

## **Profit Guidance For The Full Year Ended 31 December 2022**

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The Board of Directors (the “**Board**”) of Trans-China Automotive Holdings Limited (“**TCA**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to announcements on profit guidance for half year ended 30 June 2022 dated 28 July 2022 and voluntary business update for 3<sup>rd</sup> quarter ended 30 September 2022 dated 18 October 2022, and wishes to provide shareholders with profit guidance for the year ended 31 December 2022 (“**FY2022**”).

The Company wishes to announce that, following a preliminary assessment of the unaudited financial results of the Group for FY2022 that is currently available to the Board of Directors, the unaudited net profit after taxes for FY2022 is expected to be significantly lower as compared with audited net profit after taxes for the full year ended 31 December 2021 (“**FY2021**”).

This is mainly attributable to:

- The soft Chinese economy. The Chinese economy grew by 3.0% in 2022, this marks the second slowest growth in 42 years. A major reason for the slow economy growth is the COVID-19 health protection protocols enacted for much of FY2022. These protocols were eased in December 2022. As such, a number of cities where TCA’s dealerships are located in had implemented COVID-19 control measures, which included city wide lockdowns and movement controls, for a significant period of time in FY2022. The implementation of control measures have hurt local economies and increased the inconvenience for the Company’s customers to visit the dealerships, which led to lower automobile sales revenue and lower automobile sales gross margins as compared to FY2021.
- New expansion projects embarked in FY2022 have not reached profitability. The Company officially opened Guangzhou Genesis dealership in August 2022 and Shenzhen BMW Service Center in December 2022. Furthermore, TCA incurred startup costs from the Changsha Genesis dealership, which is scheduled to open during the first quarter of 2023.

The Company is still in the process of finalising its unaudited financial results of the Group for FY2022. Further details of the Group’s financial performance will be disclosed when the Company announces its unaudited financial results on or before 23 February 2023.

1. [China’s economy expands 3% in 2022 as zero-Covid policies hit growth | Financial Times \(ft.com\)](#)

## **Caution in Trading**

Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation to their securities which may be prejudicial to their interests. If in doubt about the action that they should take, shareholders should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

## **By Order of the Board**

Francis Tjia  
Executive Chairman and Chief Executive Officer  
19 January 2023

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*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.*

*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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