



TRANS-CHINA AUTOMOTIVE HOLDINGS LIMITED  
AND ITS SUBSIDIARIES

(Registration No. 306871)  
(SGX: VI2)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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**TRANS-CHINA AUTOMOTIVE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

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**TRANS-CHINA AUTOMOTIVE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

**A. CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

		<b>The Group</b>					
		<b>6 months</b>	<b>6 months</b>		<b>12 months</b>	<b>12 months</b>	
		<b>ended 31</b>	<b>ended 31</b>		<b>ended 31</b>	<b>ended 31</b>	
		<b>December</b>	<b>December</b>	<b>+ /(-) %</b>	<b>December</b>	<b>December</b>	<b>+ /(-) %</b>
		<b>2024</b>	<b>2023</b>	<b>Variance</b>	<b>2024</b>	<b>2023</b>	<b>Variance</b>
		<b>RMB'000</b>	<b>RMB'000</b>		<b>RMB'000</b>	<b>RMB'000</b>	
	Note						
Revenue	5	1,199,476	1,770,338	-32.2%	2,554,466	3,455,524	-26.1%
Cost of sales	9	(1,194,495)	(1,775,791)	-32.7%	(2,574,427)	(3,394,811)	-24.2%
<b>Gross profit (loss)</b>		<b>4,981</b>	<b>(5,453)</b>	<b>-191.3%</b>	<b>(19,961)</b>	<b>60,713</b>	<b>-132.9%</b>
Other income	7	114,015	118,334	-3.6%	207,433	201,669	2.9%
Other (loss) gains, net	8	(898)	3,549	-125.3%	625	4,796	-87.0%
Selling expenses #	9	(69,965)	(81,006)	-13.6%	(139,909)	(158,760)	-11.9%
Administrative expenses #	9	(58,803)	(71,726)	-18.0%	(115,309)	(133,335)	-13.5%
Impairment charge	14/15	-	(25,829)	n.m.	-	(25,829)	n.m.
Operating loss		(10,670)	(62,131)	-82.8%	(67,121)	(50,746)	32.3%
Finance income	10	201	720	-72.1%	682	2,258	-69.8%
Finance costs	10	(17,787)	(20,675)	-14.0%	(37,011)	(44,372)	-16.6%
Finance costs, net		(17,586)	(19,955)	-11.9%	(36,329)	(42,114)	-13.7%
<b>Loss before income tax</b>		<b>(28,256)</b>	<b>(82,086)</b>	<b>-65.6%</b>	<b>(103,450)</b>	<b>(92,860)</b>	<b>11.4%</b>
Income tax (expense) credit	12	(713)	5,869	-112.1%	51	1,285	-96.0%
<b>Loss for the period/year</b>		<b>(28,969)</b>	<b>(76,217)</b>	<b>-62.0%</b>	<b>(103,399)</b>	<b>(91,575)</b>	<b>12.9%</b>
<b>Other comprehensive (loss) income:</b>							
<i>Items that may be reclassified to profit or loss:</i>							
- Currency translation difference		(642)	1,973	-132.5%	(3,419)	(2,177)	57.1%
<b>Total comprehensive loss for the period/year</b>		<b>(29,611)</b>	<b>(74,244)</b>	<b>-60.1%</b>	<b>(106,818)</b>	<b>(93,752)</b>	<b>13.9%</b>
<b>Loss per share attributable to owners of the Company</b>							
Basic and diluted		(0.05)	(0.13)	-61.5%	(0.18)	(0.16)	12.5%

# Certain comparative figure has been reclassified to conform to the presentation of the current year and the corresponding ratio was re-calculated accordingly.

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**B. CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	The Group		The Company	
		As at 31	As at 31	As at 31	As at 31
		December 2024	December 2023	December 2024	December 2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	14	224,880	243,321	-	-
Right-of-use assets		257,257	289,520	-	-
Intangible assets	15	57,016	57,823	-	-
Investment in subsidiaries		-	-	-*	-*
Deferred income tax assets		7,914	11,468	-	-
		<b>547,067</b>	<b>602,132</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>					
Inventories		177,571	323,920	-	-
Trade and other receivables		246,916	251,421	-	-
Prepayments and deposits		100,979	87,150	134	127
Amounts due from subsidiaries	11	-	-	187,684	204,278
Pledged bank deposits		348,973	252,237	-	-
Cash and cash equivalents		33,770	74,960	1,081	1,675
		<b>908,209</b>	<b>989,688</b>	<b>188,899</b>	<b>206,080</b>
<b>Total assets</b>		<b>1,455,276</b>	<b>1,591,820</b>	<b>188,899</b>	<b>206,080</b>
<b>Equity attributable to the owner of the Company</b>					
Share capital	17	41,994	41,994	41,994	41,994
Share premium	17	82,796	82,796	82,796	82,796
Reserves		65,583	69,002	(294,966)	(296,076)
Retained (loss) earnings		(98,869)	4,530	269,963	273,555
<b>Total equity</b>		<b>91,504</b>	<b>198,322</b>	<b>99,787</b>	<b>102,269</b>

\* Below RMB1,000

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**B. CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION (CONTINUED)**

	Note	The Group		The Company	
		As at 31	As at 31	As at 31	As at 31
		December 2024	December 2023	December 2024	December 2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Bank and other borrowings	16	13,598	9,238	-	-
Lease liabilities		186,171	211,032	-	-
Deferred income tax liabilities		30,758	32,699	-	-
Amount due to a related party	11	65,683	73,900	65,683	73,900
		<u>296,210</u>	<u>326,869</u>	<u>65,683</u>	<u>73,900</u>
<b>Current liabilities</b>					
Trade and bills payable		531,201	516,764	-	-
Accruals and other payables		65,770	73,802	1,147	1,143
Contract liabilities		90,309	90,328	-	-
Loan due to shareholder	11	22,282	28,768	22,282	28,768
Bank and other borrowings	16	319,533	325,019	-	-
Lease liabilities		38,446	27,157	-	-
Current income tax liabilities		21	4,791	-	-
		<u>1,067,562</u>	<u>1,066,629</u>	<u>23,429</u>	<u>29,911</u>
<b>Total liabilities</b>		<b><u>1,363,772</u></b>	<b><u>1,393,498</u></b>	<b><u>89,112</u></b>	<b><u>103,811</u></b>
<b>Total equity and liabilities</b>		<b><u>1,455,276</u></b>	<b><u>1,591,820</u></b>	<b><u>188,899</u></b>	<b><u>206,080</u></b>

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**C. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

The Group

Attributable to Owners of the Group

	<u>Share capital</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Exchange reserve</u>	<u>Capital reserve</u>	<u>Distributable reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2023</b>	<b>41,994</b>	<b>82,796</b>	<b>44,421</b>	<b>1,370</b>	<b>(171,630)</b>	<b>194,642</b>	<b>102,490</b>	<b>296,083</b>
<b>Comprehensive loss</b>								
Loss for the year	-	-	-	-	-	-	(91,575)	(91,575)
<b>Other comprehensive loss</b>								
Currency translation differences	-	-	-	(2,177)	-	-	-	(2,177)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,177)</b>	<b>-</b>	<b>-</b>	<b>(91,575)</b>	<b>(93,752)</b>
<b>Transaction with owners</b>								
Cash dividend paid	-	-	-	-	-	-	(4,009)	(4,009)
Transfer to statutory reserve	-	-	2,376	-	-	-	(2,376)	-
<b>Total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>2,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,385)</b>	<b>(4,009)</b>
<b>As at 31 December 2023</b>	<b>41,994</b>	<b>82,796</b>	<b>46,797</b>	<b>(807)</b>	<b>(171,630)</b>	<b>194,642</b>	<b>4,530</b>	<b>198,322</b>

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**C. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

The Group

Attributable to Owners of the Group

	<u>Share capital</u>	<u>Share premium</u>	<u>Statutory reserve</u>	<u>Exchange reserve</u>	<u>Capital reserve</u>	<u>Distributable reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2024</b>	<b>41,994</b>	<b>82,796</b>	<b>46,797</b>	<b>(807)</b>	<b>(171,630)</b>	<b>194,642</b>	<b>4,530</b>	<b>198,322</b>
<b>Comprehensive loss</b>								
Loss for the year	-	-	-	-	-	-	(103,399)	(103,399)
<b>Other comprehensive loss</b>								
Currency translation differences	-	-	-	(3,419)	-	-	-	(3,419)
<b>Total comprehensive loss for the year</b>	-	-	-	(3,419)	-	-	(103,399)	(106,818)
<b>Transaction with owners</b>								
Cash dividend paid	-	-	-	-	-	-	-	-
<b>Total transaction with owners</b>	-	-	-	-	-	-	-	-
<b>As at 31 December 2024</b>	<b>41,994</b>	<b>82,796</b>	<b>46,797</b>	<b>(4,226)</b>	<b>(171,630)</b>	<b>194,642</b>	<b>(98,869)</b>	<b>91,504</b>

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**C. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

	<u>The Company</u>		<u>Attributable to Owners of the Company</u>				
	<u>Share capital</u>	<u>Share premium</u>	<u>Exchange reserve</u>	<u>Capital reserve</u>	<u>Distributable reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2023</b>	<b>41,994</b>	<b>82,796</b>	<b>(18,791)</b>	<b>(475,000)</b>	<b>194,642</b>	<b>283,160</b>	<b>108,801</b>
<b>Comprehensive (loss) income</b>							
Loss for the year	-	-	-	-	-	(5,596)	(5,596)
<b>Other comprehensive income</b>							
Currency translation differences	-	-	3,073	-	-	-	3,073
<b>Total comprehensive income (loss) for the year</b>	-	-	3,073	-	-	(5,596)	(2,523)
<b>Transaction with owners</b>							
Cash dividend paid	-	-	-	-	-	(4,009)	(4,009)
<b>Total transaction with owners</b>	-	-	-	-	-	(4,009)	(4,009)
<b>As at 31 December 2023</b>	<b>41,994</b>	<b>82,796</b>	<b>(15,718)</b>	<b>(475,000)</b>	<b>194,642</b>	<b>273,555</b>	<b>102,269</b>



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**C. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

<u>The Company</u>	<u>Attributable to Owners of the Company</u>						
	<u>Share capital</u>	<u>Share premium</u>	<u>Exchange reserve</u>	<u>Capital reserve</u>	<u>Distributable reserve</u>	<u>Retained earnings</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>As at 1 January 2024</b>	<b>41,994</b>	<b>82,796</b>	<b>(15,718)</b>	<b>(475,000)</b>	<b>194,642</b>	<b>273,555</b>	<b>102,269</b>
<b>Comprehensive (loss) income</b>							
Loss for the year	-	-	-	-	-	(3,592)	(3,592)
<b>Other comprehensive income</b>							
Currency translation differences	-	-	1,110	-	-	-	1,110
<b>Total comprehensive income (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>1,110</b>	<b>-</b>	<b>-</b>	<b>(3,592)</b>	<b>(2,482)</b>
<b>Transaction with owners</b>							
Cash dividend paid	-	-	-	-	-	-	-
<b>Total transaction with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>As at 31 December 2024</b>	<b>41,994</b>	<b>82,796</b>	<b>(14,608)</b>	<b>(475,000)</b>	<b>194,642</b>	<b>269,963</b>	<b>99,787</b>

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**D. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	The Group	
	12 months ended	12 months ended
	31 December 2024	31 December 2023
	RMB'000	RMB'000
<b>Cash flows from operating activities</b>		
Profit before income tax	(103,450)	(92,860)
Adjustments for:		
Depreciation of property, plant and equipment	46,160	42,450
Depreciation of right-of-use assets	31,880	33,236
Amortisation of intangible assets	807	807
(Reversal) Impairment losses recognised on property, plant and equipment, right-of-use assets and intangible assets	(236)	25,829
Gain on disposal of property, plant and equipment	(918)	(4,105)
Finance income	(682)	(2,258)
Finance costs	37,011	44,372
Provision for inventories written down	(12,940)	7,021
Gain on lease modification	-	(653)
<b>Operating cash flows before changes in working capital</b>	<b>(2,368)</b>	<b>53,839</b>
Changes in working capital:		
Inventories	159,289	147,765
Trade and other receivables, prepayments and deposits	(9,324)	59,000
Trade and bills payable, accruals and other payables	6,405	(68,464)
Pledged bank deposits	(96,736)	(47,253)
Contract liabilities	(19)	(31,245)
<b>Cash generated from operations</b>	<b>57,247</b>	<b>113,642</b>
Income tax paid	(3,105)	(7,578)
<b>Net cash generated from operating activities</b>	<b>54,142</b>	<b>106,064</b>

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**D. CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (CONTINUED)**

	<b>The Group</b>	
	<b>12 months ended 31 December 2024 RMB'000</b>	<b>12 months ended 31 December 2023 RMB'000</b>
<b>Cash flows from investing activities</b>		
Interest received	682	3,794
Purchases of property, plant and equipment	(54,091)	(82,061)
Proceeds from disposal of property, plant and equipment	27,526	26,547
<b>Net cash used in investing activities</b>	<b>(25,883)</b>	<b>(51,720)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(37,011)	(44,282)
Proceeds from bank and other borrowings	1,905,335	2,159,637
Repayment to bank and other borrowings	(1,906,461)	(2,208,834)
Principal elements of lease payments	(13,189)	(17,979)
Repayment to a related party	(10,033)	-
Dividend paid	-	(4,009)
(Repayment to) proceeds from shareholder's loan	(7,039)	29,719
<b>Net cash used in financing activities</b>	<b>(68,398)</b>	<b>(85,748)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(40,139)</b>	<b>(31,404)</b>
<b>Cash and cash equivalents</b>		
Beginning of financial year	74,960	106,305
Effect of translation of cash and cash equivalents	(1,051)	59
<b>End of financial year</b>	<b>33,770</b>	<b>74,960</b>

## **E. NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

### **1. General information**

Trans-China Automotive Holdings Limited (the “**Company**”) is listed on the Catalist board of the Singapore Exchange and incorporated in the Cayman Islands on 18 December 2015 as an exempted company with limited liability under the Company Law, Cap 22 (Law 3 of 1961, as combined and revised, of the Cayman Islands). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together, the “**Group**”) are principally engaged in the business of automobile dealerships in the premium market segment in the People’s Republic of China (“**PRC**”), which includes (i) sales of new automobiles, (ii) provision of after-sales services, including maintenance and repair services; (iii) sale of automobile parts and accessories; and (iv) automobile agency services including related registration and insurance services.

#### **Basis of preparation**

The condensed consolidated interim financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board. The condensed consolidated interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards effective as of 1 January 2024 as set out in Note 2.1. The condensed consolidated interim financial statements are presented in Renminbi (“**RMB**”) and rounded to the nearest thousand (“**RMB’000**”), unless otherwise stated.

#### **Going concern**

As at 31 December 2024, the Group’s net current liabilities were RMB159.4 million due to the net loss incurred in the period.

Management expects that based on cashflow projections and continued availability of external financing that the Group has sufficient financial resources to meet its financial obligations in the next 12 months. As such, the Group’s consolidated interim financial statements are prepared on an ongoing basis.

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**2.1 New and amended standards adopted by the Group**

(a) New standards and amendments - applicable 1 January 2024

The following are the new or amended IFRSs, interpretations and amendments to IFRSs that are relevant to the Group:

IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
IAS 1 (Amendments)	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

(b) Standards and amendments issued but not yet effective

The following standards and interpretations had been issued but were not mandatory for interim reporting periods on 31 December 2024:

		Effective for annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	1 January 2025
Amendments to IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027

The Group is in the process of assessing of the impact of new standards and amendments to standards. The Group expects to adopt these new standards, amendments to standards and interpretations when they become effective.

**3. Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

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**4. Segment reporting**

The identification and disclosure of operating segment information is based on internal financial reports that are regularly reviewed by the Group's chief operating decision maker for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the sales of passenger vehicles and provision of after-sales services.

(i) Information about geographical area

All of the Group's revenue is derived from the sales of passenger vehicles and provision of after-sales services in mainland China and the principal non-current assets employed by the Group are located in mainland China. Accordingly, no analysis by geographical segments has been provided for the reporting period.

(ii) Information about major customers

The Group's customer base is diversified and there is no customer with whom transactions have exceeded 10% of the Group's revenue.

**5. Revenue**

	6 months ended 31 December			12 months ended 31 December		
	2024	2023	+/(-) Variance	2024	2023	+/(-) Variance
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Sale of automobiles	959,598	1,510,868	-36.5%	2,051,846	2,943,682	-30.3%
Provision of after-sales services	236,682	256,280	-7.6%	497,840	505,752	-1.6%
Agency revenue	3,196	3,190	0.2%	4,780	6,090	-21.5%
	<b>1,199,476</b>	<b>1,770,338</b>	<b>-32.2%</b>	<b>2,554,466</b>	<b>3,455,524</b>	<b>-26.1%</b>

During the year ended 31 December 2024 and 31 December 2023, all of the Group's revenue is from contracts with customers and is recognised at a point in time.

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**5. Revenue (continued)**

Breakdown of sales as follows:

	31 December		
	2024	2023	+/(-) Variance
	RMB'000	RMB'000	%
(a) Sales reported for the first half year	1,354,990	1,685,186	-19.6%
(b) Operating loss after tax reporting for the first half year	(74,430)	(15,358)	384.6%
(c) Sales reported for the second half year	1,199,476	1,770,338	-32.2%
(d) Operating loss after tax reporting for the second half year	(28,969)	(76,217)	-62.0%

**6. Financial assets and financial liabilities**

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial assets</b>				
Trade and other receivables	214,089	251,421	-	-
Deposits	8,778	9,264	-	-
Amounts due from subsidiaries	-	-	187,684	204,278
Pledged bank deposits	348,973	252,237	-	-
Cash and cash equivalents	33,770	74,960	1,081	1,675
	<b>605,610</b>	<b>587,882</b>	<b>188,765</b>	<b>205,953</b>
<b>Financial liabilities</b>				
Trade and bills payable	531,201	516,764	-	-
Accruals and other payables <sup>1</sup>	13,557	26,374	1,147	1,143
Bank and other borrowings	333,131	334,257	-	-
Lease liabilities	224,617	238,189	-	-
Amount due to a related party	65,683	73,900	65,683	73,900
Loan due to shareholder	22,282	28,768	22,282	28,768
	<b>1,190,471</b>	<b>1,218,252</b>	<b>89,112</b>	<b>103,811</b>

Note 1: Accruals and other payables (excluding salaries payables, other taxes payables and other accrued expenses)

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**7. Other income**

	6 months ended 31 December			12 months ended 31 December		
	2024	2023	+/(-) Variance	2024	2023	+/(-) Variance
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Handling and commission fee income	101,956	103,342	-1.3%	184,442	173,573	6.3%
Insurance rebate	(890)	2,610	-134.1%	206	4,952	-95.8%
Deposits forfeited by customers	595	2,278	-73.9%	1,264	3,547	-64.4%
Government grants	902	113	698.2%	1,210	199	508.0%
Pre-owned cars and fleet sale commissions	3,367	4,581	-26.5%	6,258	9,565	-34.6%
Others	8,085	5,410	49.4%	14,053	9,833	42.9%
	<b>114,015</b>	<b>118,334</b>	<b>-3.6%</b>	<b>207,433</b>	<b>201,669</b>	<b>2.9%</b>

**8. Other (losses) gains, net**

	6 months ended 31 December			12 months ended 31 December		
	2024	2023	+/(-) Variance	2024	2023	+/(-) Variance
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Gain on disposal of property, plant and equipment	11	2,276	-99.5%	918	4,105	-77.6%
Exchange differences	323	623	-48.2%	1,084	746	45.3%
Gain on early termination of lease	-	653	-100.0%	-	653	-100.0%
Others	(1,232)	(3)	n.m.	(1,377)	(708)	94.5%
	<b>(898)</b>	<b>3,549</b>	<b>-125.3%</b>	<b>625</b>	<b>4,796</b>	<b>-87.0%</b>



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**9. Loss before taxation**

Loss before taxation is carried at after charging (crediting) the following:

	6 months ended 31 December			12 months ended 31 December		
	2024	2023	+ /(-) Variance	2024	2023	+ /(-) Variance
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Cost of sales of motor vehicles and spare parts	1,199,263	1,750,955	-31.5%	2,557,144	3,355,901	-23.8%
Employee benefit expenses (including directors' emoluments)	70,264	83,404	-15.8%	138,644	157,013	-11.7%
Provision for inventories write-down	(19,743)	8,552	-330.9%	(12,940)	7,021	-284.3%
Auditor's remuneration	990	823	20.3%	2,203	2,174	1.3%
Advertising expenses	7,717	11,812	-34.7%	16,890	19,747	-14.5%
Fuel and maintenance expenses	2,660	3,507	-24.2%	5,795	6,679	-13.2%
Depreciation of property, plant and equipment	23,172	21,156	9.5%	46,160	42,450	8.7%
Depreciation of right-of-use assets	15,795	16,533	-4.5%	31,880	33,236	-4.1%
Amortisation of intangible assets	404	404	0.0%	807	807	0.0%
Bank charges	905	1,382	-34.5%	1,976	2,587	-23.6%
Entertainment	323	536	-39.7%	676	919	-26.4%
Legal and professional fees	1,917	2,990	-35.9%	4,086	5,419	-24.6%
IT and security fees	2,758	4,280	-35.6%	5,660	8,535	-33.7%
Office, communication and utilities expenses	7,698	8,625	-10.7%	14,309	15,736	-9.1%
Other tax expenses	4,421	7,449	-40.6%	8,004	17,154	-53.3%
Short term lease expenses	1,991	2,687	-25.9%	3,914	4,810	-18.6%
Travelling expenses	1,916	1,926	-0.5%	3,430	3,497	-1.9%
Tax recapture	40	1,341	-97.0%	41	1,341	-96.9%
Others	772	161	379.5%	966	1,880	-48.6%
	<b>1,323,263</b>	<b>1,928,523</b>	<b>-31.4%</b>	<b>2,829,645</b>	<b>3,686,906</b>	<b>-23.3%</b>
<u>Represented by:</u>						
Cost of sales	1,194,495	1,775,791	-32.7%	2,574,427	3,394,811	-24.2%
Selling expenses	69,965	81,006	-13.6%	139,909	158,760	-11.9%
Administrative expenses	58,803	71,726	-18.0%	115,309	133,335	-13.5%
	<b>1,323,263</b>	<b>1,928,523</b>	<b>-31.4%</b>	<b>2,829,645</b>	<b>3,686,906</b>	<b>-23.3%</b>

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**10. Finance costs, net**

	6 months ended 31 December			12 months ended 31 December		
	2024	2023	+ / (-) Variance	2024	2023	+ / (-) Variance
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Finance income						
-Bank interest income	201	720	-72.1%	682	2,258	-69.8%
	201	720	-72.1%	682	2,258	-69.8%
Finance costs						
-Interest expense on bank and other borrowings	(8,308)	(9,997)	-16.9%	(16,929)	(21,239)	-20.3%
-Interest expense on lease liabilities	(7,338)	(8,410)	-12.7%	(15,101)	(17,076)	-11.6%
-Interest expense on shareholder's loan	(562)	(370)	51.9%	(1,079)	(370)	191.6%
-Other finance charges	(1,579)	(1,898)	-16.8%	(3,902)	(5,687)	-31.4%
	(17,787)	(20,675)	-14.0%	(37,011)	(44,372)	-16.6%
Finance costs, net	<b>(17,586)</b>	<b>(19,955)</b>	<b>-11.9%</b>	<b>(36,329)</b>	<b>(42,114)</b>	<b>-13.7%</b>

**11. Related party transactions/balances**

(a) The Group had the following material transaction with its related party during the reporting periods:

	Note	The Group		The Company	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
Interest expense on loan due to shareholder	(ii)	1,079	370	1,079	370

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**11. Related party transactions/balances (continued)**

(b) Balances with the related parties of each reporting periods are as follows:

	Note	The Group		The Company	
		2024	2023	2024	2023
		RMB'000	RMB'000	RMB'000	RMB'000
Amount due to a related party	(i)	65,683	73,900	65,683	73,900
Amounts due from subsidiaries	(ii)	-	-	187,684	204,278
Loan due to shareholder	(iii)	22,282	28,768	22,282	28,768

- (i) The balance with a related party was unsecured, interest free and due on 30 June 2026.
- (ii) The balances with subsidiaries were unsecured, interest free, and receivable on demand, with their carrying values approximating their fair values.
- (iii) The loan due to shareholder, Octo Holdings Limited, was unsecured, carried a fixed interest of 8% per annum and due on demand.

**12. Income tax expense (credit)**

The Group calculates the period's income tax expense (credit) using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense (credit) in the condensed consolidated interim statement of profit or loss are:

	6 months ended 31 December		12 months ended 31 December	
	2024	2023	2024	2023
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax:				
- PRC enterprise income tax ("EIT")	(372)	(1,939)	94	1,855
- Withholding tax	-	1,129	-	1,154
	(372)	(810)	94	3,009
(Over) under-provision of EIT in prior year	(1,758)	5,849	(1,758)	5,849
Deferred income tax credit	2,843	(10,908)	1,613	(10,143)
<b>Income tax expense (credit)</b>	<b>713</b>	<b>(5,869)</b>	<b>(51)</b>	<b>(1,285)</b>

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**13. Net asset value**

	The Group		The Company	
	As at 31	As at 31	As at 31	As at 31
	December 2024	December 2023	December 2024	December 2023
Net Asset Value per share (cents)	0.16	0.34	0.17	0.17
Net Asset Value (RMB'000)	91,504	198,322	99,787	102,269
Number of ordinary shares issued	589,615,183	589,615,183	589,615,183	589,615,183

**14. Property, plant and equipment**

During the year ended 31 December 2024, the Group acquired assets amounting to RMB54,091,000 (2023: RMB82,061,000) and disposed of assets amounting to RMB26,608,000 (2023: RMB22,442,000).

As at 31 December 2024, property, plant and equipment of RMB51,921,000 (2023: RMB44,291,000) was used as security to certain bank borrowings of the Group (Note 16).

Impairment assessment

As a result of a decrease in revenue and incurring operating losses for certain CGUs during the year ended 31 December 2024, management concluded that impairment indicators existed on these CGUs and performed an impairment assessment on property, plant and equipment and right-of-use assets.

When determining the value-in-use of the CGUs, management has taken into consideration of i) the historical performance metrics and other key factors sales and purchases targets negotiated with manufacturers of these CGUs and industry indicators presented as at 31 December 2024 and ii) the approved business plan to cease the operation of certain supercar division in 2024, for developing cash flow projections and concluded that certain CGU may not be able to generate positive cash flow in the foreseeable future.

For the fair value less costs of disposal of the individual asset within the CGUs, management has considered relevant publicly available information, the alternative use of the assets.

Based on the result of the assessment, no additional impairment losses were recognized during the year ended 31 December 2024. Impairment losses of RMB1,792,000, RMB3,760,00 and RMB20,277,000 had been recognized against the carrying amount of property, plant and equipment, right-of-use assets and intangible assets (including goodwill) of these CGU respectively during the year ended 31 December 2023.

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**15. Intangible assets**

	<b>Goodwill</b>	<b>Dealership rights</b>	<b>Total</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<b>At 1 January 2023</b>			
Cost	94,782	30,827	125,609
Accumulated amortisation and impairment	-	(4,840)	(4,840)
Net book amount	94,782	25,987	120,769
<b>As at 31 December 2023</b>			
Opening net book amount	94,782	25,987	120,769
Amortisation	-	(807)	(807)
Impairment	(46,032)	(16,107)	(62,139)
Closing net book amount	48,750	9,073	57,823
<b>At 31 December 2023 and 1 January 2024</b>			
Cost	94,782	30,827	125,609
Accumulated amortisation and impairment	(46,032)	(21,754)	(67,786)
Net book amount	48,750	9,073	57,823
<b>As at 31 December 2024</b>			
Opening net book amount	48,750	9,073	57,823
Amortisation	-	(807)	(807)
Closing net book amount	48,750	8,266	57,016
<b>As at 31 December 2024</b>			
Cost	94,782	30,827	125,609
Accumulated amortisation and impairment	(46,032)	(22,561)	(68,593)
Net book amount	48,750	8,266	57,016

# Certain comparative figure has been reclassified to conform to the presentation of the current year.

**15. Intangible assets (continued)**

Goodwill is allocated to the Group's Cash Generating Units "CGUs" identified according to operating entities.

The recoverable amount of the CGUs is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows were then extrapolated using the estimated growth rates beyond the five-year period. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operates.

Management determined the budgeted revenue growth rate based on past performance and its expectation of market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Management believes that any reasonably possible changes in any of the key assumptions would not result in an impairment of goodwill. There was not impairment provision for intangible assets during the year ended 31 December 2024. During the year ended 31 December 2023, the Directors had approved business plans to cease the operation of certain supercar division in 2024 and then consequently determined impairment of goodwill and dealership rights directly related to supercar dealership business amounting to RMB4,172,000 and RMB16,107,000 respectively and recognised in profit or loss.

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**16. Bank and other borrowings**

	The Group		The Company	
	31 December 2024 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	31 December 2023 RMB'000
Current:				
Bank borrowings – secured	180,901	170,000	-	-
Bank borrowings – guaranteed	20,000	-	-	-
Borrowings from manufacturers – secured	96,429	96,009	-	-
Other borrowings – secured	22,203	59,010	-	-
	<b>319,533</b>	<b>325,019</b>	-	-
Non-current:				
Borrowings from manufacturers – secured	6,877	1,978	-	-
Other borrowings – secured	6,721	7,260	-	-
	<b>13,598</b>	<b>9,238</b>	-	-
<b>Total bank and other borrowings</b>	<b>333,131</b>	<b>334,257</b>	-	-

As at 31 December 2024 and 2023, certain borrowings of the Group were secured by pledge of assets of the Group and corporate and personal guarantees by certain related parties of the Group.

The carrying values of assets pledged to various banks for securing bank and other borrowings are:

	The Group		The Company	
	31 December 2024 RMB'000	31 December 2023 RMB'000	31 December 2024 RMB'000	31 December 2023 RMB'000
Inventories	49,572	117,584	-	-
Right-of-use assets	100,496	105,787	-	-
Property, plant and equipment	51,921	44,291	-	-
Security deposits for borrowings from manufactures	21,486	20,650	-	-

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**17. Share capital**

	Number of ordinary shares	Share capital RMB'000	Share premium RMB'000	Total RMB'000
As at 31 December 2023, 1 January				
2024 and 31 December 2024	589,615,183	41,994	82,796	124,790

**18. Subsequent events**

There are no material subsequent events undertaken by the Company or the subsidiaries of the Group after 31 December 2024.



## F. Other Information Required by Appendix 7C of the Catalist Rules

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**1. Review**

The condensed consolidated statement of financial position of Trans-China Automotive Holdings Limited (the “Company” or “TCA”) and its subsidiaries (the “Group”) as at 31 December 2024 and the related condensed consolidated comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six months and full year period then ended and certain explanatory notes have not been audited or reviewed.

**2. Review of performance of the Group**

**Condensed Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income**

Revenue and Cost of Goods Sold

Our total revenue decreased by 26.1% or approximately RMB901.00 million from RMB3,455.5 million in financial year ended 31 December 2023 (“FY2023”) to RMB2,554.5 million in financial year ended 31 December 2024 (“FY2024”). Automobile sales declined while after-sales services remained stable. Cost of goods declined by 24.2% or RMB820.4 million to RMB2,574.4 million in FY2024 compared with RMB3,394.8 million in FY2023.

**Automobile sales**

Our automobile sales declined by 30.3% or RMB891.7 million from RMB2,943.6 million in FY2023 to RMB2,051.9 million in FY2024. Revenue declined due to lower average sales prices and lower volume. In FY2024, the average sales price was RMB299,000 and units sold were 6,851 units while in FY2023, the average sales price was RMB340,000 and units sold were 8,667 units.

We sell our cars based on sales targets typically negotiated with our manufacturing partners in the fourth quarter of the preceding year. When the sales environment deviates drastically from when the sales targets are set, we have to sell at our cars at lower profit or a loss to meet these sales targets. Failure to meet sales targets can result in reduction of manufacturer rebates which would lead to significant losses and also disqualify the dealership from extra rebates.

- Going into FY2024, we worked with OEM partners to reduce to sales targets which resulted in our unit sales declines. As a result of continued automobile gross loss incurred in the first half of FY2024, we further negotiated lower sales volume for the second half. Sale of automobiles in the second half of FY2024 was RMB959.6 million, 36.5% lower than second half of FY2023 when revenue from Sale of automobiles was RMB1,510.9 million. As a result of the intensely competitive market conditions which was especially severe in the second quarter of FY2024, we had to discount our cars more in FY2024 than FY2023 to capture sales. Discounts reduces the sales price of our products.

Cost of sales of automobile decreased by 26.5% or RMB812.9 million from RMB3,066.3 million in FY2023 to RMB2,253.4 million as a result of fewer units sold and higher discounts granted on automobile sales. Gross loss on automobile sales were RMB201.5 million in FY2024 compared with a gross loss of RMB122.7 million the year before. Gross margins on automobile sales were (9.8%) in FY2024 compared with (4.2%) in FY2023.

The gross margins on sale of automobiles reached the lowest level in the second quarter of FY2024 before rebounding in the second half of the year. The lower sales volume and additional manufacturer support from our OEM partners lead to improvements in the second half of FY2024. We were able to offset some of the losses with ancillary fee income which are recorded in Other Income.

**After-sales services revenue**

After-sales services revenue was RMB497.8 million for FY2024 compared with RMB505.8 million in FY2023, a decline of 1.6% or RMB8.0 million. Our after-sales revenue declined for the full year despite rising in the first half of the year. As a result of the sluggish economy, we have seen our customers become more price sensitive and keep repair and maintenance items to essential services.

Cost of provision of after-sales services decreased by 2.3% or RMB7.6 million from RMB328.5 million in FY2023 to

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RMB320.9 million in FY2024 as a result of lower after-sales services volume. Gross profit remained stable at RMB176.9 million in FY2024 and RMB177.3 million in FY2023. The after-sales gross margin was 35.5% in FY2024, a slight improvement from FY2023 where gross margins were 35.1%.

**Agency revenue**

Agency revenue decreased by 21.3% or RMB1.3 million from RMB6.1 million in FY2023 to RMB4.8 million in FY2024. The decrease was concentrated in the first half of 2024 where this revenue segment declined by 45.4% or RMB1.3 million. This was due to a weak market conditions for premium cars. Agency revenue started to improve sequentially in the second half of FY2024 as a result sales of new model and price promotions on certain cars. Agency revenue for the second half of FY2024 was RMB3.2 million and unchanged from the same period prior year.

Other Income

Other income is comprised of ancillary service fees that we earn on sale of automobiles. The key component of this income source is the handling and commission fee income which represented 88.9% of other income in FY2024. Other income increased by 2.8% or RMB5.7 million from RMB201.7 million in FY2023 to RMB207.4 million despite 30.3% lower automobile sales in FY2024. On a per car basis, other income in FY2024 was RMB24,000 compared with RMB18,400 in FY2023.

We view total profit contribution from sale of automobile as a total of gross profit/ (loss) from sale of automobile and other income. For FY2024, the total contribution of these two profit centers were RMB3.0 million compared with RMB77.4 million in FY2023. The sharp decrease was due to higher gross loss on automobile sales realized especially in the first half of FY2024. Due to the lower sales pressure, higher handling and commission rates and increased manufacturer support, the total profit contribution was RMB33.8 million in the second half of FY2024 compared with RMB19.2 million the same period prior year.

Other Gains

Other gains, which are non-operating in nature, decreased by 87.5% or RMB4.2 million from RMB4.8 million in F2023 to RMB0.6 million in FY2024 primarily as a result of lower gains on disposal of fixed assets. Other gains in FY2023 included of larger gains on disposal of company owned cars and lease termination gain.

Selling Expenses

Selling expenses decreased by 11.9% or RMB18.9 million from RMB158.8 million in FY2023 to RMB139.9 million in FY2024 as a result of reduced business volume. Key selling expenses that vary with sales volume such as advertising expenses, employee benefit expenses like commissions and other taxes decreased.

Administrative Expenses

Administrative expenses decreased by 13.5% or RMB18.0 million from RMB133.3 million in FY2023 to RMB115.3 million in FY2024. We implement cost control measures in the middle of FY2024. These controls included hiring freezes and curtailing nonessential expenses. As a result, we realized lower employee expenses and other operations support expenses, such as IT and security fees, legal and professional fees.

Impairment Charge

We recorded an impairment charge of RMB25.8 million in FY2023 related to impairment and ceasing operation of a business unit. The impairment charge was taken on the business units' goodwill, intangible assets and property plant and equipment. There were no impairment charges taken in FY2024.

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Finance Expenses

Net finance expenses decreased by 13.8% or RMB5.8 million from RMB42.1 million in FY2023 to RMB36.3 million in FY2024.

Finance income decreased by 69.6% or RMB1.6 million from RMB2.3 million in FY2023 to RMB0.7 million in FY2024 because the Company had lower net cash balances in FY2024 than prior year.

Finance costs decreased by 16.6% or RMB7.4 million to RMB37.0 million in FY2024 from RMB44.4 million in FY2023 because of lower average interest rates and lower overall bank financing due to lower inventory levels. Finance expenses related to loan due to shareholder was RMB1.1 million in FY2024 compared with RMB370,000 in FY2023 because the loan was provided for a longer duration in FY2024. Finance costs related to IFRS 16 decreased by 11.7% or RMB2.0 million as a result of the closure of certain locations and amortisation on lease liabilities.

Net Loss

Net loss for the Group significantly narrowed to RMB29.0 million for the second half of FY2024 compared with a net loss of RMB74.4 million in the first half of FY2024. The improvement was a result of adjustments in unit sales volume, additional vendor rebates, and cost cutting efforts.

As a result of the foregoing, loss before income tax for FY2024 was RMB103.5 million compared with a loss before income tax of RMB92.9 million in the preceding year. Net loss for the year was RMB103.4 million in FY2024 compared with a net loss of RMB91.6 million in FY2023. Basic and fully diluted loss per share was 0.18 in FY2024 as compared with 0.16 in FY2023.

**Condensed Consolidated Interim Statement of Financial Position**

Current Assets

The Group's current assets decreased by RMB87.5 million during the financial year to RMB908.2 million as at 31 December 2024, largely due to:

- a. Decrease in inventory of RMB146.3 million because the Company had lower sales target and sold inventory faster in FY2024. Inventory turnover quickened to 35.6 days in FY2024 compared with 43.1 days in FY2023.
- b. Decrease in accounts and other receivables of RMB4.5 million as a result of business volume. At 31 December 2024 the Company received additional OEM rebates, offset by:
- c. Increase in prepayments and deposits of RMB13.8 million for inventory orders that is delivered after year-end.
- d. Increase in pledged deposits of RMB96.7 million because the settlement of related bills payables and other borrowings were after the period end.

Non-Current Assets

The Group's non-current assets decreased by RMB55.0 million during the financial year to RMB547.1 million as at 31 December 2024, largely due to:

- a. Decrease in intangible assets of RMB0.8 million as a result of yearly amortization.
- b. Decrease in rights of use assets of RMB32.3 million as a result of yearly amortisation and termination of certain leases related to store closures.
- c. Decreases in property, plant, and equipment of RMB18.4 million as a result of depreciation on assets as well as disposition of demonstration cars.

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Current Liabilities

The Group's current liabilities increased by RMB0.9 million during the financial year to RMB1,067.6 million as at 31 December 2024, primarily due to:

- a. Higher trade and bills payable balance of RMB14.4 million due to some repayments scheduled after 31 December 2024.
- b. Current lease liabilities component of RMB11.3 million, offset by:
- c. Lower bank and other borrowings of RMB5.5 million due to repayment of bank lines during the year.
- d. Lower accruals and other payables of RMB8.0 million as a result of lower operating expenses. In prior year accruals and other payables also included construction costs.
- e. Lower shareholder loan balance of RMB6.5 million due to partial payment.

Non-current Liabilities

The Group's non-current liabilities decreased by RMB30.7 million during the financial year to RMB296.2 million as at 31 December 2024, largely due to:

- a. Increase of RMB4.4 million in non-current bank and other borrowings related to the non-current portion of long-term credit facilities, offset by:
- b. Decrease of lease liabilities of RMB24.9 million related to reclassification to current liabilities and the termination of leases related with closed locations.
- c. Decrease of deferred income tax liabilities of RMB1.9 million mainly due to the net loss position resulted in a reversal of the unremitted earnings.
- d. Decrease of amount due to a repayment related party of RMB8.2 million.

Shareholder's equity

The Group's shareholders' equity decreased by RMB106.8 million to RMB91.5 million at 31 December 2024 as a result of net loss for the year and exchanges losses.

**Condensed Consolidated Interim Statement of Cash Flows**

Net cash generated from operating activities were RMB54.1 million, due to:

- a. Cash used in changes before working capital were RMB2.4 million in FY2024 compared with cash generated of RMB53.8 million due to larger loss before income taxes. In FY2023 loss also included impairment charge of RMB25.8 million.
- b. Lower inventory balance of RMB159.3 million as a result lower sales target and higher number of deliveries near the end of FY2024.
- c. Higher trade and bills payables, accruals and other payables of RMB6.4 million primarily as a result of higher bills payable balance scheduled for payment after period end; offset by:
- d. Trade and other receivables, prepayments and deposits increased by RMB9.3 million primarily as a result of higher deposits paid to manufacturers for new automobile inventory and additional OEM rebates.
- e. Increase in payment of pledged deposits of RMB96.7 million related to the bills payables due after period end.

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Net cash used in investing activities were RMB25.9 million, comprised of:

- a. Purchases of property, plant and equipment of RMB54.1 million, primarily motor vehicles to be used as demonstration vehicles, leasehold improvements and furniture and equipment associated with renewal of one BMW store, capital expenditures were higher in FY2023 due to construction of Genesis stores; offset by:
- b. Proceeds from disposal of property, plant and equipment of RMB27.5 million, primarily from motor vehicles that are retired from our demonstration vehicle fleet.
- c. Proceeds from interest received for our deposits with financial institutions of RMB0.7 million.

Net cash used in financing activities were RMB68.4 million, primarily as a result of:

- a. Interest paid on bank borrowings of RMB37.0 million.
- b. Payment of lease payments of RMB13.2 million.
- c. Repayment of loans bank and other borrowings of RMB1.1 million.
- d. Net repayment of a shareholder's loans of RMB7.0 million.
- e. Payment of a related party of RMB10.0 million.

As a result of the foregoing, net decrease in cash and cash equivalents was RMB41.2 million from RMB75.0 million at 31 December 2023 to RMB33.8 million at 31 December 2024.

**3. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable.

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**4. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

The Company announced profit guidance on 22 January 2025. The financial results are in line with the explanation stated in the profit guidance announcement.

**5. A commentary at the date of the announcement of significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and next 12 months**

The Chinese economy grew by 5.0% in 2024 and Guangdong's economy, which is the province where the bulk of the Company's dealerships are located, grew by a meager 3.5% from 2023. This tepid growth makes Guangdong one of the slowest growing provinces in China. The Guangdong's economy benefited from export growth in 2024 but was severely affected by the years long property slump and weak consumption<sup>1</sup>. Over the last few years, the Chinese automobile industry also changed radically due to the emergence of numerous homegrown electric vehicle ("EV") brands. The EVs have seen a fast adoption by the Chinese consumers. Sales of EV (pure electric and hybrid) crossed 50% of the total market share in July of 2024 from less than 6.0% in 2020<sup>2</sup>. Many of these new EV companies are attempting to reach break-even volume quickly by aggressively cutting prices and offering other incentives has upended the market place. Despite the high growth rate for the category, only three brands out of an estimated 100 EV brands were profitable in 2024<sup>3</sup>.

The weak economy and industry dynamics have resulted in a very challenging market for all industry participants including automobile dealers. Industry observers note that in 2024 the majority of dealers failed to achieve their annual sales targets and most recorded significant losses as well as face liquidity shortage. In our specific markets, there are dealerships that have significantly curtailed their operations to minimal sales. There are also operators that that have changed brands or exited the franchise network. Over the longer-term, a less crowded dealership network benefits the remaining participants because of reduced intra-brand competition.

Nonetheless, the difficult market conditions are expected to persist in the immediate term. Therefore, while we are encouraged that our losses narrowed significantly in the second half of FY2024 we have to continue our efforts of streamlining the business until the industry stabilizes. We will continue to optimize our operations such as keeping inventory lean, reduce costs at all levels of the organization and rationalize dealerships with limited profit potential. This will help us safeguard the Company. When the competitive landscape stabilizes, our dealership portfolio of established brands in Chongqing and large cities in Guangdong will position us well.

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<sup>1</sup> [China's Guangdong, missing GDP target 3 years running, among slowest economies in 2024 | South China Morning Post](https://www.southchinamorningpost.com/news/2024/12/24/china-guangdong-gdp-target-3-years-running-among-slowest-economies-in-2024)

<sup>2</sup> <http://www.cpcauto.com/newslist.php?types=csjd&id=3720>

<sup>3</sup> <https://baijiahao.baidu.com/s?id=1821279304696123216&wfr=spider&for=pc>

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**6. Dividend information**

**(a) Current financial period reported on**

**Whether an interim (final) ordinary dividend has been declared or recommend?**

No dividend has been declared or recommended for the current financial period.

**(b) Previous corresponding period**

**Whether an interim (final) ordinary dividend has been declared or recommend?**

No dividend has been declared or recommended for the corresponding period of the immediately preceding financial year.

**(c) Date payable**

Not applicable.

**(d) Book closure date**

Not applicable.

**6a. If no dividend has been declared or recommended, a statement to that effect and the reason (s) for the decisions**

The Company has deficit working capital and recorded a net loss in FY2024. In order to preserve cash and working capital liquidity, no dividend has been declared or recommended.

**7. Interested person transactions**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”).

The aggregate values of IPTs entered into by the Group were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Octo Holdings Limited	Controlling shareholder	RMB1,079,000	Not applicable



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**8. Status of the use of IPO funds raised**

The Group raised net proceeds from the initial public offering of S\$16.3 million (the “**IPO Proceeds**”). As announced on 14 June 2024, the IPO Proceeds has been fully utilised, as follows:

	<b>Allocation of net proceeds</b>	<b>Amount utilized as at the date of this announcement</b>	<b>Balance as at the date of this announcement</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Increasing the number of our dealerships, showrooms and service centres in cities where we have existing operations, namely in Foshan, Shenzhen, Guangzhou, Chongqing, Changsha and Wuhan	6,000	6,000 <sup>(1)</sup>	-
Expanding our business through growing our dealership network to new regions, diversifying to other premium and ultra-premium automobile brands, and expanding and diversifying into complementary businesses	3,000	3,000 <sup>(2)</sup>	-
General working capital purposes	7,311	7,311 <sup>(3)</sup>	-
<b>Total</b>	<b>16,311</b>	<b>16,311</b>	<b>-</b>

Note:

- (1) The S\$3.0 million was utilised for payment to contractors and suppliers relating to the construction of Shenzhen BMW service center. The S\$3.0 million was utilised for payment to contractors and suppliers relating to the construction of Foshan Genesis showroom.
- (2) The S\$3.0 million was utilised for payment to contractors and suppliers relating to the construction of a Genesis dealership in Guangzhou, China.
- (3) The amount of approximately S\$2.3 million was utilised for payment to BMW for spare parts purchases. The remaining amount of S\$5.0 million was utilized for Chongqing BMW store renovation and parts purchases.

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**9. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7H under Rule 720(1) of the Catalist Rules of the SGX-ST.

**10. Disclosure of persons occupying managerial positions in the issuer or any of its principal subsidiaries who are related to a director, CEO or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

There are no persons occupying managerial positions that are related to a director, CEO or a substantial shareholder.

**BY ORDER OF THE BOARD**

Francis Tjia

Executive Chairman and Chief Executive Officer

24 February 2025