TRANS-CHINA AUTOMOTIVE HOLDINGS LIMITED
AND ITS SUBSIDIARIES

(Registration No. 306871)
(SGX: VI2)

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

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Chairman's Statement – 1H2026

Dear Shareholders,

Francis Tjia

The first half of 2026 ("1H2026") has proved to be a difficult period for the domestic passenger vehicle market in China. According to the China Passenger Car Association ("CPCA"), passenger vehicle sales were down 20.2% to 8.7 million units for the first half of 2026, compared to the same period in 2025[1]. New Energy Vehicles ("NEVs") commanded approximately 54% of retail sales, amounting to 4.7 million units[2].

In contrast to the somewhat upbeat volume and revenue numbers we reported in April for our 1Q2026 Business Update, 2Q2026 was highly challenging for us as we faced a significant slowdown in demand as well as widening discounts, creating significant headwinds. BMW, our main OEM partner, reported 261,000 units sales in China for 1H2026, down 20.4%. Some key competitors such as Mercedes Benz and Porsche posted even worse results, and BMW regained the sales lead over its traditional competitors in China[3]. According to BMW, the European region and North America now each command a larger share of BMW's unit sales than China, the first time that this has happened since 2013, underscoring the difficult market conditions and poor demand picture in China this year.

Local Chinese manufacturers faced equally difficult conditions. Popular brands such as BYD and Geely, plus NEV manufacturers such as NIO, Li Auto, XPeng and Xiaomi also each reported negative growth in unit sales for the first half of 2026[4].

With this backdrop, Trans-China Automotive Holdings Limited (the "**Company**") delivered 2,054 units in 1H2026 and recorded total revenue of RMB758.5 million, down 22.8% and 20.5%, respectively, compared to the same period in 2025. As was the case in our 1Q2026 report, part of the decline in unit sales and revenue was attributable to the closure of our Guangzhou BMW store, which had fully ceased operations as at 30 June 2026.

The central government's focus on preventing destructive price discounting and so-called 'involution'-oriented

[1] https://www.cnbc.com/2026/07/20/china-automotive-car-worst-year-sales-fall-20percent.html

[2] http://www.cada.cn/Trends/info_91_10545.html

[3] https://www.bmwblog.com/2026/07/10/bmw-global-sales-first-half-2026/

[4] https://qichejingwei.com/article-25445.html

practices have not lessened the competitive pressures in the car market. Whilst it is now prohibited to sell cars 'below cost', destructive competitive behaviour has now migrated to other aspects of the ecosystem, including the offer of ultra low-cost retail financing for as many as seven years, and the offer of free insurance for new buyers. China's car dealer association CADA has reported mounting inventories across dealers, and said that 76% of its dealer members missed 1H2026 revenue targets. Furthermore, 82% reported 'price inversion', another term for negative margins on New Car sales[5].

In spite of the extensive negative news, it is our view that for us as a group there are signs that we are turning the corner. Overall, our BMW performance in the Guangdong province are seeing improvements compared to last year especially as several BMW competitors have ceased operations. Our Chongqing store faces challenging local economic conditions. However, the massive, newly-opened high-speed railway station that has opened a short distance away from our store should help to buoy the local economy in our district over time, and with it corresponding demand, but for now the difficulties remain significant.

The reduced retail showroom footprint of our three Genesis locations in Foshan, Changsha, and Guangzhou are starting to bear fruit. Costs are down significantly, whilst aftersales have held up. The overall outlook for this brand, however, remains challenging and we continue to seek more support from the OEM to assist with viability of the operations. Likewise for our remaining McLaren location in Guangzhou, we believe the upcoming deliveries of several specialty cars in 1H2027 will have a positive impact on our operations and profitability.

BMW, our main OEM partner, has planned a very significant range of new products that we are very excited about. First to be launched in China will be the new so-called 'Neue Klasse' iX3[6]. This model has already been launched in many global markets, and is fully sold out in Europe through the remainder of 2026. The Chinese version will launch in early September, and will have several features specific to the Chinese market, including a longer wheelbase, enhanced interior cabin specifications, and most importantly the integration of a number of Chinese-made software packages. These include an array of advanced driver assistance systems such as L2+ autonomous driving, and the integration of various Chinese entertainment systems. In addition to the iX3, we will also see the introduction early next year of the new 3-series, the ever-popular mid-size sedan from BMW. Early launch 'teaser' photos have received very positive reactions from automotive media globally. And finally, a new X5 will also be launched next year. This is a very important model as it remains well-sought after in China and remains a segment leader in China.

Our focus for the second half of 2026 will be on improving our showroom traffic in order to increase our order book and raise deliveries. We have increased our marketing budgets and added and reassigned some staff to our

[5] https://eletric-vehicles.com/general/china-dealer-index-tops-warning-line-as-77-miss-sales-h1-2026-targets/

[6] https://www.bmwblog.com/2026/01/21/bmw-ix3-long-wheelbase-neue-klasse-china-900-km-range/

marketing and CRM departments, and also to our internal call centers. We will continue to review where we can cut costs further, and we want to ensure that we retain our positive trajectory in aftersales revenue and profitability. If we can achieve improvements across these goals, and BMW's new models drive further showroom traffic and excitement around the brand, we may indeed have turned the corner.

Sincerely,

Francis Tjia

A. CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		The Group		
		Unaudited 6 months ended 30 June 2026	**Unaudited 6 months ended 30 June 2025**	**+/(-) % Variance**
	Note	**RMB'000**	**RMB'000**	
Revenue	E5	758,520	953,550	-20.5%
Cost of sales		(713,099)	(991,251)	-28.1%
Gross profit (loss)		**45,421**	**(37,701)**	**n.m.**
Other income	E7	26,771	93,558	-71.4%
Other gains, net	E8	7,837	4,006	95.6%
Selling expenses		(48,067)	(60,515)	-20.6%
Administrative expenses		(43,533)	(50,898)	-14.5%
Impairment and non-operating losses		(6,315)	-	n.m.
Operating loss		(17,886)	(51,550)	**n.m.**
Finance income		135	237	-43.0%
Finance costs		(14,419)	(16,945)	-14.9%
Finance costs, net	E10	(14,284)	(16,708)	-14.5%
Loss before income tax	E9	**(32,170)**	**(68,258)**	**n.m.**
Income tax credit	E12	539	1,640	-67.1%
Loss for the period		**(31,631)**	**(66,618)**	**n.m.**
Other comprehensive income (loss):				
Items that may be reclassified to profit or loss:				
- Currency translation difference		3,685	2,086	76.7%
Total comprehensive loss for the period		**(27,946)**	**(64,532)**	**n.m.**
Loss per share attributable to owners of the Company				
Basic and diluted (RMB)		(0.05)	(0.11)	n.m.

n.m. is defined as not meaningful

B. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

		The Group		The Company	
		Unaudited As at 30 June 2026	**Audited As at 31 December 2025**	**Unaudited As at 30 June 2026**	**Audited As at 31 December 2025**
	Note	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
ASSETS					
Non-current assets					
Property, plant and equipment	E14	125,066	134,707	-	-
Right-of-use assets		210,473	230,220	-	-
Intangible assets	E15	55,806	56,209	-	-
Investments in subsidiaries		-	-	-*	-*
Deferred income tax assets		8,046	8,055	-	-
Other receivables		7,417	8,439	-	-
		406,808	437,630	-	-
Current assets					
Inventories		161,325	218,230	-	-
Trade and other receivables		98,715	190,356	-	-
Prepayments and deposits		83,269	75,863	33	132
Amounts due from subsidiaries	E11	-	-	207,218	203,184
Pledged bank deposits		106,727	423,680	-	-
Cash and cash equivalents		20,450	11,416	775	715
		470,486	919,545	208,026	204,031
Total assets		**877,294**	**1,357,175**	**208,026**	**204,031**
Equity attributable to the owner of the Company					
Share capital	E17	41,994	41,994	41,994	41,994
Share premium	E17	82,796	82,796	82,796	82,796
Reserves		74,046	70,332	(301,584)	(299,014)
Retained earnings		(265,204)	(233,572)	260,629	264,739
Total equity		**(66,368)**	**(38,450)**	**83,835**	**90,515**

* Below RMB1,000

B. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION (CONTINUED)

		The Group		The Company	
		Unaudited As at 30 June 2026	Audited As at 31 December 2025	Unaudited As at 30 June 2026	Audited As at 31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
LIABILITIES					
Non-current liabilities					
Bank and other borrowings	E16	3,450	4,035	-	-
Lease liabilities		163,382	171,660	-	-
Deferred income tax liabilities		28,008	28,640	-	-
Amount due to a related party	E11	42,779	62,586	42,779	62,586
		237,619	266,921	42,779	62,586
Current liabilities					
Trade and bills payable		287,036	684,688	-	-
Accruals and other payables		38,001	41,137	1,726	1,224
Contract liabilities		97,184	75,348	-	-
Loan due to shareholder	E11	79,686	49,706	79,686	49,706
Bank and other borrowings	E16	187,710	241,100	-	-
Lease liabilities		16,393	36,696	-	-
Current income tax liabilities		33	29	-	-
		706,043	1,128,704	81,412	50,930
Total liabilities		**943,662**	**1,395,625**	**124,191**	**113,516**
Total equity and liabilities		**877,294**	**1,357,175**	**208,026**	**204,031**

C. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

The Group

	Share capital	Share premium	Statutory reserve	Exchange reserve	Capital reserve	Distributable reserve	Retained earnings	Total
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
As at 1 January 2025	**41,994**	**82,796**	**46,797**	**(4,226)**	**(171,630)**	**194,642**	**(98,869)**	**91,504**
Comprehensive income								
Loss for the period	-	-	-	-	-	-	(66,618)	(66,618)
Other comprehensive loss								
Currency translation differences	-	-	-	2,086	-	-	-	2,086
Total comprehensive loss for the period	-	-	-	2,086	-	-	(66,618)	(64,532)
As at 30 June 2025	**41,994**	**82,796**	**46,797**	**(2,140)**	**(171,630)**	**194,642**	**(165,487)**	**26,972**

C. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

The Group

	Share capital	Share premium	Statutory reserve	Exchange reserve	Capital reserve	Share Option reserve	Distributable reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2026	**41,994**	**82,796**	**46,797**	**485**	**(171,630)**	**38**	**194,642**	**(233,572)**	**(38,450)**
Comprehensive income									
Loss for the period	-	-	-	-	-	-	-	(31,631)	(31,631)
Other comprehensive loss									
Currency translation differences	-	-	-	3,685	-	-	-	-	3,685
Total comprehensive loss for the period	-	-	-	3,685	-	-	-	(31,631)	(27,946)
Transaction with owners									
Employee share option scheme									
- Value of employee services	-	-	-	-	-	28	-	-	28
Total transaction with owners	-	-	-	-	-	28	-	-	28
As at 30 June 2026	**41,994**	**82,796**	**46,797**	**4,170**	**(171,630)**	**66**	**194,642**	**(265,203)**	**(66,368)**

D. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	The Group	
	Unaudited	**Unaudited**
	6 months ended	**6 months ended**
	30 June 2026	**30 June 2025**
	RMB'000	**RMB'000**
Cash flows from operating activities		
Loss before income tax	(32,170)	(68,258)
Adjustments for:		
Depreciation of property, plant and equipment	12,772	21,883
Depreciation of right-of-use asset	12,263	15,755
Amortisation of goodwill and intangible assets	403	403
Gain (loss) on disposals of property, plant and equipment	(803)	44
Finance income	(135)	(237)
Finance costs	14,419	16,945
Employee share option expense	28	-
(Reversal of) Provision for inventories written-down	(2,056)	3,392
Impairment and non-operating losses	6,315	-
Gain on lease modification and termination	(4,827)	(3,778)
Operating cash flows before working capital changes	6,209	(13,851)
Changes in working capital:		
Inventories	58,827	(52,030)
Trade and other receivables, prepayments and deposits	84,338	124,390
Trade and bills payable, accruals and other payables	(405,900)	(28,286)
Pledged bank deposit	316,953	68,503
Contract liabilities	21,836	868
Cash generated from operations	82,263	99,594
Income tax paid	(80)	(143)
Net cash from operating activities	**82,183**	**99,451**

D. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)

	The Group	
	Unaudited 6 months ended 30 June 2026	**Unaudited 6 months ended 30 June 2025**
	RMB'000	**RMB'000**
Cash flows from investing activities		
Interest received	135	237
Purchases of property, plant and equipment	(13,525)	(13,683)
Proceeds from disposal of property, plant and equipment	11,048	20,289
Net cash (used in) from investing activities	**(2,342)**	**6,843**
Cash flows from financing activities		
Interest paid	(14,419)	(17,014)
Proceeds from bank and other borrowings	215,863	466,619
Repayment to bank and other borrowings	(269,838)	(536,680)
Principal elements of lease payments	(16,310)	(12,946)
Repayment to a related party	(345)	-
Proceeds from shareholder's loan	13,465	6,089
Net cash used in financing activities	**(71,584)**	**(93,932)**
Net increase in cash and cash equivalents	**8,257**	**12,362**
Cash and cash equivalents		
Beginning of financial period	11,416	33,770
Effect of translation of cash and cash equivalents	777	592
End of financial period	**20,450**	**46,724**

E. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General information

Trans-China Automotive Holdings Limited (the “**Company**”) is listed on the Catalist board of the Singapore Exchange and incorporated in the Cayman Islands on 18 December 2015 as an exempted company with limited liability under the Company Law, Cap 22 (Law 3 of 1961, as combined and revised, of the Cayman Islands). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the business of automobile dealerships in the premium market segment in the People’s Republic of China (“**PRC**”), which includes (i) sales of new automobiles, (ii) provision of after-sales services, including maintenance and repair services; (iii) sale of automobile parts and accessories; and (iv) automobile agency services including related registration and insurance services.

2. Basis of preparation

The condensed interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards effective as of financial period beginning 1 January 2026 as set out in Note 2.1. The condensed interim financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousand (“**RMB’000**”), unless otherwise stated.

Going concern

As at 30 June 2026, the Group’s current liabilities (excluding contract liabilities) exceeded its current assets by RMB138.4 million and the Group was in a net liabilities position of RMB66.4 million, due to the net losses incurred in recent fiscal years.

As at 30 June 2026, the Group had complied with all existing financial covenants of its bank borrowings and there had not been any breach of covenants identified.

Based on the Group’s cash flow forecast, assumptions and assessment by management up to 30 June 2027, the Board of Directors has concluded that the Group will have sufficient financial resources and there is no material uncertainty regarding the Group’s ability to continue as a going concern for at least the next twelve months from the date of these condensed consolidated interim financial statements, and confirmed that all material disclosures have been provided for trading of the Company’s shares to continue in an orderly manner.

2.1 New and amended standards adopted by the Group

(a) New standards and amendments - applicable 1 January 2025

The following are the new or amended IFRSs, interpretations and amendments to IFRSs that are relevant to the Group:

Amendments to IAS 21	Lack of Exchangeability

(b) Standards and amendments issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for interim reporting periods on 30 June 2026:

IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

The Group is in the process of assessing the impact of new standards and amendments to standards. The Group expects to adopt these new standards, amendments to standards and interpretations when they become effective.

3. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

4. Segment reporting

The identification and disclosure of operating segment information is based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of passenger vehicles and provision of after-sales services.

(i) Information about geographical area

All of the Group's revenue is derived from the sales of passenger vehicles and provision of after-sales services in mainland China and the principal non-current assets employed by the Group are located in mainland China. Accordingly, no analysis by geographical segments has been provided for the reporting period.

(ii) Information about major customers

The Group's customer base is diversified and no customer with whom transactions have exceeded 10% of the Group's revenues.

5. Revenue

	Unaudited		
	6 months ended 30 June		
	2026	**2025**	**+/(-) Variance**
	RMB'000	**RMB'000**	**%**
Sale of automobiles	551,383	732,518	-24.7%
Provision of after-sales services	206,187	216,353	-4.7%
Agent commission	950	4,679	-79.7%
	758,520	**953,550**	**-20.5%**

During the financial period ended 30 June 2026 and 30 June 2025, all of the Group's revenue is from contracts with customers and is recognised at a point in time.

6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and the Company:

	The Group		The Company	
	Unaudited 30 June 2026	Audited 31 December 2025	Unaudited 30 June 2026	Audited 31 December 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Trade and other receivables	78,493	155,189	-	-
Deposits	21,315	19,974	-	-
Amounts due from subsidiaries	-	-	207,218	203,184
Pledged bank deposits	106,727	423,680	-	-
Cash and cash equivalents	20,450	11,416	775	715
	226,985	**610,259**	**207,993**	**203,899**
Financial liabilities				
Trade and bills payable	287,036	684,688	-	-
Accruals and other payables[1]	5,556	8,054	1,726	1,224
Bank and other borrowings	191,160	245,135	-	-
Lease liabilities	179,775	208,356	-	-
Amount due to a related party	42,779	62,586	42,779	62,586
Loan due to shareholder[2]	79,686	49,706	79,686	49,706
	785,992	**1,258,525**	**124,191**	**113,516**

Note 1: Accruals and other payables (excluding salaries payables, other taxes payables and other accrued expenses)

7. Other income

	Unaudited 6 months ended 30 June 2026	2025	+/(-) Variance
	RMB'000	RMB'000	%
Handling and commission fee income	19,184	79,262	-75.8%
Insurance rebates	-	55	n.m.
Deposit forfeited by customers	630	4,076	-84.5%
Government grants	91	199	-54.3%
Pre-owned cars and fleet sale commissions	1,686	2,965	-43.1%
Others	5,180	7,001	-26.0%
	26,771	**93,558**	**-71.4%**

8. Other gains, net

	Unaudited 6 months ended 30 June 2026	2025	+/(-) Variance
	RMB'000	RMB'000	%
Gain (Loss) on disposals of property, plant and equipment	803	(44)	n.m.
Net foreign currency exchange differences	(207)	(664)	-68.8%
Gain on early termination of lease	4,827	3,778	27.8%
Reversal of other payable	2,900	-	n.m.
Others	(486)	936	n.m.
	7,837	**4,006**	95.6%

9. Loss before income tax

Loss before income tax is carried at after charging the following:

	Unaudited		
	6 months ended 30 June		
	2026	**2025**	**+/(-) Variance**
	RMB'000	**RMB'000**	**%**
Cost of sales of motor vehicles and spare parts	703,873	975,194	-27.8%
Employee benefit expenses (including directors' emoluments)	54,193	60,168	-9.9%
(Reversal) Provision for inventories write-down	(2,056)	3,392	n.m.
Auditor's remuneration	1,069	1,136	-5.9%
Advertising expenses	5,458	5,734	-4.8%
Fuel and maintenance expenses	1,751	1,993	-12.1%
Depreciation of property, plant and equipment	12,772	21,883	-41.6%
Depreciation of right-of-use assets	12,263	15,755	-22.2%
Amortisation of intangible assets	403	403	0.00%
Bank charges	570	971	-41.3%
Entertainment	109	235	-53.6%
Legal and professional fees	2,366	1,925	22.9%
IT and security fees	2,267	2,632	-13.9%
Office, communication and utilities expenses	4,813	5,929	-18.8%
Other tax expenses	2,027	2,774	-26.9%
Short term lease expenses	779	174	347.7%
Travelling expenses	1,156	1,301	-11.2%
Others	886	1,065	-16.8%
	804,699	**1,102,664**	**-27.0%**
Represented by:			
Cost of sales	713,099	991,251	-28.1%
Selling expenses	48,067	60,515	-20.6%
Administrative expenses	43,533	50,898	-14.5%
	804,699	**1,102,664**	**-27.0%**

10. Finance costs, net

	Unaudited		
	6 months ended 30 June		
	2026	2025	+/(-) Variance
	RMB'000	RMB'000	%
Finance income			
- Bank interest income	135	237	-43.0%
	135	237	-43.0%
Finance costs			
- Interest expense on bank and other borrowings	(4,705)	(6,380)	-26.3%
- Interest expense on lease liabilities	(6,374)	(6,966)	-8.5%
- Interest expense on loan due to shareholder	(2,046)	(709)	188.6%
- Other finance charges	(1,294)	(2,890)	-55.2%
	(14,419)	(16,945)	-14.9%
Finance costs, net	**(14,284)**	**(16,708)**	**-14.5%**

11. Related party transactions/balances

(a) The Group had the following material transaction with its related party during the reporting periods:

		The Group		The Company	
		Unaudited	Unaudited	Unaudited	Unaudited
		30 June	30 June	30 June	30 June
	Note	2026	2025	2026	2025
		RMB'000	RMB'000	RMB'000	RMB'000
Interest expense on loan due to shareholder		2,046	709	2,046	709

11. Related party transactions/balances (continued)

(b) Balances with the related parties of each reporting periods are as follows:

	Note	The Group		The Company	
		Unaudited 30 June 2026	**Audited 31 December 2025**	**Unaudited 30 June 2026**	**Audited 31 December 2025**
		RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Amount due to a related party	(i)	42,779	62,586	42,779	62,586
Amounts due from subsidiaries	(ii)	-	-	207,218	203,184
Loan due to shareholder	(iii)	79,686	49,706	79,686	49,706

(i) The balance with a related party was unsecured, interest free and due on 30 June 2028.

(ii) The balances with subsidiaries were unsecured, interest free, receivable on demand, and their carrying values approximate their fair values.

(iii) The loan due to shareholder, Octo Holdings Limited, comprises loans which are unsecured, carry a fixed interest rate of 8.0% per annum and are due on demand, and a loan amounting to RMB17.7 million (USD2,600,137.33) which was assigned from a related party, TCA International Limited, to Octo Holdings Limited on 30 June 2026. The assigned loan is unsecured and interest free.

12. Income tax credit

The Group calculates the income tax for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax in the condensed interim consolidated statement of profit or loss are:

	Unaudited 6 months ended 30 June	
	2026	**2025**
	RMB'000	**RMB'000**
Current income tax:		
- PRC enterprise income tax ("**EIT**")	84	143
Deferred income tax	(623)	(1,783)
Income tax credit	(539)	(1,640)

13. Net asset value

	The Group		The Company	
	Unaudited As at 30 June 2026	**Audited As at 31 December 2025**	**Unaudited As at 30 June 2026**	**Audited As at 31 December 2025**
Net Asset Value per share (RMB)	(0.11)	(0.07)	0.14	0.15
Net Asset Value (RMB'000)	(66,368)	(38,450)	83,835	90,515
Number of ordinary shares in issue	589,615,183	589,615,183	589,615,183	589,615,183

14. Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired assets of RMB13,525,000 (2025: RMB13,683,000) and disposed of assets of RMB13,112,000 (2025: RMB20,333,000).

As at 30 June 2026, property, plant and equipment of RMB45,272,000 (31 December 2025: RMB47,769,000) was used as security to certain bank borrowings of the Group (Note 16).

15. Intangible assets

	Goodwill	Dealership rights	Total
	RMB'000	**RMB'000**	**RMB'000**
At 1 January 2025			
Cost	94,782	30,827	125,609
Accumulated amortisation and impairment	(46,032)	(22,561)	(68,593)
Net book amount	48,750	8,266	57,016
As at 30 June 2025			
Opening net book amount	48,750	8,266	57,016
Amortisation	-	(403)	(403)
Closing net book amount	48,750	7,863	56,613
At 1 January 2026			
Cost	94,782	30,827	125,609
Accumulated amortisation and impairment	(46,032)	(23,368)	(69,400)
Net book amount	48,750	7,459	56,209
As at 30 June 2026			
Opening net book amount	48,750	7,459	56,209
Amortisation	-	(403)	(403)
Closing net book amount	48,750	7,056	55,806
As at 30 June 2026			
Cost	94,782	30,827	125,609
Accumulated amortisation and impairment	(46,032)	(23,771)	(69,803)
Net book amount	48,750	7,056	55,806

15. Intangible assets (continued)

Goodwill is allocated to the Group's Cash Generating Units ("**CGUs**") identified according to operating entities. Goodwill is allocated to relevant operating entities.

The recoverable amount of the CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows were then extrapolated using the estimated growth rates beyond the five-year period. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operates.

Management determined the budgeted revenue growth rate based on past performance and its expectation of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Management believes that any reasonably possible change in any of the key assumptions would not result in an impairment of goodwill. There was no impairment provision for intangible assets during the period ended 30 June 2026 (2025: Nil).

16. Bank and other borrowings

	The Group		**The Company**	
	Unaudited 30 June 2026	**Audited 31 December 2025**	**Unaudited 30 June 2026**	**Audited 31 December 2025**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Current:				
Bank borrowings – secured	131,642	138,755	-	-
Bank borrowings – guaranteed	10,000	10,000	-	-
Borrowings from manufacturers – secured	42,955	84,984	-	-
Other borrowings – secured	3,113	7,361	-	-
	187,710	241,100	-	-
Non-current:				
Other borrowings – secured	84	2,224	-	-
Borrowings from manufacturers – secured	3,366	1,811	-	-
	3,450	4,035	-	-
Total bank and other borrowings	**191,160**	**245,135**	**-**	**-**

16. Bank and other borrowings (continued)

As at 30 June 2026 and 31 December 2025, certain borrowings of the Group were secured by pledge of assets of the Group, and corporate and personal guarantees by certain related parties of the Group.

The carrying values of assets pledged to various banks for securing bank and other borrowings are:

	The Group		The Company	
	Unaudited	**Audited**	**Unaudited**	**Audited**
	30 June 2026	**31 December 2025**	**30 June 2026**	**31 December 2025**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Inventories	74,866	59,636	-	-
Right-of-use assets	92,559	95,205	-	-
Property, plant and equipment	45,272	47,769	-	-
Security deposits	15,945	20,563	-	-
	228,642	**223,173**	-	-

17. Share capital

Group and Company	Number of ordinary shares	Share capital	Share premium	Total
		RMB'000	**RMB'000**	**RMB'000**
As at 1 January 2025, 31 December 2025, 1 January 2026 and 30 June 2026	589,615,183	41,994	82,796	124,790

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2026 and 30 June 2025. There were no purchase, sale, transfer, disposal, cancellation and/or use of treasury shares and subsidiary holdings during the financial period ended 30 June 2026.

17. Share capital (continued)

Share Option

On 17 September 2021, the Company obtained the shareholders' approval on the adoption of the TCA Employee Share Option Scheme ("**TCA ESOS**") by way of written resolutions.

On 6 May 2025 ("**Date of Grant**"), the Company announced that it had granted 4,000,000 share options pursuant to the TCA ESOS ("**2025 Option**"). The 2025 Options are exercisable from 6 May 2026 and expire on 6 May 2030, vest at a maximum of 20% of the shares allotted on the first anniversary of the Date of Grant and each anniversary thereafter.

Movements in the number of unissued ordinary shares under the TCA ESOS and their exercise prices are as follows:

	No. of ordinary shares under option						
Group and Company	**Beginning of the financial period**	**Granted during the financial period**	**Cancelled/lapsed during the financial period**	**Exercised during the financial period**	**End of the financial period**	**Exercise price**	**Exercisable period**
2025 Option	4,000,000	-	-	-	4,000,000	S$0.05	6 May 2026 to 6 May 2030

As at 30 June 2026, the number of shares that may be issued on conversion of all outstanding share options was 4,000,000 (30 June 2025: Nil), representing approximately 1% of the total number of issued shares of the Company (excluding treasury shares and subsidiary holdings).

Save for the above, the Company did not have any outstanding convertibles as at 30 June 2026 and 30 June 2025.

18. Subsequent events

Rights Issue

On 5 June 2026, the Company announced revised terms of the Rights Issue previously announced on 25 September 2025 to undertake a renounceable non-underwritten rights issue ("Rights Issue") of up to 530,653,662 new ordinary shares of par value US$0.01 each in the capital of the Company ("Rights Shares") at a revised issue price of S$0.014 for each Rights Share ("Issue Price"), on the basis of nine (9) Rights Shares for every ten (10) Shares held by entitled shareholder as at 5.00 p.m. on 20 July 2026.

The Company has, on 6 July 2026, received the listing and quotation notice (“LQN”) from the SGX-ST for the listing of and quotation for up to 530,653,662 Rights Shares on the Catalist board of the SGX-ST. The LQN from the SGX-ST is not to be taken as an indication of the merits of the Rights Issue, the Rights Shares, the Company, its subsidiaries and their securities.

For further details relating to the Rights Issue, please refer to the Company’s announcements dated 5 June 2026, 7 July 2026, 10 July 2026 and 20 July 2026.

The Company will keep shareholders informed and make the necessary announcement(s) as and when required on the progress of the Rights Issue.

Save for the above, there are no known subsequent events which have led to adjustments to this set of interim financial statements.

F. Other Information Required by Appendix 7C of the Catalist Rules

1. Review

The condensed consolidated interim statement of financial position of Trans-China Automotive Holdings Limited (the "**Company**" or "**TCA**") and its subsidiaries (the "**Group**") as at 30 June 2026 and the related condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the six months period ended 30 June 2026 and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

<u>Condensed Consolidated Statement of Comprehensive Income</u>

<u>Revenue</u>

The Group's total revenue declined by 20.5% or RMB195.0 million to RMB758.5 million in the first six months of 2026 ("**1H2026**") from RMB953.5 million in the same period prior year ("**1H2025**"). Revenue declined primarily because of phased discontinuation of operations at the Group's Guangzhou BMW dealership. Guangzhou BMW store operations officially terminated on 30 June 2026. The Group recorded an overall gross profit of RMB45.4 million in 1H2026, reversing from a gross loss of RMB37.7 million in 1H2025 primarily because gross losses from automobile sales narrowed as further explained below.

<u>Sale of automobiles</u>

We sold 2,054 cars and generated RMB551.4 million in sales of automobile during 1H2026 as compared with 2,660 units and RMB732.5 million in sales of automobiles in 1H2025, representing a decrease of 22.8% and 24.7% respectively.

Sales declined primarily because of the Group terminated automobile sales operation at the Guangzhou BMW store in the third quarter of 2025. Guangzhou BMW store represented approximately 20% of our total new car sales in 1H2025. We also negotiated for lower sales targets at some of our other stores as new cars continue to be sold at a gross loss.

Our gross loss and gross loss margin on automobile sales were RMB26.5 million and 4.8% in 1H2026 compared with RMB118.0 million and 16.1% in 1H2025. Our gross loss decreased significantly because we sold approximately 600 fewer cars due to closure of the Guangzhou BMW store. Our gross margin recovered primarily as a result of the timing of announcement of extra car sales rebate from our manufacturing partner. In 1H2026 extra rebates were announced in 1H2026 compared with 1H2025 when extra rebates were announced after period end. Furthermore, our OEM partners made manufacturing suggested retail price adjustments which helped to temper our losses.

<u>Provision of after-sales services</u>

Total after-sales services revenue in 1H2026 was RMB206.2 million, a decrease of 4.7% or RMB10.2 million from 1H2025 of RMB216.4 million. After-sales services revenue decreased primarily because of phased out operations at Guangzhou BMW store during the first half of 2026. Overall after-sales service revenue for the remaining group grew.

After-sales gross profit for 1H2026 was RMB71.1 million as compared with 1H2025 was RMB75.7 million. After-sales gross margin was 34.5% in 1H2026 or 0.5% lower than 1H2025 when it was 35.0%. The slight decreased in gross margins is due to different mix of cars serviced.

<u>Agent commission</u>

Agent commission refers to the car deliveries fees transacted under the agency dealership business arrangement. The Company does not take inventory of these cars but instead receives a fixed commission for each car delivered. The agent commission was RMB950,000 in 1H2026 as compared with RMB4.7 million in 1H2025 due to fewer deliveries of cars. The decrease in deliveries is due to lack of new models to sustain sales momentum in an intensely competitive market.

Other Income

Other income was RMB26.8 million in 1H2026 sharply lower from RMB93.6 million generated during 1H2025. Other income is primarily comprised of commissions from selling finance and insurance products and other value-added services such as registration services. Industry regulator prohibited high finance commissions on automobile loans starting in the second half of 2025. This also helped narrow the car prices discount for the current period.

Other Gains

Other gains are non-operating in nature, primarily comprised of gain on early termination of lease of RMB4.8 million in 1H2026, gain on disposals of property, plant and equipment of RMB0.8 million and other one-off gains such as writeback of a long aged payable. This was partially offset by the net foreign currency exchanges loss.

Operating Expenses

Selling expenses decreased by 20.6% or RMB12.4 million from RMB60.5 million in 1H2025 to RMB48.1 million in 1H2026 because of lower sales volume. The group recorded lower advertising and sales compensation related expenses.

Administrative expenses decreased by 14.5% or RMB7.4 million from RMB50.9 million in 1H2025 to RMB43.5 million in 1H2026, primarily due to lower business volume and employment expenses. Termination costs related to staff rationalization across the Group and store closure costs were also recorded in the current period.

Finance income & Finance Costs

Our finance income is derived from bank deposits with financial institutions. During 1H2026, we had lower average cash balances as we repaid credit lines. As a result, the Company’s finance income fell by 43.0% or RMB102,000 to RMB135,000 in 1H2026 from RMB237,000 in 1H2025.

Excluding finance costs related to IFRS 16 (“Lease Accounting”), our finance costs decreased by 19.4% or RMB2.0 million from RMB10.0 million in 1H2025 to RMB8.0 million in 1H2026. The decrease was primarily due to repayment of bank and other borrowings and lower average bills payable due to lower average inventory balances. Finance costs related to IFRS 16 (“Lease Accounting”) decreased by RMB591,000 to RMB6.4 million in the current period from RMB7.0 million in 1H2025 relocation to smaller premises for some of our locations.

Net loss

As a result of the foregoing, the loss before tax decreased by RMB36.1 million to RMB32.2 million in 1H2026 from RMB68.3 million in 1H2025. Net loss for the period in 1H2026 was RMB31.6 million as compared with a net loss of RMB66.6 million in 1H2025. Basic and fully diluted loss per share was RMB0.05 in 1H2026 compared with RMB0.11 in 1H2025.

Condensed Consolidated Statement of Financial Position

Non-current assets

Non-current assets decreased by RMB30.8 million to RMB406.8 million as at 30 June 2026 from RMB437.6 million as at 31 December 2025, mainly due to depreciation and amortization of property, plant and equipment and rights-of-use assets as well as disposition of motor vehicles in our demonstration vehicle fleet. We also wrote-off remaining asset in discontinued operations.

Current assets

Total current assets decreased by RMB449.1 million to RMB470.5 million as at 30 June 2026 as compared with RMB919.6 million as at 31 December 2025 as a result of smaller business scale. Inventory decreased by RMB56.9 million to RMB161.3 million at 30 June 2026 compared with RMB218.2 million as at 31 December 2025. Inventory as at 31 December 2025 was higher because of higher expected deliveries in the seasonally busy period leading up to Chinese New Year. As overall business volume shrunk, our trade and other receivables, and pledged bank deposits also decreased. Prepayments and deposits increased as a result of inventory in transit.

Non-current liabilities

Non-current liabilities decreased by RMB29.3 million to RMB237.6 million as at 30 June 2026 from RMB266.9 million as at 31 December 2025, primarily as a result of amortization of lease liabilities, termination of lease liabilities, reassignment of loans to related party to loan due to shareholder, and repayment of bank and other borrowings.

Current liabilities

Current liabilities decreased by RMB422.7 million to RMB706.0 million as at 30 June 2026 as compared with RMB1,128.7 million as at 31 December 2025, primarily due to lower bank and other borrowings as a result of repayment of bank lines. Bills payable, accruals and other payables, current lease liabilities also decreased due to lower overall business volume and scale. This was partially offset by an increase of RMB30.0 million in loan due to shareholder and increase in contract liabilities of RMB21.8 million. Shareholder borrowings increased to provide the Group with additional short-term funding.

Equity

Equity for the Group decreased by RMB27.9 million to (RMB66.4) million as at 30 June 2026 from (RMB38.5) million as at 31 December 2025. The decrease is due to the net loss incurred for the period.

Condensed Consolidated Statement of Cash Flows

Operating Activities

Cash inflow from operating activities before changes to working capital was RMB6.2 million in the 1H2026 as compared with cash outflow of RMB13.9 million in 1H2025. The cash inflow is primarily due to improved business performance in 1H2026.

Cash inflow from operation activities after changes in working capital was RM82.3 million as compared with cash inflow of RMB99.5 million in 1H2025. The decrease was primarily due to repayment of bills payable offset by collection of vendor rebates during the first half of the year which included extra-subsidies and return of pledged bank deposits compared to prior year because of lower inventory levels.

Investing Activities

Cash outflow from investing activities was RMB2.3 million in 1H2026 as compared with the cash inflow of RMB6.8 million in 1H2025. New demonstration cars were acquired to refresh the demonstration car fleet. In prior year, the Company generated cash from disposal of excess demonstration vehicles to increase asset efficiency.

Financing Activities

Cash outflow from financing activities was RMB71.6 million in 1H2026. This is primarily due to net repayment of bank and other borrowings, interest expenses and lease payments, partially offset by the proceeds from shareholder's loan.

Corporate Developments

We had made meaningful progress towards our goal of becoming a focused and more streamlined company. We rationalized a number of unprofitable locations and undertook a deep cost cutting program. Our overall head count is 30% less than at the end of 2023. We have also relocated some of our Genesis stores to smaller and more efficient locations. In other locations we have managed to receive rent reduction or other concessions. We will continue prune costs to stabilize the Company.

Debt Management

As at 30 June 2026, our net interest-bearing liabilities was RMB401.0 million, a decrease from RMB509.4 million as at 31 December 2025. Our shareholders' equity is negative RMB 66.4 million due to ongoing losses.

Net debt is defined as long term and short-term borrowings & loan, and bills payable less cash and equivalents and others, and pledged deposits.

3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

5. A commentary at the date of the announcement of 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 next 12 months

The Group delivered a materially improved financial performance in 1H2026, with its net loss narrowing to RMB31.6 million. Excluding the RMB15.8 million net loss attributable to the Guangzhou BMW dealership, the Group's net loss would have been RMB15.8 million. This improvement reflects the measurable impact of targeted cost-reduction and operational streamlining initiatives. Our headcount at the end of 30 June 2026 was 617 members which is one-third lower than at the end of 2024. We have also closed a number of unprofitable operations and relocated some of our dealerships to more cost-effective locations. At the same time, we benefitted from improved after-sales services growth due to closure of same branded dealerships in our markets. Finally, manufacturer suggested retail prices adjustments and government initiatives to lower competition intensity have helped narrow the discount on new car prices which ultimately translated to a lower net loss.

However, despite these developments the broader operating environment remains highly challenging. Remains soft in the wake of the multiyear property slump. The Chinese GDP recorded its slowest growth in 3 years in 2Q2026 and the Chinese car market fell by 20.2% to 8.7 million units during the first half of 2026[7]. BMW, our primary brand partner, recorded an overall sales decline of 20.4% in China during the 1H2026 compared to last year[8]. The Group noted a clear deceleration in showroom traffic and sales in the middle of the second quarter of 2026. Aside from the poor overall consumer sentiment, car sales were also hampered by high fuel prices brought on by the Iran war and scaling back of government funded EV trade-in subsidies.

China is a new energy vehicle market. In June 2026, approximately 62.5% of new cars sold were NEVs. In the current declining car market, the volume decrease was led by traditional fuel cars or Internal Combustion Engines (ICE) cars which declined by 39% compared with NEV sales which slumped a relatively modest 7.8%[9]. For the Group, ICE car sales represented approximately 93% of our new car sales in 1H2026. As part of BMW's drive to match local car demand, our brand partner is introducing the Neue Klasse, a new

[7] https://www.cnbc.com/2026/07/20/china-automotive-car-worst-year-sales-fall-20percent.html

[8] https://www.shidaiqiche.cn/SalesExpress/info.aspx?itemid=3607

[9] https://www.fitchratings.com/research/corporate-finance/chinas-new-energy-vehicle-share-hits-record-as-icev-demand-wanes-31-07-2026

generation of vehicles offered in ICE and EV variants as well as adopting state of the art local technology[10]. Over the next two years, there will be a total of 40 new or significantly updated car models introduced to China. Equally important is that a new sales model will replace the traditional wholesale model for these cars. There will be a standardized retail pricing across dealers to improve price stability and margin protection.

While we are encouraged that our efforts have yielded tangible improvement in financial results, the immediate outlook remains challenging. Therefore, TCA will continue to focus lean operations and applying a cautious approach towards capital expenditure. If the new BMW products are well received or market environment improves, the Group will be in position to benefit.

[10] https://www.bmwblog.com/2026/01/21/bmw-ix3-long-wheelbase-neue-klasse-china-900-km-range/

6. Dividend information

(a) Current financial period reported on

Whether an interim (final) ordinary dividend has been declared or recommend?

No dividend has been declared or recommended for the financial period ended on 30 June 2026.

(b) Previous corresponding period

Whether an interim (final) ordinary dividend has been declared or recommend?

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

6a. If no dividend has been declared or recommended, a statement to that effect and the reason (s) for the decisions

No dividend has been declared or recommended for the financial period ended 30 June 2026 as the Company intends to reserve its cash resources for working capital.

7. Interested person transactions

The Group has not obtained a general mandate from shareholders for Interested Person Transactions ("**IPT**").

There was no IPT of $100,000 or more entered into by the Group during 1H2026.

8. Additional information required pursuant to Rule 706A of the Catalist Rules

There were no acquisition or realisation of shares resulting (i) in a change in the shareholding percentage in any subsidiary or associated company of the Group, or (ii) an entity becoming or ceasing to be a subsidiary or associated company of the Group during the financial period under review.

9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules.

10. Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of my knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2026 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Francis Tjia	Michael Cheung
Executive Chairman and Chief Executive Officer	Executive Director and Chief Financial Officer

11 August 2026