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 – 6 November 2025 - 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 2025 to 30 September 2025 ("**9M2025**"). All currency amounts referred to in this update are in Chinese Renminbi unless stated otherwise. The financial information for 9M2025 is based on the Group's latest unaudited consolidated management accounts.

Summary:

- TCA's total revenue declined by 24.4% in the first nine months in 2025 compared with same period prior year as the Company's sales targets were lowered to mitigate losses on new car sales
- The Company realised negative gross margins on car sales and negative total contribution from new car sales for 9M2025 ("TCAS" defined as total of new car gross loss and other income)
- TCA's Guangzhou BMW Dealership has ceased new car sales operations starting in the fourth quarter of 2025 in order to minimize losses and prevent further drain on cashflow
- Progress update on brand rationalization and cost cutting initiative implemented across the organization

9M2025 Business Update

The following table shows the quantity of vehicles sold and revenues for the first nine months in 2024 ("**9M2024**") and 9M2025. The financial information is based on the Group's unaudited consolidated management accounts for 9M2024 and 9M2025:

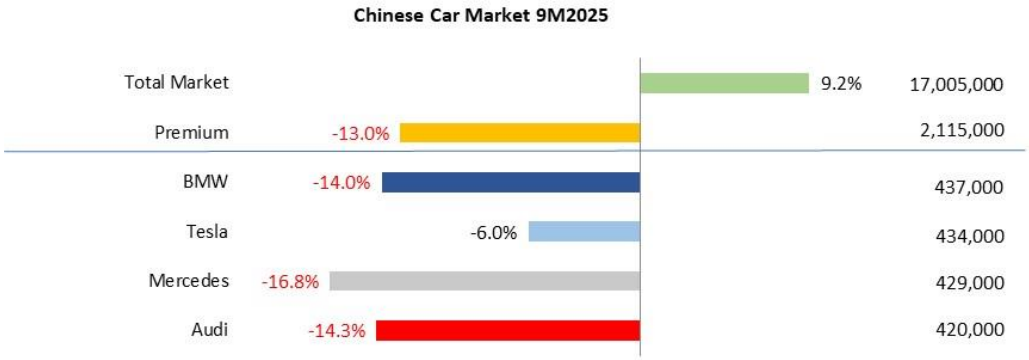
Quantity and Revenue	**9M2024**	**9M2025**	**9M2025 vs 9M2024**
Units delivered[(1)]	5,082	4,130	(18.7)%
Revenue (RMB'000)			
- Sales of automobiles[(1)]	1,510,656	1,094,881	(27.5)%
- After-sales services	390,950	337,623	(13.6)%
- Agent commission	2,889	6,493	124.7%
Revenue (RMB'000)	**1,904,495**	**1,438,997**	**(24.4)%**
Revenue (S$'000)[(2)]	**354,655**	**262,591**	**(26.0)%**

Note:
(1) Units delivered consists of new and pre-owned automobiles sold and cars delivered under agency arrangement; sales of automobiles consist of new and pre-owned automobile revenue
(2) Based on the average 9 months exchange rate of S$1.00 : RMB5.37 in 9M2024; RMB5.48 in 9M2025

Overall business environment

Chinese consumer sentiment is weak because of the drag from the prolonged housing slump and geopolitical tensions with its trading partners. TCA dealerships are concentrated in large cities in the Guangdong province where the economy has been softer than the national economy because it is more exposed to the slowdown in real estate and the export sector than other regions. Nationwide, economic growth for the first three quarters was 5.2%. However, overall growth was in a declining trend, and the third quarter recorded the lowest growth of the year at 4.8%[1]. Guangdong province's economic growth was 2.9%[2] for the first nine months of 2025, one of the weakest economic performers in China.

The weak economy and coupled with the availability of attractively priced domestic products has resulted in a consumption downgrade mentality in the car market, with few consumers ready and willing to shell out extra money for premium-branded products. The overall car market grew by 9.2% to 17.0 million units in the first three quarters of 2025 with most of the growth in the entry and mass market segments. The premium car segment decreased by 13.0% (yoy) units to 2,115,000 units in the first three quarters. BMW, Tesla, Mercedes and Audi recorded volume declines in first three quarters of 2025 compared with same period prior year. Tesla recorded comparatively lower decrease because its third quarter in 2025 experienced an increase[3].



See footnote for source[4]

[1] https://www.stats.gov.cn/sj/zxfbhjd/202510/t20251020_1961614.html
[2] https://baijiahao.baidu.com/s?id=1844513232604887234&wfr=spider&for=pc
[3] https://baijiahao.baidu.com/s?id=1845072738265709912&wfr=spider&for=pc
[4] The Company makes estimates based on the following sources
https://www.cpcaauto.com/newslist.php?types=csjd&id=4009
https://baijiahao.baidu.com/s?id=1845521378390793582&wfr=spider&for=pc
https://c.m.163.com/news/a/KBN4G3DS0519A56K.html
https://www.21jingji.com/article/20251013/herald/d8b51f0d4f1de05c506b41d998d27c5a.html
https://www.pcauto.com.cn/jxwd/5027/50279739.html

The soft economy this year has been very challenging for most luxury and premium auto dealers. The predominant business model in the dealership industry is for the car brands and the dealers to agree to an annual sales plan, whereby rebates and incentives are granted upon reaching the sales figures. In today's competitive environment, dealers suffer significant losses because they have to sell cars at a gross loss in order to realize these rebates and avoid stock piling inventory. The current price war has made the automobile dealer industry precarious.

The intense competition and price war have persisted throughout 2025. Many brands offer discounts and interest free financing to support sales. This has meant all industry participants including traditional car brands have to match which hurts gross margins. Most of the Hong Kong listed dealer groups reported FY2024 profit declines primarily as a result of new car losses[5].

The EV sector is also very dynamic. Market leadership continue to change. Brands and products that were popular two years ago have been replaced by new brands and cars highlighting the voracity of the intensely competitive environment. We note that some EV brands that have not reached sustainable volume have shut down[6]. Also, the government has introduced measures to reduce capacity in the industry[7]. However, despite these developments, we believe the difficult operating environment will continue in the immediate term.

Automobile revenue

Automobile revenue declined by 27.5% to RMB 1,094.9 million in 9M2025. We signed lower sales targets for FY2025 with our main brand partners. The lower sales targets in a weak sales environment mitigates the losses from negative gross margins realized on car sales. Also, in the third quarter we started to phase out new car sales operations in our BMW Guangzhou dealerships in order to lower our working capital requirements and net losses.

Despite these changes, the new car gross margins and total contribution from new car sales were negative thereby resulted in a net loss for the nine months period. We carry our inventory at lower of costs or market and any decrease in our inventory value is appropriately accounted for.

After-sales services revenue

Revenue from after-sales services during 9M2025 was RMB337.6 million, representing a decrease of 13.6% as compared to 9M2024. In the same period prior year, there was a product warranty recall that increased aftersales service revenue but at a lower margin. Furthermore, as a result of lower car sales volume over the recent periods, customers returning to the dealerships have also decreased. We have put extra emphasis on retaining customer and drawing in new customers. In some of our cities, there are same branded dealerships that have left the industry and we have been successful in converting this pool of car owners to our aftersales customers.

[5] https://business.sohu.com/a/886586545_122362510
[6] https://www.dongchedi.com/article/7477884214449390090
[7] https://www.autohome.com.cn/ask/14209384.html

Agent commission

Agent commission refers to the delivery fee TCA receives for Genesis cars under an agency dealership business arrangement. Under the agency dealership business arrangement, the Group does not take inventory of cars but instead receives a fee for each car delivered. Revenue from agent commission improved by 124.7% to RMB6.5 million from the same period prior year, which was mainly attributed to the launch of a new model.

Corporate Developments

We are progressing with our efforts of transforming the Company into a leaner and more focused organization. After our brand and location review of our dealership portfolio, we have decided to make the following changes:

- During the third quarter 2025, we phased out new car sales operations in our Guangzhou BMW Dealership. We have obtained authorization from our manufacturing partner to cease new car sales operations at our Guangzhou BMW Dealership starting 1 October 2025. For the time being the Guangzhou BMW Dealership will continue to provide authorized aftersales services to BMW owners.

  Guangzhou has been a difficult car market for us and for the brand as it is a city with large number of competing BMW dealerships. Furthermore, Guangzhou's export dependent economy is more soft than other large cities. For these reasons and our objective to lower the net losses and working capital burden we decided to cease sales operations.

- We are in the process of relocating Changsha Genesis Dealership and Guangzhou Genesis Dealership to smaller premises. These smaller locations will be rebranded Boutique Plus, a brand designation by our manufacturing partner to denote smaller but more efficient dealerships to service our clients.

  The new arrangement honors our original commitment with the OEM partner to operate for a minimum set term. These smaller locations will allow us to save on rental and staffing costs.

- We have closed our Shenzhen McLaren operations and our one remaining dealership Guangzhou McLaren dealership will be transitioned to an authorized aftersales service centre after we clear remaining inventory during the fourth quarter. The Guangzhou McLaren aftersales centre will share the premises with our Guangzhou Genesis in order to save on rental and staffing costs.

  We have decided to exit of the supercar business in order to reduce our overall losses and working capital tie-up. TCA's supercar segment has had an uneven profitability track record and under current soft economic conditions will be difficult to turn around.

Update Rights Issue Offer, Working Capital Deficit & Outlook

Rights Issue Offer

As announced on 25 September 2025, we are proposing to undertake a renounceable non-underwritten rights issue ("**Rights Issue**"). Further announcements on the Rights Issue will be shared in due course.

Working Capital Deficit & Outlook

Due to the losses realized over the recent fiscal periods our working capital is negative. We are vulnerable to slowdowns in the automobile sector, soft economic conditions and tightening of credit conditions. We are also reliant on continued availability of credit facilities from our banks and our OEM partners to provide extra vendor rebates which without would make managing overall liquidity difficult. In order for the business to recover, we require a marked improvement in the overall economy and normalization of the car industry where demand and supply are in balance. In the current intensely competitive environment, we are cautious with any large expenditures and are focussing on aftersales services segment, other income and pre-owned car sales.

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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 an automobile dealership group with operations in the People's Republic of China ("**PRC**"). Focused on the sale 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.

For more information, please contact:

Michael Cheung, Executive Director and Chief Financial Officer
Email: michael.cheung@tca-auto.com
Phone: +852 3907-6018

Disclaimer

Figures for 9M2024 and 9M2025 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.

This document should be read as an overview of the Group's current business activities and operating environment which may contain statements relating to the Group's growth strategy and future business aspirations, based on the Directors' best knowledge. These statements involve risks and uncertainties and should not be solely relied upon by investors or potential investors when making an investment decision. The Group will not be responsible for any consequences resulting from the use of this material as well as the reliance upon any opinion or statement contained herein.

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.

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The contact person for the Sponsor is Mr. Leong Weng Tuck at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.