

TRANS-CHINA AUTOMOTIVE HOLDINGS LIMITED
 (Company Registration No. 306871)
 (Incorporated in the Cayman Islands)

CHANGE IN THE USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

Unless otherwise stated, capitalised terms used herein shall bear the same meaning ascribed to them in the Company's offer document dated 1 November 2021 ("Offer Document").

The Board of Directors (the "**Board**") of Trans-China Automotive Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") refers to the section entitled "Use of Proceeds and Listing Expenses" in the Offer Document in relation to its initial public offering and listing on the Catalist board of the Singapore Exchange Securities Trading Limited on 11 November 2021 (the "**IPO**"). The Company received net proceeds amounting to approximately S\$16.3 million from the IPO ("**IPO Proceeds**"), after deducting listing expenses of approximately S\$3.2 million.

The Board wishes to announce that the Company intends to reallocate the amount of IPO Proceeds as follows:

Intended use of IPO Proceeds	Allocation of IPO Proceeds	Amount utilized as at the date of this announcement	Amount to be reallocated	Balance of IPO Proceeds as at the date of this announcement
	S\$'000	S\$'000	S\$'000	S\$'000
Increasing the number of our dealerships, showrooms and service centres in cities where we have existing operations, namely in Foshan, Shenzhen, Guangzhou, Chongqing, Changsha and Wuhan	11,000	6,000 ⁽¹⁾	(5,000)	-
Expanding our business through growing our dealership network to new regions, diversifying to other premium and ultra-premium automobile brands, and expanding and diversifying into complementary businesses	3,000	3,000 ⁽²⁾	-	-
General working capital purposes	2,311	2,311 ⁽²⁾	5,000	5,000
Total	16,311	11,311	-	5,000

Notes:

- (1) The S\$3.0 million was utilised for payment to contractors and suppliers relating to the construction of Shenzhen BMW service center. The S\$3.0 million was utilised for payment to contractors and suppliers relating to the construction of Foshan Genesis showroom.
- (2) The S\$3.0 million was utilised for payment to contractors and suppliers relating to the construction of a Genesis dealership in Guangzhou, China. The amount of approximately S\$2.3 million was utilized for payment to BMW for spare parts purchases.

In light of the intensely competitive car market, the Company is prioritising its existing business operations ahead of its expansion plans. Accordingly, the Board has decided to reallocate the remaining use of proceeds of S\$5.0 million towards the Chongqing BMW store renovation that has a budget of S\$3.0 million and the balance of S\$2.0 million to fund inventory purchases. The Chongqing BMW store is currently undergoing renovation and the reallocated IPO Proceeds would be used to fund the reconstruction of dealership, upgrade of equipment and landscaping.

The Board is of the view that it is in the best interest of the Group to make reallocation to better utilise existing cash available to improve the Company's cash management efficiency. The Board wishes to emphasize that the Company will continue to assess its plans for business expansion as and when market conditions stabilize and suitable opportunities arise in the future.

The Company will make periodic announcements as and when the balances of the IPO Proceeds are materially disbursed or utilized, and will also provide a status report on the use of proceeds in the Company's interim and full year financial results announcements as well as its annual report.

By Order of the Board

Francis Tjia
Executive Chairman and CEO

28 May 2024

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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