FOR IMMEDIATE RELEASE

Trans-China Automotive narrows 1H2026 net loss amid continued cost optimisation

SINGAPORE, 11 August 2026 – **Trans-China Automotive Holdings Limited (耀骅汽车集团)** ("**TCA**" or the "**Company**", and together with its subsidiaries, the "**Group**"), narrowed its net loss for the first six months ended 30 June 2026 ("**1H2026**") to RMB31.6 million compared to RMB66.6 million in the corresponding period a year ago ("**1H2025**").

Key Highlights:

- The Group nearly halved its net loss year-on-year ("**YoY**"), driven by improved gross margins, the closure of the Group's Guangzhou BMW dealership and continued cost discipline across the Group. Excluding the net loss of RMB15.8 million attributable to the closed Guangzhou BMW dealership, the Group's adjusted net loss for 1H2026 was RMB15.8 million.
- Total revenue for the period decreased 20.5% YoY to RMB758.5 million from RMB953.6 million in 1H2025, mainly attributable to lower new vehicle sales following the phased closure of the Guangzhou BMW dealership.
- The Group recorded an overall gross profit of RMB45.4 million in 1H2026, reversing from a gross loss of RMB37.7 million in 1H2025, supported by vendor rebates received before period end and the positive impact of manufacturer retail price adjustments.
- Overall, China's passenger vehicle market remains intensely competitive, with China Passenger Car Association ("**CPCA**") reporting a 20.2% YoY decline in passenger vehicle sales in 1H2026.

Financial Highlights (RMB Million)	6 months ended 30 June		
	1H2026	**1H2025**	**Change (%)**
Total Revenue	**758.5**	953.6	(20.5)
- Sale of automobiles	551.4	732.5	(24.7)
- Provision of aftersales services	206.2	216.4	(4.7)
- Agent commission	1.0	4.7	(79.7)
Gross Profit/(Loss)	**45.4**	(37.7)	n.m.
Net Loss	**(31.6)**	(66.6)	n.m.
Adjusted Net Loss[1]	**(15.8)**	(66.6)	n.m.

n.m. is defined as Not Meaningful

[1] The adjusted net loss for 1H2026 excludes the net loss of RMB15.8 million attributable to the Group's Guangzhou BMW dealership, which fully ceased operations on 30 June 2026. No corresponding adjustment was made for 1H2025.

The Group sold 2,054 cars in 1H2026 compared with 2,660 units in 1H2025, a decrease of 22.8%. The decline was primarily due to the closure of the Group's Guangzhou BMW dealership, which has fully ceased operations as at 30 June 2026. Guangzhou BMW had accounted for approximately 20% of the Group's total new car sales in 1H2025. The Group in conjunction with its OEM partners has lowered sales volume targets as new cars continued to be sold at a loss in the intensely competitive market. This resulted in a 24.7% YoY decline in automobile sales revenue to RMB551.4 million in 1H2026.

The gross loss margin on automobile sales improved to 4.8% in 1H2026, from 16.1% in 1H2025, with the corresponding gross loss narrowing to RMB26.5 million from RMB118.0 million. The improvement was supported by earlier recognition of vendor rebates during the reporting period and manufacturer retail price adjustments.

The Group's after-sales services segment remained resilient, with revenue declining 4.7% YoY to RMB206.2 million from RMB216.4 million in 1H2025. This was primarily due to the wind-down of after-sales operations at the Guangzhou BMW dealership. Excluding the impact of this closure, after-sales service revenue for the remaining network increased, benefiting in part from reduced competition following the closure of same-brand dealerships in the Group's markets.

Agency commission revenues declined to RMB1.0 million in 1H2026 from RMB4.7 million in 1H2025 as fewer cars were delivered amid limited new model launches and softer market demand.

As a result of gross margin improvements, cost improvements arising from the Group's cost-cutting programme and dealership rationalisation, the Group's reported net loss for 1H2026 narrowed to RMB31.6 million. Excluding the net loss attributable to the Group's closed Guangzhou BMW store, the Group's adjusted net loss for 1H2026 was RMB15.8 million.

Rights Issue

Subsequent to TCA's rights issue announcement in September 2025, it issued an announcement on 5 June 2026 to vary the terms of the previous rights issue to propose 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 Rights Shares for every 10 Shares held by entitled shareholders as at 5.00 p.m. on 20 July 2026.

The net proceeds from the Rights Issue are intended to be used for the set-off of liabilities, to further strengthen the financial position and cash position of the Group, as well as for general corporate and working capital purposes of the Group.

Outlook

China's passenger vehicle market remains intensely competitive, with the CPCA reporting a 20.2% YoY decline in passenger vehicle sales in 1H2026[2], and New Energy Vehicles ("**NEV**") accounting for approximately 54% of retail sales[3]. While regulatory measures have been introduced to curb excessive price discounting and improve market discipline, competition continues to be intense amid weak consumer sentiment brought on by elevated fuel prices arising from geopolitical conflicts and the scaling back of government incentives.

While market conditions remain difficult, the Group is encouraged by several positive developments, including the continued rationalisation of same brand dealership networks, its ongoing cost optimisation initiatives and the upcoming launch of new BMW models.

During the period, the Group continued to execute its strategy of becoming a more focused and streamlined organisation. These initiatives included rationalising underperforming locations, relocating selected Genesis dealerships to smaller and more efficient premises, and securing rental reductions and other concessions. As a result, TCA's operating structure is leaner, with headcount reduced by approximately 30% since the end of 2024.

Looking ahead, the Group will continue to strengthen its marketing and customer engagement efforts to drive showroom traffic, while remaining focused on operational efficiency, prudent cost management and enhancing its after-sales business.

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[2] 20 July 2026, CNBC – China's car market heads for worst year since 2021 as sales plunge 20%

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

About Trans-China Automotive Holdings Limited

Trans-China Automotive Holdings Limited (耀骅汽车集团) ("**TCA**" or the "**Company**", and together with its subsidiaries, the "**Group**"), is an automobile dealership group with operations in the People's Republic of China ("**PRC**"). Focused on the distribution of premium and super-premium automobiles under the BMW, McLaren and Genesis brands, the Group's dealerships are in key cities in the PRC namely, Foshan, Shenzhen, Guangzhou, Chongqing and Changsha. Its multiple business segments include the sale of new automobiles under its dealerships, sale of preowned automobiles that come from customer trade-ins, auction companies and other suppliers of used cars, provision of automobile agency services which are ancillary services such as automobile financing, insurance and car registration services, and provision of after-sales services which include repairs, maintenance and inspection of automobiles as well as the retailing of automobile parts and accessories.

Issued for and on behalf of Trans-China Automotive Holdings Limited

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