



**Tan Chong
Motor
Holdings
Berhad**

FY2018 First-Quarter Financial Results



Cautionary Statement with Respect to Forward-Looking Statements

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These factors include (i) changes in economic conditions, currency exchange rates, the laws, regulations, government policies, or political instability in the market place, (ii) circumstances relating to our ability to introduce, in a timely manner, and achieve market acceptance of new products, and (iii) shortage of fuel or interruptions in transportation systems, labor strikes, work stoppages, or other interruptions to or difficulties in the employment of labor in the major markets where we purchase materials, components, and supplies for the production of our products or where our products are produced, distributed, or sold.

New Product Launch



Model	OTR without insurance
All-new Serena 2.0L Highway Star	RM135,500
All-new Serena 2.0L Premium Highway Star	RM147,500

Business Review

1Q18 Sales Performance & Operation Review

Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q

Revenue

3.9%
-3.8%

Operating Profit/ (Loss)

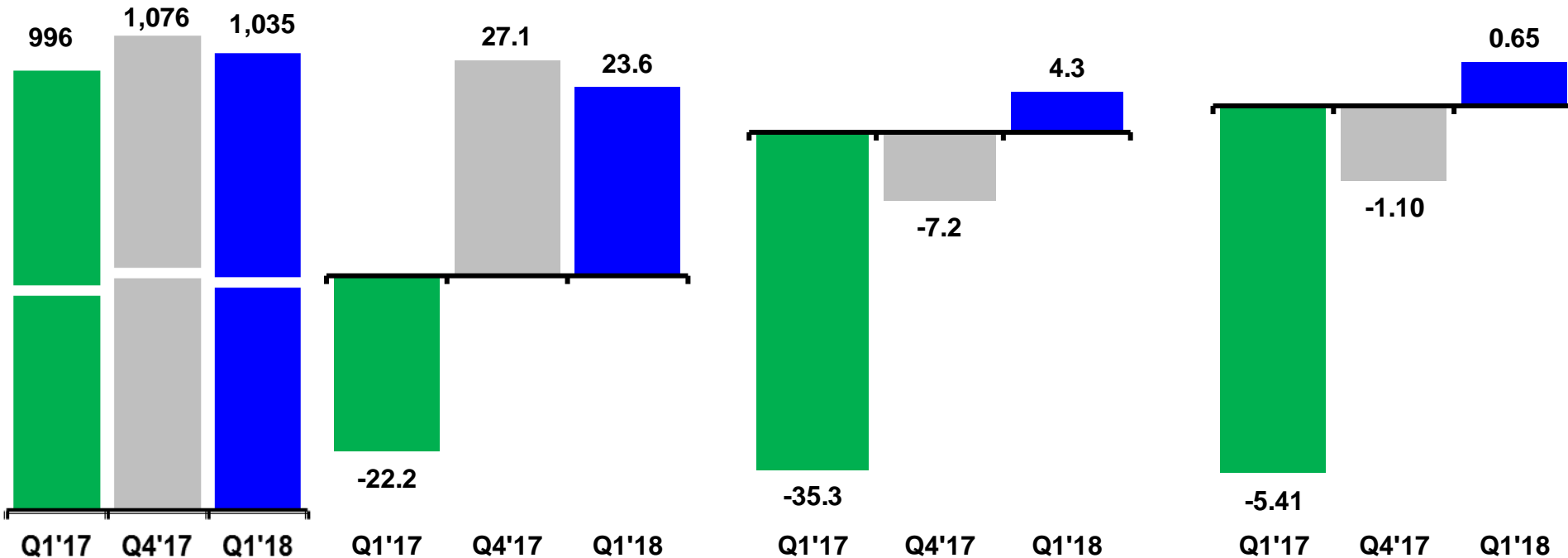
206.5%
12.7%

Profit/ (Loss) Attributable to Owners of the Company

112.0%
159.1%

Earning/ (Loss) Per Share (Sen)

112.0%
159.1%



QoQ Financials Review

<i>In RM'000, unless stated otherwise</i>	4Q17	1Q18	Changes
Net Revenue	1,075,956	1,034,618	-3.8%
Operating Profit	27,066	23,641	12.7%
Profit Before Tax	12,591	13,461	-6.9%
(Loss)/ Profit Attributable to Owners of the Company	(7,189)	4,252	159.1%
(Loss)/ Earnings per Share (Sen)	(1.10)	0.65	159.1%
Shareholders' Fund	2,795,879	2,803,533	0.3%
Net Asset per Share (RM)	4.28	4.30	0.5%

- Profitability improved due to better margins

YoY Financials Review

In RM'000 , unless stated otherwise

	31-Mac-17	31-Mac-18	Changes
Revenue	995,652	1,034,618	3.9%
Operating (Loss)/ Profit	(22,195)	23,641	206.5%
(Loss)/ Profit Before Tax	(35,543)	13,461	137.9%
(Loss)/ Profit After Tax	(37,460)	2,087	105.6%
(Loss)/ Profit Attributable to Owners of the Company	(35,322)	4,252	112.0%
(LPS)/ EPS (Sen)	(5.41)	0.65	112.0%

- Revenue (YoY) improved.
- Profitability improved due to better margins.

Segmental Performance

<i>In RM'000</i>	4Q17	1Q18	Change (%)
Sales			
Automobiles	1,055,711	1,007,126	-4.6%
Financial services	18,638	24,760	32.8%
Other operations	1,607	2,732	70.0%
	1,075,956	1,034,618	-3.8%
EBITDA			
Automobiles	47,846	48,187	0.7%
Financial services	5,540	7,886	42.3%
Other operations	(1,498)	(2,102)	40.3%
	51,888	53,971	4.0%
EBITDA margin			
Automobiles	4.5%	4.8%	
Financial services	29.7%	31.8%	
Other operations	-93.2%	-76.9%	
	4.8%	5.2%	

Malaysia Sales Performance

Q-o-Q

-17.1%



6,787

4Q17

5,627

1Q18



5,310 units

-17%



160 units

-29%



152 units

-4%



5 units

-38%

Y-o-Y

-10.9%



6,316

2017

5,627

2018



5,310 units

-11%



160 units

-13%



152 units

+9%



5 units

+25%

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY -10.9% : Due to competitive business environment.**
- **QoQ -17.1% : Due to seasonally slower first quarter.**

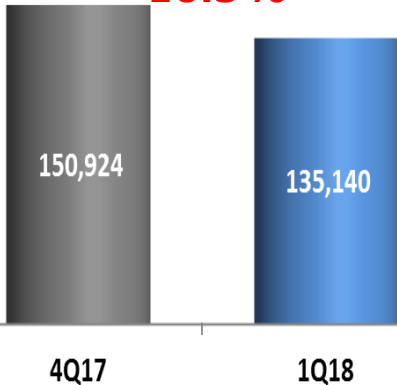


Top 5 manufacturers

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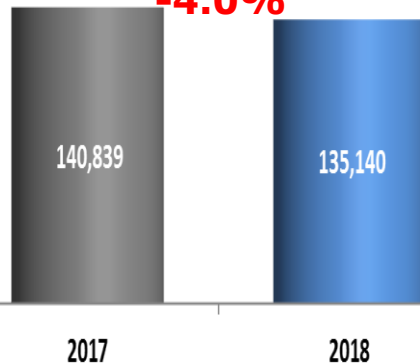
Q-o-Q

-10.5%



Y-o-Y

-4.0%



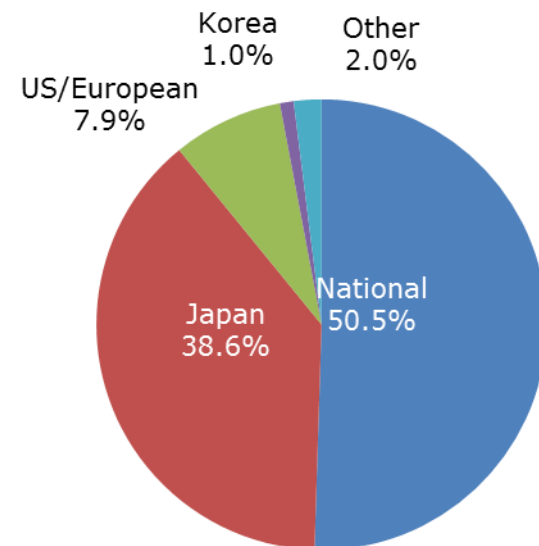
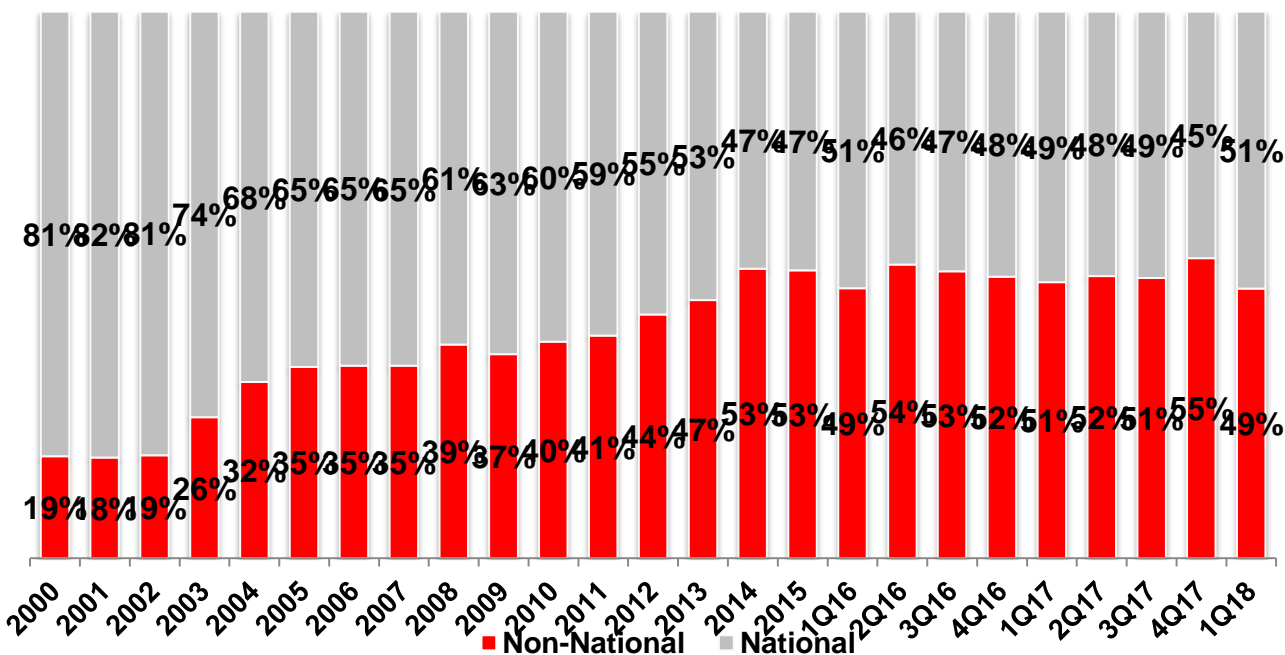
Top 5 manufacturers

	Units			Market Share		
	1Q'18	4Q'17	Changes	1Q'18	4Q'17	2018
Perodua	55,568	53,307	+4.2%	41.1%	35.3%	41.1%
Proton	12,843	14,694	-12.6%	9.5%	9.7%	9.5%
Honda	24,182	30,769	-21.4%	17.9%	20.4%	17.9%
Toyota	12,683	20,173	-37.1%	9.4%	13.4%	9.4%
Nissan	5,310	6,395	-17.0%	3.9%	4.2%	3.9%

Source: MAA

National brands regaining market share

1Q'18



	Q-o-Q %
Perodua	4.2%
Proton	-12.6%

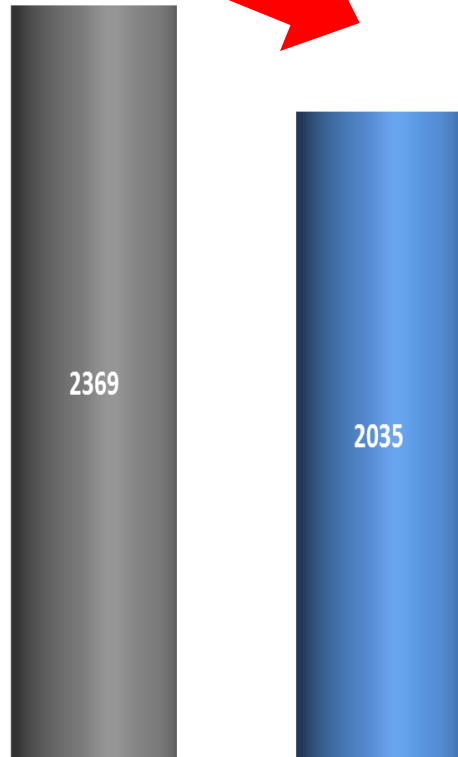
	Q-o-Q %
Toyota	-37.1%
Nissan	-17.0%
Honda	-21.4%
Mitsubishi	27.5%
Isuzu	-24.7%
Mazda	26.1%

	Q-o-Q %
Ford	-5.2%
VW	-22.5%
BMW	-15.6%
Mercedes	2.0%

Indochina Sales Performance

Q-o-Q

-14%



4Q'17

1Q'18



1,592 units
-20%

Vietnam



140 units
+41%

Laos



107 units
+45%

Cambodia

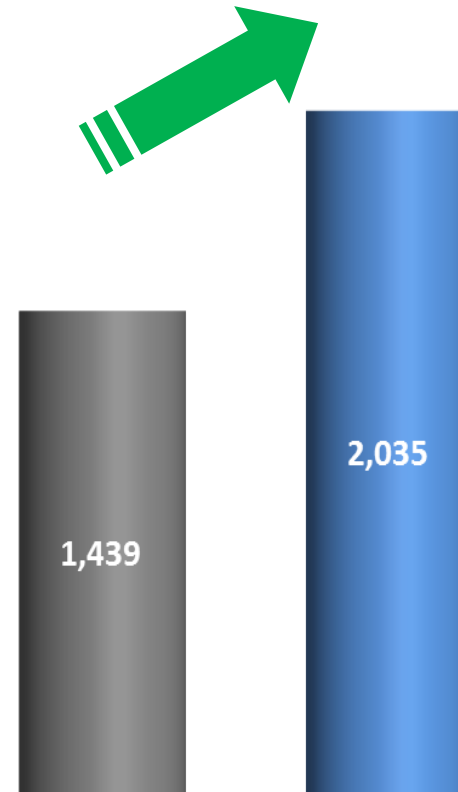


196 units
-6%

Myanmar

Y-o-Y

+41%



2017

2018



1,592 units
+44%

Vietnam



140 units
+32%

Laos



107 units
>100%

Cambodia



196 units
+12%

Myanmar

Ytd Sales

Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 41% due to overall improvement in the sales of Navara and X-trail in Vietnam, Cambodia and Laos.
- Decreased sales Q-o-Q in Vietnam was mainly due to lower sales for Navara following the issuance of Decree 116 compliance regulation in Vietnam.
- Danang assembly plant continued to be impacted by negative production variances.
- TC Motorcycle Vietnam which has exclusive distribution of Kawasaki is profitable with scalable potential. (Sales units: Q1 2018 – 530 units, Q4 2017 – 384 units)

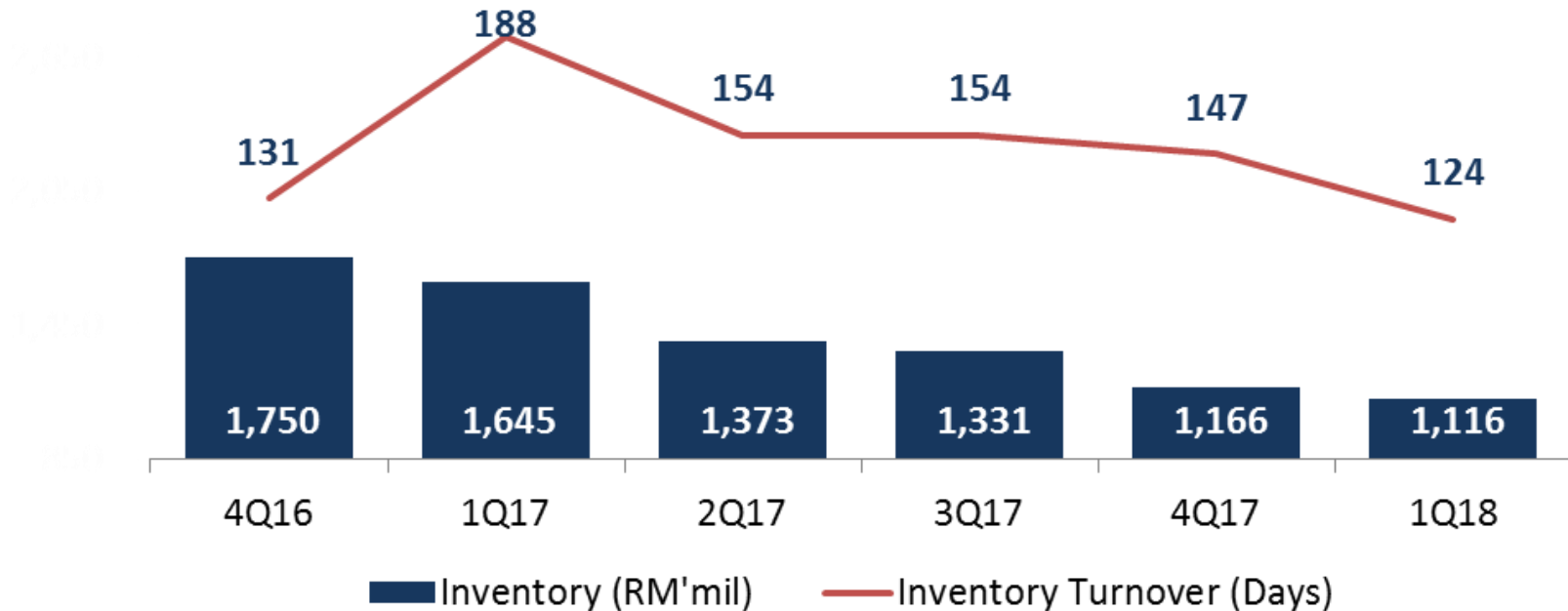


Business Review

1Q18 Sales Performance & Operation Review

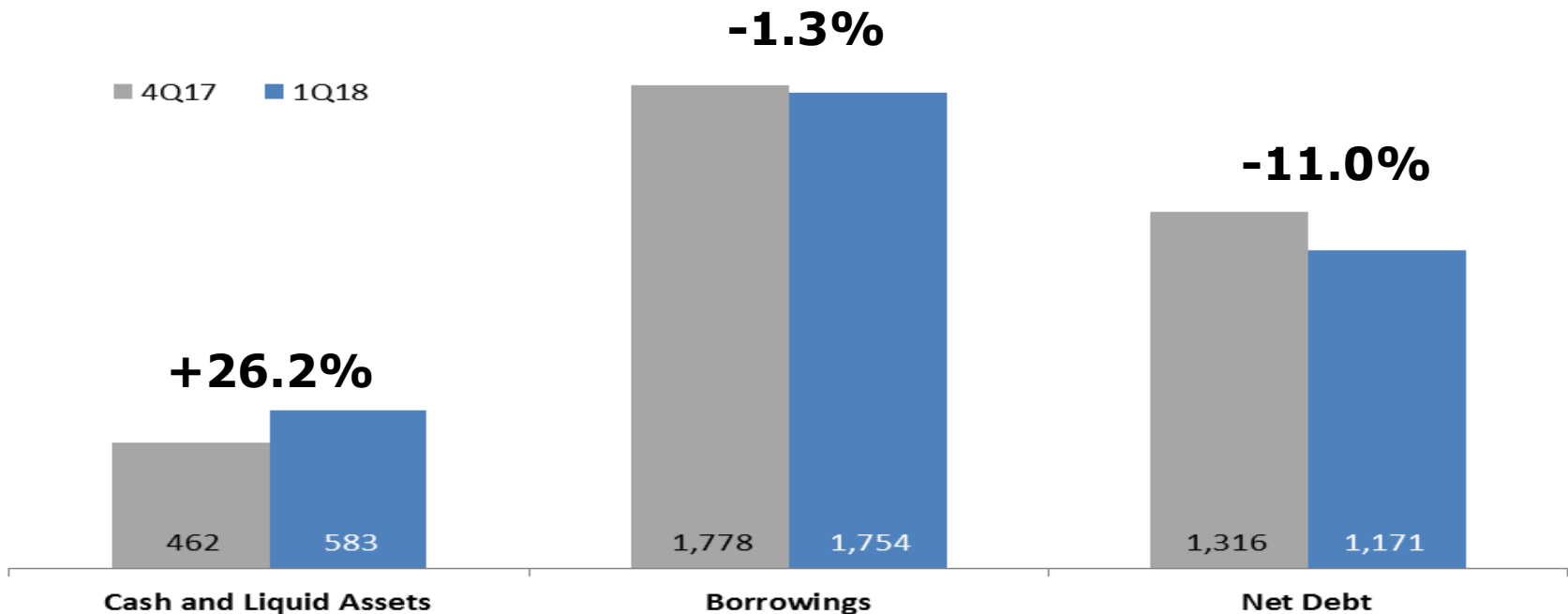
Appendices

Inventory Management



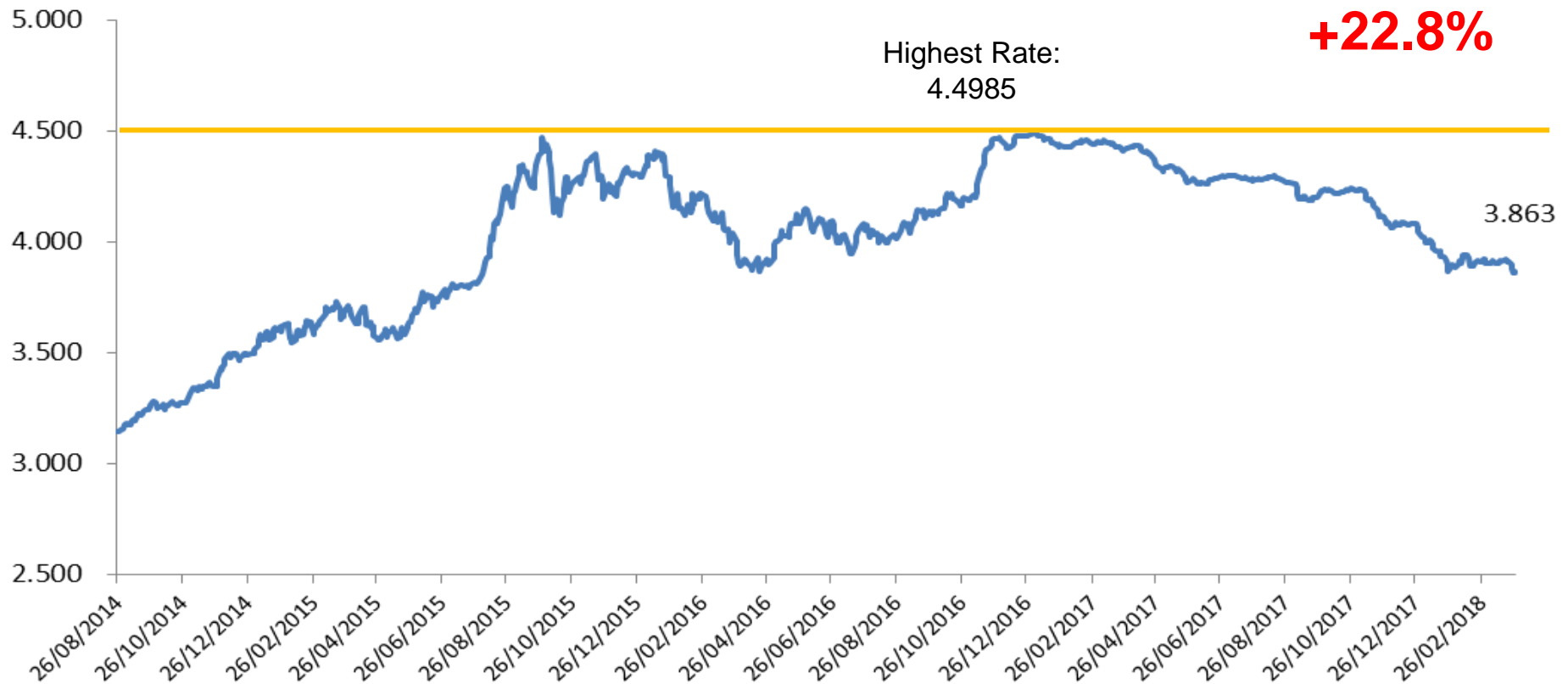
- Turnover days improved over the year due to efficient inventory management.

Cash Balance & Borrowings (RM'mil)



- Total borrowings slightly decreased due to repayment made during the quarter.
- Net gearing stood at 41.8%.

Foreign Exchange Management



Source: Bloomberg

- Ringgit vs U.S. Dollar fluctuated and strengthened towards the end of first quarter. It is hovering below 4 since then.
- We will take diligent steps to monitor the foreign currency risk and continue to exercise our hedging activities.

Thank you

