

# GEARING UP FOR GREATER SUSTAINABILITY



CONTENTS

|                         |    |
|-------------------------|----|
| About this Report       | 1  |
| Board Statement         | 2  |
| Performance Highlights  | 4  |
| Sustainability Approach | 5  |
| Stakeholders            | 6  |
| Materiality             | 8  |
| Economic                | 10 |
| Environmental           | 12 |
| People                  | 14 |
| Customers               | 16 |
| Community               | 18 |
| Governance              | 19 |
| GRI Disclosure Index    | 20 |



Cover:  
The zero-emissions BMW iX is a fully electric mid-size SUV offered for sale by the Company since 2021 as part of a range of fully electric vehicles offered by Trans-China Automotive Holdings.



## ABOUT THIS REPORT

As environmental and social factors continue to evolve and impact the communities, Trans-China Automotive Holdings Limited (“TCA” or the “Company”, and together with its subsidiaries, the “Group”), recognises that having an effective economic, environmental, social and governance (“ESG”) strategy in place is pivotal to boosting its competitive edge and ensuring a lasting organisation.

Over the years, we have taken some proactive steps to conserve natural resources and minimise carbon emissions, adopt fair and best employment practices, contribute to the wider society and safeguard the interests of our stakeholders. As a newly listed company, our ESG strategy will evolve and expand to comply with regulatory requirements in Singapore, in addition to the countries that we operate in.

Our sustainability roadmap continues to be a gradual learning process as we learn and understand the different aspects of ESG factors and how we can integrate these into our operations while also ensuring that they are aligned with local regulatory standards. We strive to progressively strengthen our sustainability efforts through implementing the right policies and practices, developing appropriate targets and measurements and ensuring sufficient resources are dedicated to drive effective outcomes.

In this regard, we are pleased to present our inaugural sustainability report for financial year ended 31 December 2021 (“FY2021”) as a public listed company. This report captures the highlights and achievements of FY2021 as compared to the same period a year ago (“FY2020”).

## Reporting Standards

We have prepared this report in accordance with the Global Reporting Initiative (“GRI”) 2020 Sustainability Reporting Standards: Core option, which is a widely-accepted international standard for sustainability reporting unveiled by GRI in 2020. We have observed the reporting principles established by the GRI Standards and adopted its principles of stakeholder inclusiveness, sustainability context, materiality, completeness, accuracy, comparability and consistency, reliability and quantifiability in preparing this report.

This report has also been prepared in accordance with the sustainability reporting requirements of Rules 711A and 711B of Listing Manual Section B: Rules of Catalyst (the “Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on a “comply or explain” basis.

## Feedback

As part of our efforts to improve the coverage of our sustainability practices, we welcome stakeholders to submit their queries and feedback on any aspect of our sustainability performance to [info@tca-auto.com](mailto:info@tca-auto.com).

# BOARD STATEMENT

TCA was founded on the bedrock of not just building a sustainable and profitable business, but also with the awareness of our social responsibilities towards the environment and towards the communities and stakeholders that are related to the Group. As such, it is the intention of the Group and its Board of Directors (the "Board") to make sustainability reporting a vital component of TCA's corporate framework.

TCA is committed to ensuring the highest standards in our corporate conduct and sustainability governance structure through clear accountability and oversight. The Group has conducted a materiality assessment and identified eight material topics that we have categorised into four strategic pillars relating to economic, environmental, social and governance.

The process of determining these ESG factors was overseen by the Board, which together with the management team, will continue to monitor the progress and improvements that TCA makes in each area.

As the COVID-19 pandemic continued to evolve in 2021, our focus besides profit preservation and sustainable growth, was ensuring the health and safety of our staff and customers. To this end, we have stepped up our health and safety measures at our offices, showrooms and workshops and adhered to all COVID-19 measures implemented by the government which include safe management measures, regular testing of our workers and more.

Besides ensuring the safety and health of our staff, one of the key pillars to sustainable business growth is the ability to attract and retain talented and skilled employees to drive operational excellence and achieve optimum results. As such, we adopted fair and ethical employment practices and dedicated resources towards developing and nurturing human capital.

On the environmental front, we implemented energy and water conservation practices in all our workplaces as part of our efforts to align with the government's aggressive environmental goals for energy and water conservation and also to do our part to combat climate change. Through proper management of waste and disposal of biodegradable products, we were able to reduce environmental impact and minimise carbon emissions.

The Board is committed to ensuring that the Group carries out its ESG obligations with integrity. We have adopted a zero-tolerance stance to regulatory breaches and will practice good corporate governance throughout our business in accordance with the prevailing statutory principles and guidelines.

Motoring is an essential part of every day life and while it cannot be completely green, TCA as part of the value chain, is committed to doing our part to reduce the environmental impact of our activities. As TCA ventures into its next phase of growth, we aim to achieve greater levels of sustainability in our business operations whilst managing relevant ESG risks and opportunities to become more resilient as well as do our part in contributing to the environment and society in a positive way.

On behalf of the Board, we would like to thank the management and staff for their commitment towards the Group's sustainability initiatives and we look forward to the support of our stakeholders to achieve better outcomes each year.

**FRANCIS TJIA**  
*Executive Chairman  
and Chief Executive Officer*

“

Besides ensuring the safety and health of our staff, one of the key pillars to sustainable business growth is the ability to attract and retain talented and skilled employees to drive operational excellence and achieve optimum results.

”



**FRANCIS TJIA**  
*Executive Chairman  
and Chief Executive Officer*

# PERFORMANCE HIGHLIGHTS

| ESG FACTORS                                | FY2021                                 |  | FY2020                                 |  |
|--|--|--|--|--|
| <b>Economic (RMB' million)</b>             |  |  |  |  |
| Revenue                                    | 4,515.7                                |  | 4,214.0                                |  |
| Gross Profit                               | 371.6                                  |  | 316.1                                  |  |
| Profit for the Year                        | 124.0                                  |  | 109.9                                  |  |
| Dividend to Shareholders                   | RMB0.0257 per share                    |  | Nil                                    |  |
| <b>Environmental</b>                       | <b>Usage per unit sold<sup>1</sup></b> | <b>Usage per unit repaired<sup>2</sup></b> | <b>Usage per unit sold<sup>3</sup></b> | <b>Usage per unit repaired<sup>4</sup></b> |
| Water Consumption (tonnes)                 | 4.37                                   | 0.38                                       | 4.20                                   | 0.39                                       |
| Natural Gas Consumption (Nm <sup>3</sup> ) | 7.95                                   | 0.69                                       | 6.47                                   | 0.60                                       |
| Electricity Consumption (kWhr)             | 507.92                                 | 43.96                                      | 430.95                                 | 39.65                                      |
| Fuel (litres)                              | 10.48                                  | 0.91                                       | 12.52                                  | 1.15                                       |
| <b>Social</b>                              |  |  |  |  |
| Turnover Rate                              | 24%                                    |  | 25%                                    |  |
| Male vs. Female                            | 63% vs. 37%                            |  | 62% vs. 38%                            |  |
| Average Training Hours                     | 9.43                                   |  | 9.11                                   |  |
| <b>Governance</b>                          |  |  |  |  |
| Non-compliance and Regulatory Breaches     | Zero                                   |  | Zero                                   |  |
| Corruption and Fraud                       | Zero                                   |  | Zero                                   |  |
| Data Security Breaches                     | Zero                                   |  | Zero                                   |  |



<sup>1</sup> Based on a total of 10,771 units sold in FY2021

<sup>2</sup> Based on a total of 124,443 throughput units in FY2021

<sup>3</sup> Based on a total of 10,143 units sold in FY2020

<sup>4</sup> Based on a total of 110,249 throughput units in FY2020

# SUSTAINABILITY APPROACH

Since the inception of our company, sustainability has always taken the front seat in our journey towards building a profitable business. Even though we are still developing and fine-tuning our ESG strategy, we recognise the importance of creating long-term value for our stakeholders rather than on short-term gains. As stakeholders have immense influence on business longevity and success, it is our mission to place sustainable growth at the core of our business operations.

Thus, to safeguard the interests of our stakeholders, the Board has undertaken steps to ensure the effectiveness of the existing sustainability practices while trailblazing efforts to develop a more holistic sustainability framework as we continue to grow and evolve. In this regard, the Board will set goals annually and review its ESG performance.

At TCA, clear lines of accountability have been established to enable effective decision making. Representatives from various departments are teamed together to formulate, implement, and manage the policies and practices in relation to various ESG concerns ("Sustainability Team"). The team provides feedback to the senior management who subsequently reports to the Board who is overall responsible for overseeing the sustainability and ESG reporting.

## Sustainability Team and Responsibility



## COVID-19

2021 continued to be a challenging year as the COVID-19 pandemic worsened with the emergence of the Delta variant quickly spreading throughout the world. This resulted in the enforcement of partial or full lockdown measures in various parts of the world.

In China, the government has adopted a zero-COVID strategy to curb the pandemic. Thus, a series of lockdowns were imposed in different parts of China throughout the year.

Our operations were also affected by the COVID-19 disruptions and we have therefore put in place safety measures imposed by the government in our dealerships, showrooms and offices. Our precautionary measures include taking the temperature of our employees and customers, restricting the number of customers and duration of visits to our dealerships per day and ensuring split team working arrangements for our employees, among others. The common areas were also frequently cleaned and disinfected. To this end, we have complied with all the necessary guidelines imposed under the relevant local laws.

All things considered, the health and safety of our employees and customers remain our highest priority as we navigate through the uncertainties of the pandemic. The Board will continue to uphold the highest standards of hygiene and safety even as we move towards a post-pandemic world.

# STAKEHOLDERS



We are dedicated to forging meaningful relationships with all our stakeholders. Especially during these unprecedented times, forming strategic partnerships have been crucial in embracing and identifying opportunities and threats quickly.

The key stakeholders which we have identified include customers, business partners, employees, investors, shareholders, analysts, media, regulatory bodies, and communities.

We engage our stakeholders by organising regular engagement programmes as well as having an open channel for feedback. These initiatives provide an insight to the concerns and expectations that stakeholders have towards our business and strategies. As a result, we are able to make informed and better business decisions which will in turn further solidify these stakeholder relationships.





A summary of our stakeholder engagement programmes and our commitments towards each group of stakeholders is set out below:

| Key Stakeholder Groups  | Expectations / Concerns   | Engagements  | Commitments  |
|---|---|--|--|
| <b>CUSTOMERS</b>  | <ul style="list-style-type: none"> <li>• Good customer service</li> <li>• Well-informed sales people with good product knowledge</li> <li>• Value-added services</li> </ul>   | <ul style="list-style-type: none"> <li>• Marketing and promotional activities</li> <li>• Point of sales – showrooms</li> <li>• Product launches</li> <li>• After-sales services</li> </ul>   | <ul style="list-style-type: none"> <li>• Well-trained sales personnel</li> <li>• Regular promotional / networking activities</li> <li>• Price competitive</li> <li>• Expand after-sales services</li> </ul>              |
| <b>BUSINESS PARTNERS</b><br>(Car manufacturers, Original Equipment Manufacturers (“OEMs”) financial institutions and vendors) | <ul style="list-style-type: none"> <li>• Reliability</li> <li>• Financial resilience</li> <li>• Logistics capabilities</li> </ul>   | <ul style="list-style-type: none"> <li>• Regular meetings and visits</li> <li>• Product launches and promotions</li> <li>• Tradeshows</li> </ul>   | <ul style="list-style-type: none"> <li>• Building long-term partnerships</li> </ul>  |
| <b>EMPLOYEES</b>  | <ul style="list-style-type: none"> <li>• Well-defined training programmes</li> <li>• Fair and sound welfare and benefits</li> <li>• Conducive and safe working environment</li> <li>• Competitive wages</li> </ul>                                      | <ul style="list-style-type: none"> <li>• Regular product trainings</li> <li>• Regular meetings and open discussions</li> <li>• Annual performance appraisal</li> </ul>   | <ul style="list-style-type: none"> <li>• Review employee benefits framework</li> <li>• Development and learning programme</li> <li>• Ensure workplace safety</li> </ul>  |
| <b>INVESTORS, SHAREHOLDERS, ANALYSTS AND MEDIA</b>  | <ul style="list-style-type: none"> <li>• Financial performance and resilience</li> <li>• Sound growth strategy and expansion plans</li> <li>• Impact of COVID-19 on operations</li> </ul>   | <ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Annual report and sustainability report</li> <li>• Bi-annual results announcement and quarterly business updates</li> <li>• Ad hoc corporate updates and announcements</li> <li>• Ad hoc investor roadshows and investor briefings</li> </ul> | <ul style="list-style-type: none"> <li>• Timely and transparent disclosures</li> <li>• Proactive communications</li> <li>• Active management of expansion plans</li> </ul>   |
| <b>COMMUNITIES</b><br>(Regulatory bodies and the general community)   | <ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Compliance to laws and regulations</li> <li>• Sustainable business practices</li> <li>• Contribution to community</li> <li>• Eco-awareness and environmental issues</li> </ul> | <ul style="list-style-type: none"> <li>• Regular updates on key initiatives</li> <li>• Ad hoc meetings and dialogues with regulatory bodies</li> <li>• Ad hoc corporate social responsibility activities</li> <li>• Annual sustainability report</li> </ul>  | <ul style="list-style-type: none"> <li>• Ensure regulatory compliance</li> <li>• Adopt best corporate and eco-friendly practices</li> <li>• Contribution to community</li> <li>• Manage environmental impacts</li> </ul> |

# MATERIALITY

To evaluate the various ESG issues surrounding our business operations, we have conducted a comprehensive materiality assessment which allows us to identify significant ESG impacts along with the risks and opportunities associated with them. At the same time, it also helps to prioritise our resources in areas that matter the most to both our business and stakeholders.

In this regard, our materiality assessment was conducted under the guiding principles from the GRI Standards. In defining the material topics, we have taken into account internal and external factors such as the company’s policies and strategies, broader economic, environmental and/or social topics and concerns raised by stakeholders, regulatory requirements, customer preferences, emerging sustainability trends as well as the key challenges faced by the luxury car dealership industry.

Henceforth, the ESG performance data in this report will serve as the baseline in guiding the development of specific targets in the coming years.

Through a series of internal surveys, stakeholder feedbacks, industry research and peer review, we have shortlisted eight material topics for this reporting period. The following table shows an overview of our material ESG issues:

|                      | Impact and Relevance   | Approach and Implementation  |
|----------------------|--|--|
| <b>ECONOMIC</b>      | <p><b>Financial Performance</b></p> <p>Our financial performance is presented through a wide range of metrics such as revenue and income, cash flows, debt and capital management. This enables different stakeholder groups to extract the relevant information they need to assess our performance based on different financial metrics.</p>         | <p>Our overarching principle is to ensure strategic and prudent implementation of our expansion and acquisition plans to boost our income streams and ensure sustainable growth.</p> <p>We adopt best accounting practices and adhere to reporting guidelines recommended by the Monetary Authority of Singapore (“MAS”) and SGX-ST.</p> |
| <b>ENVIRONMENTAL</b> | <p><b>Energy and Water Conservation</b></p> <p>Conserving energy and water will help in cost savings, as well as reduces environmental impact to help fight against climate change. To align our efforts with the Chinese government’s aggressive environmental goals for energy and water conservation as China is our main market of operations.</p> | <p>We conserve energy by utilising energy-saving light bulbs in our showrooms. Some of our showrooms are also designed to maximise the use of natural light to lower energy usage.</p>   |
|                      | <p><b>Waste Management</b></p> <p>Proper management of waste will help reduce environmental impacts and carbon emissions.</p>  | <p>We reduce unnecessary printing of materials, reuse and recycle paper.</p>   |
|                      | <p><b>Air Pollution Management</b></p> <p>Proper disposal of biodegradable products that we use at our workshops.</p>  | <p>We comply with environmental standards and laws in China in the proper disposal of biodegradable waste from our workshops including the usage of professional waste disposals companies.</p> <p>We also perform regular inspections of our facilities and equipment to ensure they are functioning properly and safely.</p>           |

|                   | Impact and Relevance   | Approach and Implementation   |
|-------------------|--|---|
| <b>SOCIAL</b>     | <p><b>Employment</b></p> <p>Ability to attract and retain talented and skilled people to drive operational performance is one of the key pillars to sustainable business growth.</p>   | <p>We adopt fair and best employment practices and ensure there are relevant training programmes in place to develop and maximise their potential.</p>  |
|                   | <p><b>Health and Safety Measures</b></p> <p>The pandemic has emphasized the importance of health and safety protocols in our operations, working environment and respective communities. Safety at showrooms and workshops will also help minimise onsite accidents.</p>   | <p>We have stepped up our health and safety measures at our offices, showrooms and workshops, to ensure safety for our staff and for our customers. We plan to establish an Operational Health and Safety committee that oversees and ensures that our safety protocols are regularly reviewed and communicated to our staff.</p> |
|                   | <p><b>Customer Satisfaction</b></p> <p>Ability to create value and experiences and provide excellent customer service is paramount to attracting new customers and increase repeat customer rate.</p>  | <p>We are committed to delivering holistic customer experience from our showrooms, test drives to after-sales services, as well as regular networking, marketing and promotional activities.</p>  |
| <b>GOVERNANCE</b> | <p><b>Regulatory Compliance</b></p> <p>As a listed company, we need to comply with listing rules and regulations, as well as the laws and regulations of the host countries where our operations are located. Non-compliance might impact company's reputation and financial performance and disrupt operations.</p> | <p>We adopt a zero-tolerance to regulatory breaches. We implement a code of conduct handbook that outlines the standard of conduct and proper practices to safeguard the reputation of the company.</p>   |



## ECONOMIC

At TCA, we are committed to deliver sustainable performance and maximise returns to all our stakeholders, and now as a listed company on SGX-ST, we will comply with listing rules and make timely reports and disclosures of our financial performance and significant corporate developments.

To deliver long-term sustainable growth, our strategic focus and growth pillars include:

- Expanding our presence and network across geographically prosperous provinces in the PRC
- Strengthening relationships with existing automobile brands as well as setting up new dealerships and acquisition of existing dealerships
- Seeking opportunities to expand and diversify into complementary businesses

### OUR ECONOMIC PERFORMANCE

In FY2021, the protracted COVID-19 pandemic continued to present certain challenges and disrupted the supply of automobiles in the second half of the year. Despite these challenges, the Group managed to deliver record revenue and profit for the year. For further details of the Group's financial performance, please refer to the following sections of the Annual Report 2021:

- Financial Highlights
- Operational & Financial Review
- Audited Financial Report



REVENUE

RMB  
**4,515.7**  
million

GROSS PROFIT

RMB  
**371.6**  
million

GROSS PROFIT MARGIN

**8.2%**

NET PROFIT

RMB  
**124.0**  
million

DIVIDEND

**0.0257**  
RMB  
per share



# ENVIRONMENTAL



In fighting climate change, we have implemented policies to ensure our business operations are conducted in an environmentally responsible manner and comply with the applicable environmental regulations. The environmental impacts from our business are relatively limited, nevertheless we strive to minimise our environmental footprint through conserving energy and water, reducing waste and minimising air pollution.

## Energy and Water Conservation

In line with our automobile OEM corporate initiatives, two of TCA BMW dealerships are authorised “5S” BMW dealerships which incorporate “sales, spare parts, services, surveys and sustainability” in our business model. As such, we have incorporated environmentally-focused sustainable features and operational practices as part of the company’s commitment to sustainable growth. These two showrooms have also earned a Sustainability qualification from our manufacturing partner as they are designed to maximise the use of natural light to lower energy usage.

In general, our energy consumption mainly stems from electricity for lighting, air-conditioning and heating in our offices, showrooms and servicing workshops. We also use electricity to operate equipment in our servicing workshops.

As part of our energy conservation efforts, we have adopted green habits in our work culture. Our offices, showrooms and workshops have been fitted with energy-efficient LED lights and motion sensor lights for areas that are not often in use. We also urge our employees to switch off the lights, air-conditioning, heating and operating equipment when not in use.

Luxury cars demand more engine power which results in higher consumption of fuel. As a distributor, we have no control over fuel efficiency of these vehicles after the sale.

Our water usage mainly results from servicing and automobile detailing services. Where possible, we have implemented sustainable measures to monitor our water consumption and increase water efficiency.

## Waste Management

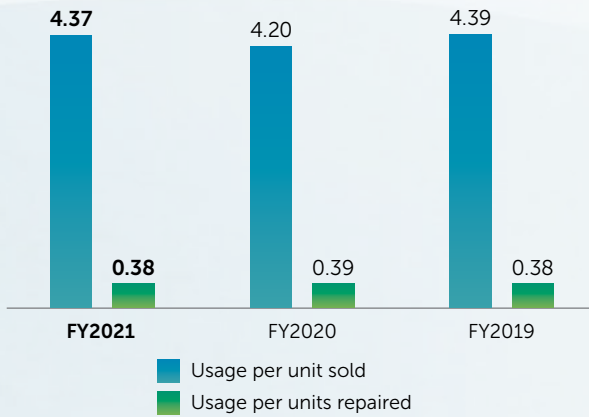
The major environmental wastes generated from our car servicing, maintenance and repair operations include machine lubricants, coolants, cleaning solutions, sludges, paint, scrap metal and plastics. As some of the wastes may be hazardous in nature, proper treatment and disposal is required by the China laws. Nevertheless, all wastes – hazardous or non-hazardous, generated from our operations have been properly managed and professionally disposed to reduce environmental impacts and carbon emissions.

## Air Pollution Control

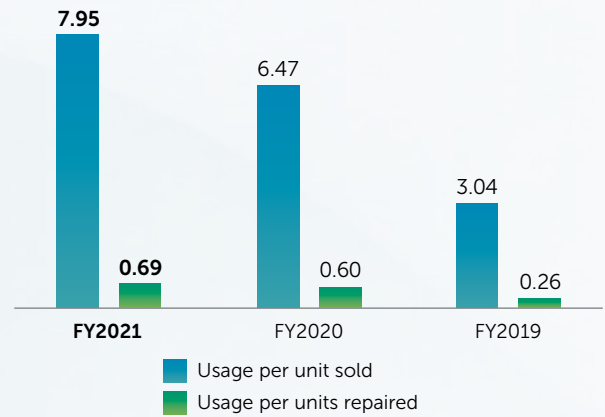
Our carbon emissions are generated from the use of electricity and motor fuel. We have taken energy-saving control measures to manage the consumption of energy that will overall minimise the amount of air pollutants produced. We also practise proper disposal of biodegradable products used at our workshops.

## OUR ENVIRONMENTAL PERFORMANCE

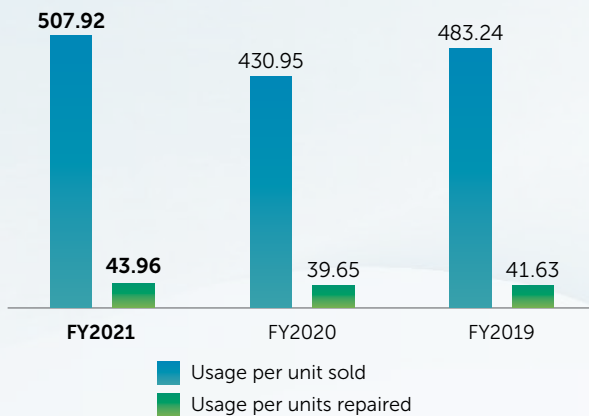
### Water consumption (tonnes)



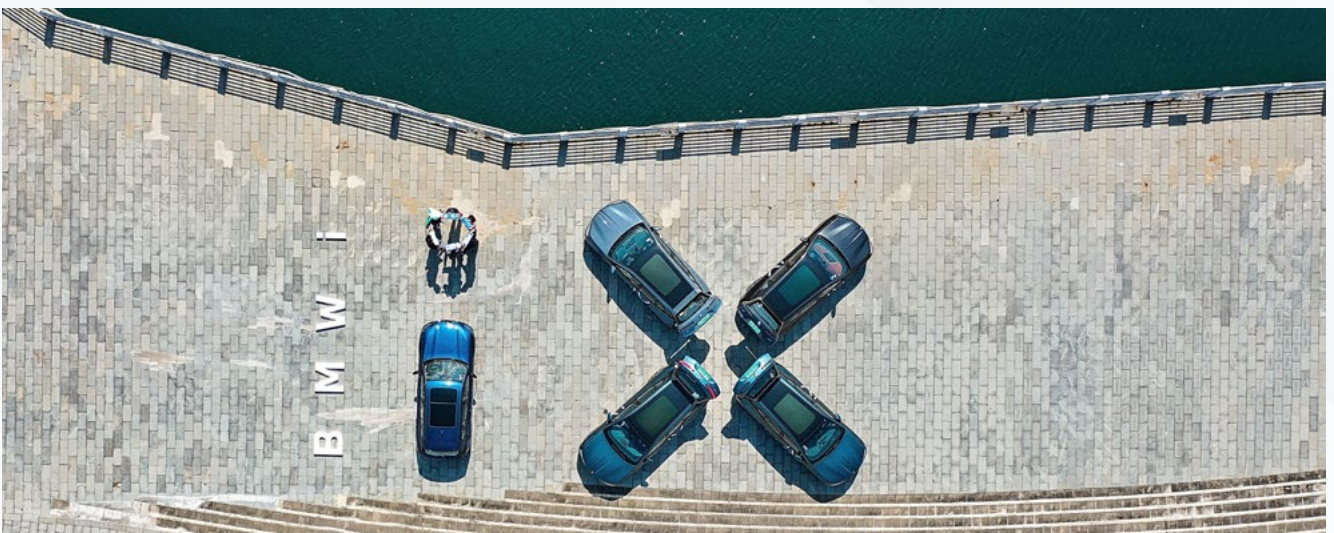
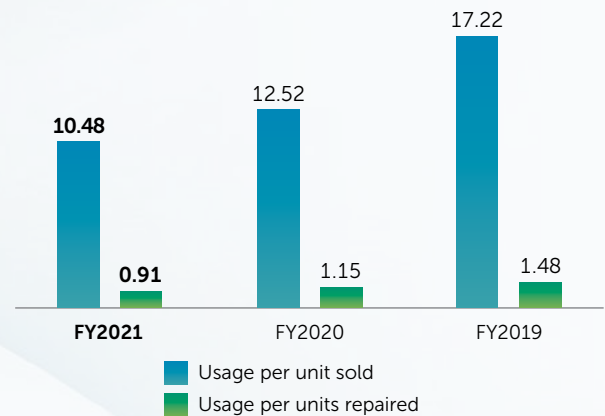
### Natural gas consumption (Nm<sup>3</sup>)



### Electricity consumption (kWhr)



### Fuel (litres)



<sup>1</sup> FY2021: Based on a total of 10,771 units sold and 124,443 throughput units  
<sup>2</sup> FY2020: Based on a total of 10,143 units sold and 110,249 throughput units  
<sup>3</sup> FY2019: Based on a total of 9,339 units sold and 108,417 throughput units

# PEOPLE



The people behind the brand are what drives the Group forward. At TCA, we strive to instil a positive environment to nurture a high-performance and friendly workplace. The wellbeing and morale of our staff are our priority as our success depends on their commitment to deliver service excellence to our customers. We adopt fair and best employment practices that offer equal opportunities for all.

Given the nature of the automobile industry, our employee gender mix comprises a larger proportion of male employees. Nevertheless, we have an equal opportunities approach regardless of gender, age or race. We also do not discriminate people with disabilities and have actively participated in local programmes to hire persons with disabilities and other special needs who are still able to function effectively in the respective roles that they are hired for. Thus, we have employees with disabilities and special needs across our Foshan, Shenzhen and Guangzhou BMW dealerships.

## Employment Policies

We are focused on building and retaining a team of talented and skilled people to drive operational performance. We aim to hire, develop and retain talents who are passionate and motivated to provide quality service to our customers. Our

human resource policy is to ensure a safe and conducive working environment as well as provide fair and sound welfare and benefits.

We emphasize on teamwork and open communication among team members and supervisors. This opens a channel for employees to raise any concerns and feedback to the management. Through active engagement with our employees, we have built and maintained a trusted and friendly work environment.

## Health and Safety Measures

The health and safety of our employees and customers are held at utmost importance. We have established workplace safety and health policies to ensure work can be carried out safely across all our business operations including during test drives for our customers.

At TCA, the General Manager, Administration and Human Resource departments at each dealership are responsible for supervising and ensuring the health and safety standards adhere to the relevant rules and regulations in respect of workplace safety and health measures. Health and safety briefings for our non-operational personnel are conducted regularly. Additionally, all our technicians and mechanics are required to attend briefings and trainings

such as on-the-job familiarisation and safety demonstrations provided by the automobile OEMs.

In response to the COVID-19 pandemic, we have stepped up our health and safety measures through implementing various precautionary steps such as temperature taking for employees and customers, frequent cleaning and disinfection of common areas, restricting the number of customers and duration of visits to our dealerships per day, managing customers' access only to designated areas and ensuring strict movement control of our employees and the customers.

For employees, we also had split team work arrangements to minimise contact. Employees were equipped with the necessary resources such as laptops and secure Internet connections to enable employees to work from home.

Looking ahead, we plan to establish an Operational Health and Safety committee that will oversee and ensure that all our safety protocols are regularly reviewed and communicated to our staff. It is also our target to maintain a zero-accident workplace.

## Training

We emphasize on employee training and career development. All our staff



are required to undergo training specific to their job scope. The average training hours had increased to 9.43 hours in FY2021 from 9.11 hours in FY2020.

Customer-facing employees are trained in technical knowledge and familiarity with the automobiles while technical staff are required to attend technical courses to ensure that they are able to service and repair automobiles in accordance with the quality standards set by the automobile OEMs. We also have an in-house programme to train and develop our general managers and rotate our trainee managers to different positions so that they are familiar with all operational aspects of a dealership.

We review our training programmes regularly to find areas for improvement so that our employees are fully equipped to serve our customers better and to implement our growth strategies.

### Performance Management

We practice fair and objective performance appraisal policy. All our employees will take part in an annual performance appraisal and the results of such reviews form the basis of salary increments and promotions. Through regular performance reviews, we are able to identify the development needs of our employees.

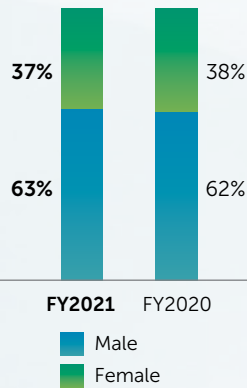
### Turnover

In FY2021, the number of employees who left was 296, resulting in a turnover rate of 24% as compared to 25% reported for the preceding year.

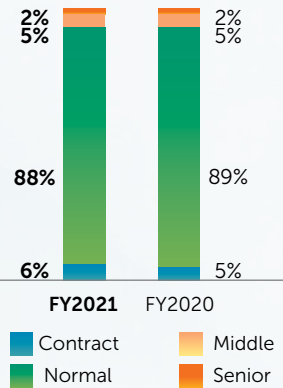
Going forward, we target to retain our workforce, continue to take care of our employees' wellbeing, promote work life balance as well as ensure our remuneration packages and employee benefit packages match or even exceed our key competitors.

## OUR PEOPLE PERFORMANCE

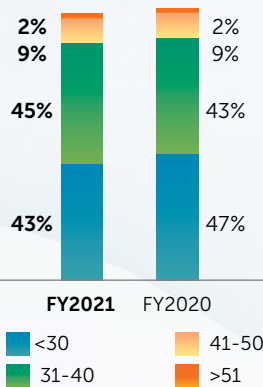
### Gender Diversity



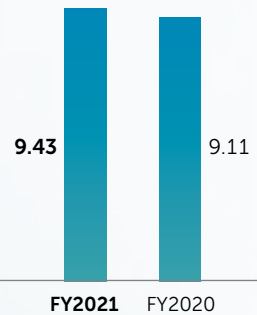
### Employment Category



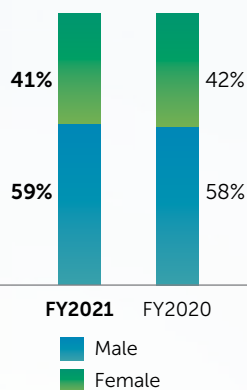
### Age Group



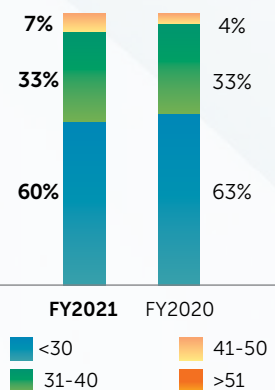
### Average Training Hours per Employee



### Turnover Rate by Gender



### Turnover Rate by Age Group



# CUSTOMERS



As a customer-facing business, establishing strong and loyal customer relationships is key to our Group's success.

TCA has a strategic presence and a strong network across geographically prosperous cities in the PRC including Foshan, Shenzhen, Guangzhou, Chongqing, Changsha and Wuhan, where our sales are mostly from affluent customers, who have high expectations about service quality in keeping with the luxury and ultra-luxury automobile brands that we carry.

To take care of their needs, we have an all-encompassing customer-focused strategy that goes beyond the sales and purchase experience to include after sales services and ongoing customer engagement opportunities that has enabled us to build a loyal customer base.

## Quality Services

Our customers' journey with us begins the moment they step foot into our showrooms and that is why we place great emphasis in creating a welcoming atmosphere, which includes putting the right people in the right places.

The first line of contact with the customers are the sales consultants and customer service officers. We provide in-house customer service training programmes as well as training directed by our automobile OEMs to ensure our sales and service staff are knowledgeable about the automobiles and the brands they are selling so that they can properly address customer queries.

Our employees seek to understand individual customer's requirements in order to make recommendations that best suit their needs and offer test-drives to give customers a hands-on experience of the automobile. The customer is accompanied by the sales consultant who will facilitate each step of the buying process, including assisting with automobile registration, financing and insurance. At the same time, any concerns or issues raised by our customers will be addressed and resolved in a swift and timely manner.

Once the customer has made the full payment on their choice of automobile, special delivery ceremonies are held to deliver the new automobile to each customer. These ceremonies

are elaborately planned so that our customers can experience the extravagance upon taking ownership of their new automobile and that all the necessary documents, information and items have been provided. They are typically attended by one or more members from the sales team and the Customer Relationship Management ("CRM") team and include group photo taking and follow-up briefings.

The detailed sales process is conducted intentionally to offer a holistic purchasing experience for the customer and is on par with the highest quality standards that define the luxury cars we sell.

## After-Sales Services

With the high retail price, we recognise that drivers of premium and super premium cars tend to be more careful in selecting a service centre and would normally prefer to return to the dealership for high quality parts and trustworthy service skills. As such, our Group provides regular maintenance and repair services which include repair of manufacturer's defects, replacement of parts due to wear and tear, oil changes and other

safety-related maintenance as well as sale of automobile parts and accessories to meet this demand.

We have implemented procedures to actively contact each customer and sending periodic reminders of upcoming maintenance checks. To keep track of the maintenance history of the vehicle, we have installed an internal system known as the "Dealer Management System" which allows us to retrieve vehicle data easily for carrying out repairs and maintenance efficiently.

All our technicians are required to attend structured training courses provided by our automobile OEMs so that service standards are kept.

### Quality Control

Through a pre-delivery inspection, we conduct a thorough inspection of the automobile to ensure the condition of the automobile is satisfactory before delivering it to the customer. Any discrepancies will be rectified immediately. The same quality control checks are also conducted as part of our after-sales services.

Regular scheduled audits and routine visits by our automobile OEMs are also part of our quality control measures to ensure operation segments are running accordingly. We have generally received positive feedback from such inspections and audits.

To gather further insight from our customers, we have also conducted customer surveys both in-house and by the automobile OEMs. The results allow us to gauge the level of customer satisfaction and understand areas in our operations which can be improved.

### Customer Relationship Management (CRM)

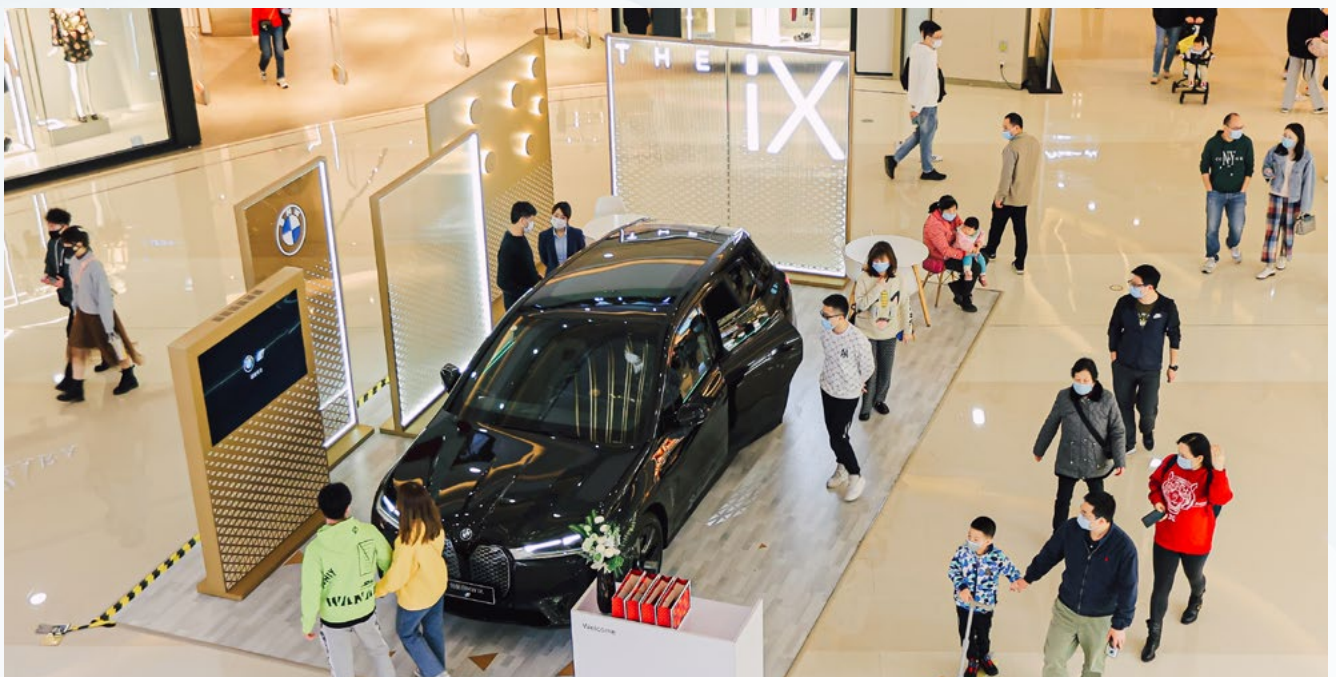
The function of the CRM departments at each dealership and showroom is to build long-term relationships with customers with a focus on serving their long-term automotive needs. Through the "Dealer Management System", we are able to analyse detailed records of transaction history and the preferences of our customers thereby developing targeted and customised communications with each customer.

### Marketing and Sales

To attract prospective customers, we organise a variety of advertising and promotional events such as monthly Customer Experience Days, Cars and Coffee mornings and track days for our BMW and McLaren customers. We also organise various sales and marketing initiatives such as complimentary gifts, lucky draws, promotional events and automobile launches. We view these marketing initiatives as efforts to strengthen our customer relationships with a view to achieving our sales targets set for new automobiles.

### Customer Privacy

In line with the Consumer Rights and Interests Protection Law of the People's Republic of China, we have in place control measures to safeguard our customers' data and privacy. Our target is to have no breaches of personal data. We had zero breaches of customers' data and privacy in FY2021.



# COMMUNITY

We strive to be a responsible corporate citizen and contribute to various community initiatives to improve the welfare of the communities that we serve.

## Internship Support Programme

To prepare the next generation for the future, we have partnered with local technical schools to provide internships to fresh new graduates. All our BMW dealerships are actively involved in this programme. The internship programmes we offer are for a period of six to 12 months, which include starting salaries, accommodation arrangements and expenses, and further technical education, including in some cases paying for BMW certification programmes. Over the last few years, we have hired approximately 60 to 70 fresh graduates a year, of which a selection of interns will be offered permanent positions within the Group.

## Charity Support Programmes

We occasionally organise charity support programmes and also participate in charity activities initiated by customers, such as educational charities. In FY2021, we promoted a 'One Student, One Desk Programme' for the underprivileged students in rural areas of the PRC. The programme involved collecting donations for school furniture, study and educational materials for these underprivileged students. At the end of the charity event, the Guangzhou Changbao Automobile, through our Guangzhou BMW Dealership collected more than RMB60,000 from corporate donations and customers and we were able to send 306 desks and study materials worth approximately RMB200 per set to Lushi High School in the Yunnan province of the PRC.



# GOVERNANCE

As a listed company, we are required to comply with several regulations such as the SGX listing rules as well as the laws and regulations of the host countries where our operations are located. Non-compliance could bring negative impact to the Group's reputation and financial performance. As such, we strive to maintain high standards of corporate governance and accountability to all our stakeholders.

At TCA, we have established a code of conduct handbook that outlines the standard of conduct, policies and practices to ensure our internal control systems are healthy and transparent across the financial, operational and compliance aspects of our business.

Among the policies and practices enforced is the timely and accurate disclosure of material corporate information. We do so by posting all our material announcements on SGXNET and the Company's website. Should there be any queries about our business operations or financial performance, shareholders can raise them before our annual general meeting ("AGM") through the AGM registration portal or email our Investor Relations representative listed on our website.

We also adopt a zero-tolerance practice against fraud, bribery and corruption risks and expect all our employees to uphold high standards of integrity and professionalism at their work and business dealings. In FY2021, there were no incidents of fraud, bribery or corruption and we target to maintain zero incidents of non-compliance and employee misconduct.



# GRI DISCLOSURE INDEX

| GRI Standard  | Disclosure Title  | Page Reference & Remarks   |
|---|---|--|
| <b>GRI 101: Foundation (GRI 101 does not include any standards)</b> |   |  |
| <b>GRI 102: General Disclosures</b>                                 |   |  |
| <b>Organisational Profile</b>                                       |   |  |
| 102-1   | Name of the organisation  | Annual Report – Corporate Profile  |
| 102-2   | Activities, brands, products, and services                                    | Annual Report – Business Overview  |
| 102-3   | Location of headquarters  | Annual Report – Corporate Information  |
| 102-4   | Location of operations  | Annual Report – At A Glance  |
| 102-5   | Ownership and legal form  | Annual Report – Corporate Information  |
| 102-6   | Markets served  | Annual Report – Corporate Profile and At A Glance  |
| 102-7   | Scale of the organisation   | Sustainability Report – People   |
| 102-8   | Information on employees and other workers                                    | Sustainability Report – People   |
| 102-9   | Supply chain  | Annual Report – Business Overview and Customers  |
| 102-10  | Significant changes to the organisation and its supply chain                  | Not applicable as this is our first report   |
| 102-11  | Precautionary Principle or approach   | Sustainability Report – Materiality and Environment  |
| 102-12  | External initiatives  | Annual Report – Governance<br>Sustainability Report – About this report  |
| 102-13  | Membership of associations  | China Automobile Dealers Association   |
| <b>Strategy</b>   |   |  |
| 102-14  | Statement from senior decision-maker  | Sustainability Report – Board Statement  |
| 102-15  | Key impacts, risks, and opportunities   | Sustainability Report – Board Statement, Stakeholders and Materiality  |
| <b>Ethics and integrity</b>   |   |  |
| 102-16  | Values, principles, standards, and norms of behaviour                         | Annual Report – Corporate Governance report<br>Sustainability Report – Sustainability Approach and Governance  |
| 102-17  | Mechanisms for advice and concerns about ethics                               | Annual Report – Corporate Governance report – Whistle Blowing Policy   |
| <b>Governance</b>   |   |  |
| 102-18  | Governance structure  | Annual Report – Corporate Governance report<br>Sustainability Report – Sustainability Approach – Sustainability Team and Responsibility and Governance |
| 102-19  | Delegating authority  | Sustainability Report – Sustainability Approach – Sustainability Team and Responsibility and Governance  |
| 102-20  | Executive-level responsibility for economic, environmental, and social topics | Sustainability Report – Sustainability Approach – Sustainability Team and Responsibility   |
| 102-21  | Consulting stakeholders on economic, environmental, and social topics         | Sustainability Report – Stakeholders   |
| 102-22  | Composition of the highest governance body and its committees                 | Annual Report – Corporate Governance report  |
| 102-23  | Chair of the highest governance body  | Annual Report – Corporate Governance report  |
| 102-24  | Nominating and selecting the highest governance body                          | Annual Report – Corporate Governance report  |

| <b>GRI Standard</b>                          | <b>Disclosure Title</b>  | <b>Page Reference &amp; Remarks</b>  |
|--|--|--|
| <b>GRI 102: General Disclosures (cont'd)</b> |  |  |
| <b>Governance (cont'd)</b>                   |  |  |
| 102-25                                       | Conflicts of interest  | Annual Report – Corporate Governance report  |
| 102-26                                       | Role of highest governance body in setting purpose, values, and strategy | Annual Report – Corporate Governance report  |
| 102-27                                       | Collective knowledge of highest governance body                          | Annual Report – Corporate Governance report  |
| 102-28                                       | Evaluating the highest governance body's performance                     | Annual Report – Corporate Governance report  |
| 102-29                                       | Identifying and managing economic, environmental, and social impacts     | Sustainability Report – Materiality  |
| 102-30                                       | Effectiveness of risk management processes                               | Sustainability Report – Governance   |
| 102-31                                       | Review of economic, environmental, and social topics                     | Sustainability Report – Materiality  |
| 102-32                                       | Highest governance body's role in sustainability reporting               | Sustainability Report – Sustainability Approach – Sustainability Team and Responsibility |
| 102-33                                       | Communicating critical concerns  | Sustainability Report – About this report  |
| 102-34                                       | Nature and total number of critical concerns                             | Sustainability Report – Materiality  |
| 102-35                                       | Remuneration policies  | Annual Report – Corporate Governance report<br>Sustainability Report – People            |
| 102-36                                       | Process for determining remuneration                                     | Annual Report – Corporate Governance report<br>Sustainability Report – People            |
| 102-37                                       | Stakeholders' involvement in remuneration                                | Annual Report – Corporate Governance report<br>Sustainability Report – People            |
| 102-38                                       | Annual total compensation ratio  | We choose not to disclose as we reward based on meritocracy                              |
| 102-39                                       | Percentage increase in annual total compensation ratio                   | We choose not to disclose as we reward based on meritocracy                              |
| <b>Stakeholder engagement</b>                |  |  |
| 102-40                                       | List of stakeholder groups   | Sustainability Report – Stakeholders   |
| 102-41                                       | Collective bargaining agreements   | None of our employees have joined a trade union  |
| 102-42                                       | Identifying and selecting stakeholders                                   | Sustainability Report – Stakeholders   |
| 102-43                                       | Approach to stakeholder engagement                                       | Sustainability Report – Stakeholders   |
| 102-44                                       | Key topics and concerns raised   | Sustainability Report – Stakeholders   |
| <b>Reporting practice</b>                    |  |  |
| 102-45                                       | Entities included in the consolidated financial statements               | Annual Report – Financial Highlights   |
| 102-46                                       | Defining report content and topic Boundaries                             | Sustainability Report – About this report  |
| 102-47                                       | List of material topics  | Sustainability Report – Materiality  |
| 102-48                                       | Restatements of information  | None   |
| 102-49                                       | Changes in reporting   | Not applicable as this is the first report   |

# GRI DISCLOSURE INDEX

| GRI Standard                                 | Disclosure Title   | Page Reference & Remarks   |
|--|--|--|
| <b>GRI 102: General Disclosures (cont'd)</b> |  |  |
| <b>Reporting practice (cont'd)</b>           |  |  |
| 102-50                                       | Reporting period   | Sustainability Report – About this report  |
| 102-51                                       | Date of most recent report   | Sustainability Report 2021   |
| 102-52                                       | Reporting cycle  | Annual   |
| 102-53                                       | Contact point for questions regarding the report                                 | Sustainability Report – About this report  |
| 102-54                                       | Claims of reporting in accordance with the GRI Standards                         | Sustainability Report – About this report  |
| 102-55                                       | GRI content index  | Sustainability Report – GRI Content Index  |
| 102-56                                       | External assurance   | Financial Reports are prepared under International Financial Reporting Standards and audited by the company's independent accountant's PricewaterhouseCoopers LLP. |
| <b>GRI 103: Management Approach</b>          |  |  |
| 103-1  | Explanation of the material topic and its Boundary                               | <ul style="list-style-type: none"> <li>• Materiality</li> <li>• Economic</li> </ul>  |
| 103-2  | The management approach and its components                                       | <ul style="list-style-type: none"> <li>• Environment</li> <li>• People</li> </ul>  |
| 103-3  | Evaluation of the management approach  | <ul style="list-style-type: none"> <li>• Customers</li> <li>• Community</li> <li>• Governance</li> </ul>   |
| <b>GRI 201: Economic</b>                     |  |  |
| <b>Economic Performance</b>                  |  |  |
| 201-1  | Direct economic value generated and distributed                                  | Annual Report – Financial Highlights and Financial Reports   |
| <b>Indirect Economic Impacts</b>             |  |  |
| 203-1  | Infrastructure investments and services supported                                | Sustainability Report – Community  |
| 203-2  | Significant indirect economic impacts  | Sustainability Report – People and Community   |
| <b>Anti-corruption</b>                       |  |  |
| 205-3  | Confirmed incidents of corruption and actions taken                              | Sustainability Report – Governance   |
| <b>Anti-competitive Behaviour</b>            |  |  |
| 206-1  | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | No occurrence during our period of review  |
| <b>GRI 301: Environmental</b>                |  |  |
| <b>Energy</b>                                |  |  |
| 302-1  | Energy consumption within the organisation                                       | Sustainability Report – Environment  |
| <b>Water and Effluents</b>                   |  |  |
| 303-1  | Interactions with water as a shared resource                                     | Sustainability Report – Environment  |
| 303-5  | Water consumption  | Sustainability Report – Environment  |



| GRI Standard                           | Disclosure Title  | Page Reference & Remarks                  |
|--|---|---|
| <b>GRI 301: Environmental (cont'd)</b> |   |   |
| <b>Emissions</b>                       |   |   |
| 305-1                                  | Direct (Scope 1) GHG emissions  | Sustainability Report – Environment       |
| 305-2                                  | Energy indirect (Scope 2) GHG emissions   | Sustainability Report – Environment       |
| <b>Waste</b>                           |   |   |
| 306-1                                  | Waste generation and significant waste-related impacts  | Sustainability Report – Environment       |
| 306-2                                  | Management of significant waste-related impacts   | Sustainability Report – Environment       |
| <b>Environmental Compliance</b>        |   |   |
| 307-1                                  | Non-compliance with environmental laws and regulations  | No occurrence during our period of review |
| <b>GRI 401: Social</b>                 |   |   |
| <b>Employment</b>                      |   |   |
| 401-1                                  | New employee hires and employee turnover  | Sustainability Report – People            |
| <b>Occupational Health and Safety</b>  |   |   |
| 403-1                                  | Occupational health and safety management system  | Sustainability Report – People            |
| 403-2                                  | Hazard identification, risk assessment, and incident investigation  | Sustainability Report – People            |
| 403-3                                  | Occupational health services  | Sustainability Report – People            |
| 403-4                                  | Worker participation, consultation, and communication on occupational health and safety                       | Sustainability Report – People            |
| 403-5                                  | Worker training on occupational health and safety   | Sustainability Report – People            |
| 403-6                                  | Promotion of worker health  | Sustainability Report – People            |
| 403-7                                  | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Sustainability Report – People            |
| 403-9                                  | Work-related injuries   | No occurrence during our period of review |
| <b>Training and Education</b>          |   |   |
| 404-1                                  | Average hours of training per year per employee   | Sustainability Report – People            |
| 404-2                                  | Programs for upgrading employee skills and transition assistance programs                                     | Sustainability Report – People            |
| 404-3                                  | Percentage of employees receiving regular performance and career development reviews                          | Sustainability Report – People            |
| <b>Diversity and Equal Opportunity</b> |   |   |
| 405-1                                  | Diversity of governance bodies and employees  | Sustainability Report – People            |

# GRI DISCLOSURE INDEX

| GRI Standard                      | Disclosure Title  | Page Reference & Remarks                  |
|-----------------------------------|---|---|
| <b>GRI 401: Social (cont'd)</b>   |   |   |
| <b>Local Communities</b>          |   |   |
| 413-1                             | Operations with local community engagement, impact assessments, and development programs      | Sustainability Report – Community         |
| 413-2                             | Operations with significant actual and potential negative impacts on local communities        | Sustainability Report – Community         |
| <b>Customer Health and Safety</b> |   |   |
| 416-2                             | Incidents of non-compliance concerning the health and safety impacts of products and services | No occurrence during our period of review |
| <b>Customer Privacy</b>           |   |   |
| 418-1                             | Substantiated complaints concerning breaches of customer privacy and losses of customer data  | No occurrence during our period of review |
| <b>Socioeconomic Compliance</b>   |   |   |
| 419-1                             | Non-compliance with laws and regulations in the social and economic area                      | No occurrence during our period of review |



**Registered Office**

#3002, 30th Floor, 88 Hing Fat Street, Causeway Bay, Hong Kong

Tel: (852) 3907 6000 | [www.tca-auto.com](http://www.tca-auto.com)