Trans-China Automotive Holdings Limited
#3002, 30th Floor, 88 Hing Fat Street, Causeway Bay, Hong Kong
(Company Registration Number: 306871)
(Incorporated in the Cayman Islands on 18 December 2015)

Trans-China Automotive Holdings Limited
Voluntary Business Update

Hong Kong, SAR – 30 November 2021 - Trans-China Automotive Holdings Limited ("**TCA**" or the "**Company**", and together with its subsidiaries, the "**Group**") wishes to provide shareholders with a business update for the nine-month period from 1 January 2021 to 30 September 2021 ("**9M2021**"). All currency amounts referred to in this update are in Chinese Renminbi unless stated otherwise. The financial information for 9M2021 is based on the Group's latest unaudited consolidated management accounts.

Key highlights:

- All TCA's BMW dealerships registered higher growth in volume and sales as compared to the nine-month period from 1 January 2020 to 30 September 2020 ("**9M2020**")
- Total revenue increased by approximately 15.0% in 9M2021 as compared to 9M2020
- Higher average sales prices ("**ASP**") on automobiles sold and ongoing buoyant demand have improved profitability in 9M2021 as compared to 9M2020
- Two key products introductions in the fourth quarter ("**4Q**") of the financial year ended 2021 ("**FY2021**"): the fully electric BMW iX and the hybrid McLaren Artura

9M2021 Business Update

The following table shows the quantity of vehicles sold and revenues for the first nine months in 2019 ("**9M2019**"), 9M2020 and 9M2021. The financial information is based on the Group's unaudited consolidated management accounts for 9M2019, 9M2020 and 9M2021.

Quantity and Revenue	**9M2019**	**9M2020**	**9M2021**	**9M2020 vs 9M2019**	**9M2021 vs 9M2020**
Units sold	6,604	7,437	8,584	12.6%	15.4%
Revenue (RMB'000)					
- Sale of automobiles	2,233,090	2,723,584	3,154,643	22.0%	15.8%
- Provision of after-sales services	385,005	367,878	401,535	(4.4)%	9.1%
Revenue (RMB'000)	**2,618,096**	**3,091,462**	**3,556178**	**18.1%**	**15.0%**
Revenue (S$'000)[(1)]	**552,341**	**652,207**	**750,249**	**18.1%**	**15.0%**

Note:

(1) Based on the exchange rate of S$1.00 : RMB4.74.

Automobile Sales Revenue

Revenue from the Group's new and pre-owned automobile sales segment grew to RMB3.15 billion in 9M2021, representing an increase of 15.8% as compared to 9M2020. Each of TCA's BMW dealerships had increases in growth in terms of total automobile sales unit volume and revenue as compared to 9M2020.

Demand for luxury cars and in particular premium automobiles has continued to remain strong. According to the latest data from BMW China, BMW is on track to be the best selling premium branded automobile in China in 2021, followed by Mercedes and Audi. Like all major automobile manufacturers, BMW was affected by supply disruption from the global chip shortage which resulted in a slightly lower supply of automobiles for September 2021 as compared to previous months. The Group expects some further slight disruption to continue in 4Q2021. However, based on TCA's operating data from the last two months, the impact of lower volumes on overall profitability is likely to be offset by higher gross margins on new automobile sales.

Aftersales Service Revenue

Revenue from the Group's after-sales services segment during 9M2021 was RMB401.5 million, representing an increase of 9.1% as compared to 9M2020. It is noted that during the 9M2021 period, there were sporadic COVID-19 cases in some of the regions where the Group operates but business disruptions due to COVID-19 were short-lived, and the financial impact on the Group for 9M2021 was limited.

Bank Financing

The Group's credit and inventory financing lines that were due for expiry in 9M2021 have been renewed. In the second quarter of FY2021, the Group refinanced an offshore term loan with a lower cost onshore facility from a PRC bank. Furthermore, TCA's financing partners continue to provide a variety of competitive retail financing packages that promote automobile ownership affordability.

Outlook

The overall supply of passenger automobiles in China is expected to remain tight in the next few months given global and domestic supply chain disruptions due in part to chip shortages. Coupled with ongoing buoyant demand for premium automobiles, the Group expects inventories to remain lower than what was seen in previous years. With the tight supply situation, the market is expected to experience less pricing pressure with the Group observing an improvement in ASPs as compared to 9M2020.

In addition, there are two significant product introductions in the 4Q2021, including BMW's iX model, a highly anticipated fully electric SUV. This automobile is the first of several fully electric vehicles that BMW will introduce in the next couple of years as part of its broader electrification strategy. This automobile occupies the same segment as the highly desired medium-large sized X5, except that it is fully electric. On the super premium segment, McLaren has introduced the Artura in November 2021. This automobile model represents the first all-new McLaren since the introduction of the popular GT a few years ago and strengthens McLaren's hybridization strategy of combining electric motors and conventional engines in one package.

BMW iX	McLaren Artura
	

The Group has been working diligently on plans to expand its dealership network and continues to focus increasing its business presence in regions where the Group already has existing operations. The Company will provide further updates as and when there are material developments.

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About Trans-China Automotive Holdings Limited (SGX: VI2)

Trans-China Automotive Holdings Limited (耀骅汽车集团) ("TCA" or the "Company", and together with its subsidiaries, the "Group") is a leading 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 Lotus brands, the Group's dealerships are in key cities in the PRC namely, Foshan, Shenzhen, Guangzhou, Chongqing, Changsha, and Wuhan. 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.

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Figures for 9M2021 stated in this business update are unaudited and are subject to revision. The financial figures contained herein have not been audited nor reviewed by the auditors.

The Company wishes to emphasise that none of the forward-looking statements in this document is intended to be a profit forecast, and should not be treated as such.

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Shareholders and potential investors are advised to exercise caution when dealing or trading in the shares of the Company. In the event of any doubt as to the action they should take, shareholders and potential investors should consult their financial, tax, legal or other professional advisers.

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 SGX-ST. The Sponsor has not independently verified the contents of this announcement.

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

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