



Review of First Half of 2024

Financial Highlights (RMB Million)	Six months ended 30 June		
	2024	2023	Change (%)
Total Revenue	1,355.0	1,685.2	(19.6)
Net (Loss)	(74.4)	(15.4)	384.6

Trans-China Automotive Holdings Limited (耀 汽车集团) (“TCA” or the “Company”, and together with its subsidiaries, the “Group”), has reported a net loss of RMB74.4 million on the back of a 19.6% year-on-year decline in revenue to RMB1,355.0 million for the six months ended 30 June 2024 (“1H2024”).

The weaker performance as compared to the corresponding six months ended 30 June 2023 (“1H2023”) reflected the tough market conditions in China, where the Group’s operations are based. China is currently experiencing an oversupply of automobiles due to the huge growth in automotive manufacturing capacity over the last four years driven mainly by New Energy Vehicles (“NEVs”), which have flooded the market. This has resulted in intense competition amongst automotive brands and car dealers, and an all-out price war with steep discounts that have eroded margins industry-wide as players fought to survive.

Adding to market challenges is China’s real-estate crisis and weak economic growth, which has led to low consumer confidence and a curb in spending particularly on premium and luxury goods. As a reflection of this trend, BMW sold 375,947 vehicles in China in the first half of 2024, which was 4.2% lower than the same period in 2023¹. TCA’s sales volume declined more because most of its dealerships are located in the Guangdong province where the economy is relatively weaker and NEV penetration higher than nationally due to the favourable climate for NEV.

To weather these challenges, TCA has responded in the following ways:

- i. Reviewing every process in its business to optimise efficiency;
- ii. Implementing cost-cutting measures where feasible, including reducing employee compensation and administrative costs; and
- iii. Putting all expansion projects on hold and being conservative with capital expenditure to safeguard the business.

BMW has shown its support to its sales network with adjustments to sales targets and business policies and sales incentives. BMW is also working with its dealers in China to focus on “business quality” in the second half of 2024 rather than aggressively participating in the price and volume war.¹

While TCA expects market conditions to remain difficult, the Group is working closely with its main partners and other dealers to restore profitability through discipline in the sales process.

¹ Bloomberg article: [BMW Dealers Bump Prices Back Up in China’s Cutthroat Car Market](#), 22 July 2024.



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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 a leading automobile dealership group with operations in the People's Republic of China ("**PRC**"). Focused on the distribution of premium and ultra-premium automobiles under the BMW, McLaren, and Genesis brands, the Group's dealerships are located in the PRC primarily in key cities in Greater Bay Area and other select tier two cities.

Its multiple business segments include the sale of new automobiles under its dealerships, sale of pre-owned 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 by August Consulting

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