due to the business operations of RMPL.

	Group	
Trade and other payables and finance leases	**As at 30/04/2017 ($'000)**	**As at 31/10/2016 ($'000)**
Trade and other payables	2,326	2,724
Finance lease liabilities	1,217	1,096
	3,543	3,820

j. Trade and other payables decreased from S$2,724,000 to S$2,326,000 mainly due to the decrease in customer deposits for the purchase of vehicles.

Carrying amount of accrued operating expenses decreased from S$399,000 as at 31 October 2016 to S$329,000 as at 30 April 2017. The decrease was mainly due to RMPL focusing on settling payments on a more timely basis.

Finance lease liabilities increased from S$1,096,000 to S$1,217,000 mainly due to increase in the financing of plant and equipment for RMPL.

Consolidated Statement of Cash Flow

In HY2017, the Group's net cash flows used in operating activities amounted to S$8,254,000. This was mainly due to the a substantial recoverability in the trade and other receivables.

Net cash flows used in investing activities amounted to negative S$56,000 in HY2017. This was due to the purchase of vehicle by RMPL during the year.

Net cash used in financing activity amounted to S$873,000 in HY2017. This was due to repayment of finance lease liabilities during the year.

As a result of the above, there was a net increase of S$7,325,000 in cash and cash equivalents, from S$481,000 as at 31 October 2016 to S$7,806,000 as at 30 April 2017.

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.

The automobile sales business will remain challenging.

With effect from 1 September 2017, automobiles imported into Singapore must comply with the emission standard "Euro 6" whereas the Group has been importing Japanese automobiles which only meets the emission standard "Euro 4". This change might have an adverse impact on the sales of the vehicles and towards the cost of holding such current inventories.

Additionally, the Group only competes for actual or automobile purchasers, which market has shrunk as the market for private hire cars has grown. The Group does not do business with the latter as these companies generally require us to not only shrink our profit margin substantially, but also provide them with extended credit terms.

Notwithstanding the above, the Company intends to continue focusing on the automobile sales sector and in this regard, it intends to concentrate on wholesaling automobiles (in addition to its current retail business).

In addition, management will be implementing cost controls across the Group and will strive to improve the Group's performance.

The Group is also currently exploring and evaluating other business opportunities that may enhance shareholders' value in the long term.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for HY2017.

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 and there were no material IPTs during the current financial period under review.

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

The Board of Directors of Transcorp Holdings Limited do hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the financial statements for the half year ended 30 April 2017 to be false or misleading in any material aspect.

15. Confirmation Pursuant to Rule 720(1)

The Company 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

Goh Chin Soon
Executive Chairman

Tan Wee Peng Kelvin
Independent Director

7 June 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's continuing sponsor, Stamford Corporate Services Pte. Ltd. ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST 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.

The contact person for the Sponsor is Mr Bernard Lui
Telephone number: (65) 6389 3000
Email address: bernardlui@morganlewis.com