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

PROPOSED DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF TEE TO GREEN (H.K.) LIMITED, TRANSCORP DEVELOPMENT PTE. LTD., TRANSCORP RESOURCES PTE. LTD. AND TRANSRICH PTE. LTD.

1. INTRODUCTION

The board of directors ("**Board**") of Transcorp Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company, has on 29 April 2016, entered into a sale and purchase agreement (the "**Agreement**") with Mr Tan Cheng Chuan (the "**Purchaser**" and together with the Company, the "**Parties**").

On the terms and subject to the conditions of the Agreement, the Company agrees to sell and the Purchaser agrees to buy (the "**Proposed Disposal**") the entire issued and paid up share capital (the "**Sale Shares**") of each of Tee to Green (H.K.) Limited, Transcorp Development Pte. Ltd., Transcorp Resources Pte. Ltd. and Transrich Pte. Ltd. (collectively, the "**Relevant Subsidiaries**" and each, a "**Relevant Subsidiary**").

The Proposed Disposal constitutes a discloseable transaction under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

2. INFORMATION ON THE PURCHASER AND EACH RELEVANT SUBSIDIARY

The Purchaser is Mr Tan Cheng Chuan, a Singaporean. He was formerly the managing director of the Company. On 10 February 2016, the Purchaser resigned from the Board and all the subsidiaries within the Group where he was the corporate representative. As at the date of this announcement, the Purchaser has an interest of 13.97% of the issued share capital of the Company. He is currently a director in Leonian Singapore Pte Ltd, Nippon Golf Pte Ltd, Transview Lifestyle Pte Ltd and T-View Interior Pte Ltd.

Tee to Green (H.K.) Limited ("**Tee to Green**") is a private company limited by shares incorporated in Hong Kong on 18 March 2003. It is an investment holding company. Tee to Green holds the entire issued share capital in Transcorp (H.K.) Limited (滙鋒高爾夫(香港)有限公司) ("**Transcorp (HK)"**). Transcorp (HK), formerly known as Transview Golf (H.K.) Limited (滙鋒高爾夫(香港)有限公司), is a private company limited by shares incorporated in Hong Kong, which principal activity is investment holding. Transcorp (HK) owns a warehouse in Kowloon, Hong Kong. Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 October 2015 (the "**FY2015 Results**"), the book value and net tangible asset value of Tee to Green was S$95,454.00.

Transcorp Development Pte. Ltd., formerly known as Transview Development Pte Ltd. ("**Transcorp Development**"), is a private company limited by shares incorporated in Singapore on 4 April 1963. It is an investment holding company. Transcorp Development holds shares in Santarli Corporation Pte. Ltd., a residential property development company in Singapore. Based on the FY2015 Results, the book value and net tangible asset value of Transcorp Development was S$367,437.00.

Transcorp Resources Pte. Ltd., formerly known as Transview Resources Pte Ltd. ("**Transcorp Resources**"), is a private company limited by shares incorporated in Singapore on 30 October 2000. It is an investment holding company. Transcorp Resources holds 4,979,386 shares of Tyranna Resources Limited, an Australian Securities Exchange listed resources company focusing on the Jumbuck Gold Project. Based on the FY2015 Results, the book value was a loss and the net tangible liability value of Transcorp Resources was S$49,446.00.

Transrich Pte. Ltd., formerly known as Transview Golf Pte. Ltd. ("**Transrich**"), is a private company limited by shares incorporated in Singapore on 17 March 1984. It is an investment holding company. Transrich holds investment properties in Singapore and Malaysia. Based on the FY2015 Results, the book value and net tangible asset value of Transrich was S$4,881,100.00.

3. VALUE OF THE SALE SHARES

The Company commissioned a valuation of the fair market value of the Relevant Subsidiaries as at 29 February 2016. The valuation was conducted by Robert Khan & Co Pte. Ltd. and a report was issued on 18 April 2016 (the "**Valuation Report**"). The Valuation Report values the approximate fair market value of the aggregate of the Relevant Subsidiaries to be S$9,610,000.00.

On a willing buyer willing seller basis, the parties reached an agreed consideration (the "**Consideration**") of S$9,182,748.35 which represents a 4.44% discount to the fair market value provided by the Valuation Report.

Based on the FY2015 Results, the aggregate book value for the investment in the Relevant Subsidiaries was S$7,081,327.00. The Proposed Disposal will result in a gain on disposal of approximately S$2,101,421.00.

4. RATIONALE AND USE OF PROCEEDS

The Group made a net loss of S$1,265,685 for the financial year ended 31 October 2015 in light of falling revenue. This was following its disposal of its main business of wholesale of golf equipment and related products. This resulted in the Company's revenue comprising mainly of rental income from investment properties and interest income from its loans. In order to enhance value for its shareholders, the Company ventured into the automobile sales sector by acquiring approximately 88.5% of the issued and paid-up share capital of Regal Motors Pte. Ltd. for an aggregate consideration of up to S$20 million. The Proposed Disposal is part of the plan to enhance value for the Shareholders as it will allow the Company to shift away from its previous reliance on rental and loan income, and concentrate its resources in the automobile sales sector.

The Proposed Disposal will allow the Company to gain access to more working capital which is important especially in this economic climate. This additional working capital will be valuable for the operations of the newly acquired automobile sales business. The additional working capital may also be used to explore other businesses and undertake new investment opportunities should they arise in the future so as to further enhance value for Shareholders.

5. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

5.1 Consideration

The Consideration for the Sale Shares shall be the sum of S$9,182,748.35, to be paid as follows:

(a) the sum of S$2,682,748.35 (the "**Initial Purchase Price**") on the date of completion of the Proposed Disposal in accordance with the Agreement (the "**Completion Date**"); and

(b) the sum of S$3,250,000 on the date three (3) months from Completion Date, or such other date as Parties may mutually agree in writing ("**First Balance Payment**"); and

(c) the sum of S$3,250,000 on the date three (3) months from the date of the payment of the First Balance Payment, or such other date as Parties may mutually agree in writing ("**Second Balance Payment**").

Payment of the Initial Purchase Price, First Balance Payment and Second Balance Payment shall be by cashier's orders made payable to an account specified by the Company prior to such payment.

In the event that the Purchaser fails to make payment of the First Balance Payment, and fails to remedy such default within 28 days, the Second Balance Payment and any other amounts owing under the Agreement shall be immediately due and payable on demand by the Company.

The Consideration is determined based on arm's length negotiations between the Parties and was arrived at on a "willing buyer, willing seller" basis. The Consideration takes into account the findings of the Valuation Report.

5.2 Intra-Group Loans

As at the date of the Agreement, there are outstanding loans between certain of the Relevant Subsidiaries and the Company as at the date of the Agreement (the "**Intra-Group Loans**") as follows:

(a) S$464,311.62 is payable from the Company to Transcorp Resources;

(b) S$5,500,000 is payable from Transcorp Development to the Company; and

(c) S$2,281,563.27 is payable from Transrich to the Company.

In respect of the above and as a condition precedent to the Proposed Disposal, a deed of repayment (the "**Deed of Repayment**") shall be duly executed by the Company, the Vendor, Transrich, Transcorp Development and Transcorp Resources pursuant to which the sum of S$7,317,251.65, being the aggregate sum of the Intra-Group Loans shall be paid to the Company by the Purchaser on the Completion Date.

5.3 Conditions Precedent

The Proposed Disposal is conditional upon, among other things, the following being confirmed, fulfilled, procured or waived (as the case may be):

(a) execution of the Deed of Repayment;

(b) all necessary approvals, consents and waivers required to complete the Agreement and all transactions contemplated under the Agreement being obtained, and if such approvals, consents and waivers are obtained subject to any conditions and where such conditions affect any Party, such conditions being acceptable to the Party concerned, and if such conditions are required to be fulfilled before completion of the Proposed Disposal, such conditions being fulfilled before completion of the Proposed Disposal;

(c) each of the representations and warranties made by the Company and the Purchaser in the Agreement being true and accurate as at the Completion Date; and

(d) the Purchaser being satisfied in its sole and absolute discretion that there has been no event, circumstance, effect, occurrence or state of affairs or alike that is, or is reasonably likely to be, materially adverse to the business, operations or financial condition of the Relevant Subsidiaries taken as a whole, and no event, circumstance, effect, occurrence or state of affairs or alike is likely to lead to the same.

If the conditions set out above are not satisfied or waived by the relevant party by 31 May 2016 (or such later date as mutually agreed between the Parties), the provisions of the Agreement shall cease and determine and none of the Parties shall have any claim against the other for costs, damages, compensation or otherwise save in respect of any antecedent breach of the Agreement.

6. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN CHAPTER 10 OF THE LISTING MANUAL

Based on the FY2015 Results (being the latest announced consolidated accounts for the Group), the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules are as follows:

Rule 1006	Bases	Percentage (%)
(a)	Net asset value of the Sale Shares to be disposed of, compared with the Group's net asset value of S$17,872,458	29.6
(b)	Net loss[(1)] of approximately S$394,809 attributable to the Sales Shares, compared with the Group's net loss of approximately S$1,265,685	31.19
(c)	Aggregate value of the consideration received, compared with the Company's market capitalisation of S$26,333,230[(2)]	34.9
(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable [(3)]
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves	Not applicable [(4)]

Notes:

(1) Under Rule 1002(3)(b) of the Catalist Rules, "**net profits**" means profit or loss before income tax, minority interests and extraordinary items. "Net loss" is utilised here for clarity.

(2) The market capitalisation of the Company is calculated on the basis of 239,393,000 Shares in issue (excluding treasury shares) as at the date of this announcement and the 1-day volume weighted average price of S$0.11 for such Shares transacted on 28 April 2016, being the last market day on which Shares were traded immediately before the date of the Agreement.

(3) Not applicable as the Proposed Disposal pertains to a disposal of assets.

(4) This is not applicable as the Proposed Disposal is not a disposal of mineral, oil or gas assets.

Based on the latest announced consolidated accounts for the Group, the relative figure computed on the bases set out in Rule 1006(a), (b) and (c) are between 5% and 50%. Accordingly, the Proposed Disposal constitutes a disclosable transaction under Chapter 10 of the Catalist Rules.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The financial effects of the Proposed Disposal on the Group's consolidated net tangible assets ("**NTA**") per share and the consolidated earnings per share ("**EPS**") have been prepared based on the FY2015 Results. The pro forma financial effects of the Proposed Disposal are presented for illustration purposes only, and are not intended to reflect the actual future financial situation of the Group after Completion.

For the purposes of illustrating the financial effects of the Proposed Disposal, the financial effects have been prepared based on, *inter alia*, the following assumptions:

(a) the financial effects of the Proposed Disposal on the consolidated NTA per Share are computed assuming that the Proposed Disposal had been completed on 31 October 2015;

(b) the financial effects of the Proposed Disposal on the consolidated EPS are computed assuming that the Proposed Disposal had been completed on 1 November 2014; and

(c) the expenses in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects.

7.1 EPS

	Before the Proposed Disposal	**After the Proposed Disposal**
EPS (cents)	-0.71	0.46

7.2 NTA

	Before the Proposed Disposal	**After the Proposed Disposal**
NTA per share (cents)	9.97	11.14

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Other than through their respective shareholdings in the Company, none of the directors and/or substantial shareholders of the Company, save for the Purchaser, has any interest (direct or indirect) in the Proposed Disposal.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly no service contract is proposed to be entered into between the Company and any such person.

10. DOCUMENTS FOR INSPECTION

Copies of the Agreement and the Valuation Report are available for inspection by shareholders during normal business hours at the registered address of the Company at 1 Kim Seng Promenade, #17-04 Great World City East Tower, Singapore 237994, for a period of three (3) months from the date of this announcement.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the directors of the Company are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the directors of the Company has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

12. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company as the Proposed Disposal is subject to certain conditions and there is no certainty or assurance as at the date of this announcement that the Proposed Disposal will be completed.

The Company will make the necessary announcements when there are further developments on the Proposed Disposal. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. In the event of any doubt, Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Goh Chin Soon
Executive Director
29 April 2016

*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, (the "**Sponsor**") for compliance with the relevant rules of 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.

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