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 – 14 May 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 three-month period from 1 January 2025 to 31 March 2025 ("**1Q2025**"). All currency amounts referred to in this update are in Chinese Renminbi unless stated otherwise. The financial information for 1Q2025 is based on the Group's latest unaudited consolidated management accounts.

First Quarter 2025 Summary:

- TCA's total revenue declined by 33.7% in the first quarter of 2025 compared with same period prior year as the industry remains intensively competitive
- Company realised negative gross margins on car sales and negative total contribution from new car sales for 1Q2025 ("TCAS" defined as total of new car gross loss and other income)
- Brand rationalization and cost cutting initiative implemented across the organization

1Q2025 Business Update

The following table shows the quantity of vehicles sold and revenues for the first quarter of 2024 ("**1Q2024**") and 1Q2025. The financial information is based on the Group's unaudited consolidated management accounts for 1Q2024 and 1Q2025:

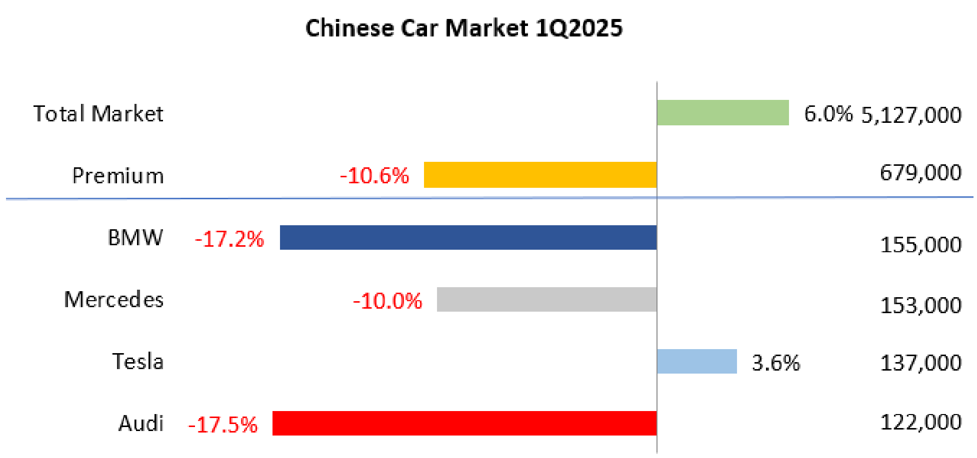
Quantity and Revenue	**1Q2024**	**1Q2025**	**1Q2025 vs 1Q2024**
Units delivered(1)	1,773	1,304	(26.5)%
Revenue (RMB'000)			
- Sales of automobiles(1)	559,241	353,388	(36.8)%
- After-sales services	131,835	102,690	(22.1)%
- Agent commission	1,015	2,775	173.4%
Revenue (RMB'000)	**692,091**	**458,853**	**(33.7)%**
Revenue (S$'000)(2)	**129,605**	**85,767**	**(33.8)%**

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 3 months exchange rate of RMB5.34 in 1Q2024; RMB5.35 in 1Q2025

Overall business environment

The Chinese economy continues to grow despite drag from the prolonged housing slump. However, economic uncertainty from China's trade war with the United States is starting to weight on consumer sentiment. 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 export than other regions. Guangdong's 2024 economic growth of 3.5% was the slowest growing provincial economies in China[1]. This has continued in 2025 where economic growth improved slightly to 4.1%[2]. The two major cities in the province where two of our dealerships are located recorded below national average economic growth in the first quarter of 2025. Guangzhou recorded growth of 3.0%, lowest amongst tier one cities while Shenzhen grew by 5.2% during the quarter, both below the 5.4% growth nationally[3].

The weak economy has resulted in consumption downgrade in the car market. The overall car market grew by 6.0% to 5.1 million units in the first quarter of 2025 with most of the growth in the entry and mass market segments. The premium car segment decreased by 10.6% (yoy) units to 679,000 units in the quarter. BMW, Mercedes and Audi recorded volume declines in first quarter 2024 compared with same period prior year while Tesla recorded 3.6% volume growth. Mercedes recorded comparatively lower decrease because its first quarter 2024 decline was sharper than its German peers.



See footnote for source[4]

---

[1] https://baijiahao.baidu.com/s?id=1822302005750047865&wfr=spider&for=pc
[2] https://www.gd.gov.cn/zwgk/sjfb/sjkx/content/post_4700251.html
[3] https://finance.sina.com.cn/cj/2025-05-10/doc-inevzyqw6629866.shtml
[4] The Company makes estimates based on the following sources
http://www.cpcaauto.com/newslist.php?types=csjd&id=3820
https://baijiahao.baidu.com/s?id=1831624902070411932&wfr=spider&for=pc
https://baijiahao.baidu.com/s?id=1831661850330906847&wfr=spider&for=pc
https://xueqiu.com/1678212670/334423146
https://baijiahao.baidu.com/s?id=1828922314961803184&wfr=spider&for=pc

Combined with a soft economy, this 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 a competitive market, the dealers may have to sell cars at a gross loss to avoid stock piling inventory and realize these rebates thereby suffer significant losses. The current price war has made the automobile dealer industry precarious.

The intense competition and price war have continued in 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. All of the large Hong Kong listed dealer groups reported F2024 profit declines primarily as a result of new car losses[5]. Meanwhile, some EV brands that have not reached sustainable volume have shut down[6]. The government is also looking to introduce measures to reduce capacity in the industry[7]. However, despite these developments, it is unclear when the difficult competitive conditions will subside.

Automobile revenue

Automobile revenue declined by 36.8% to RMB 353.4 million in 1Q2025. We signed lower sales targets for FY2025 with our main brand partners. The lower sales targets in a weak sales environment alleviates gross margins pressure on new car sales. However, due to the intensely competitive environment and the desire to maintain market share, the new car gross margins and TCAS was negative thereby resulted in a loss for the quarter.

After-sales services revenue

Revenue from after-sales services during 1Q2025 was RMB102.7 million, representing a decrease of 22.1% as compared to 1Q2024. In the same quarter prior year, there was a product warranty recall that increased aftersales service revenue but at a low margin. Furthermore, as a result of lower car sales volume over the recent periods, customers returning to the dealerships have also decreased. We will redouble our efforts in retaining existing customers and drawing in new clients. 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.

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. Sales improved by 173.4% to RMB 2.8 million from the same period prior year. There was a new model introduced in the third quarter of last year which has continued to help drive improvement in this brand.

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

Corporate Developments

We are in the midst of a corporate resizing program with the ultimate goal of transforming the Company to a leaner and more focused organization. We have implemented a cost control program which have resulted in salary reduction across all levels of the organization. We are also in the process of reviewing our brand portfolio and rationalizing stores that have limited profit potential. We have closed our Shenzhen and Wuhan McLaren showrooms and will relocate our McLaren Guangzhou showroom to a shared facility. These initiatives have helped reduce costs.

Working Capital Deficit & Outlook

Due to the losses realized over the recent fiscal periods our working capital is negative. As such, we rely on continued availability of credit facilities from our banks and our OEM partners to provide extra vendor rebates to manage overall liquidity. 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.

- END -

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 Genesis 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.

For more information, please contact:

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

Disclaimer

Figures for 1Q2024 and 1Q2025 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.

This announcement has been prepared by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made, or reports contained in this document.

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.