

**Tan Chong
Motor
Holdings
Berhad**

FY2018 Second-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.

Business Review

2Q18 Sales Performance & Operation Review

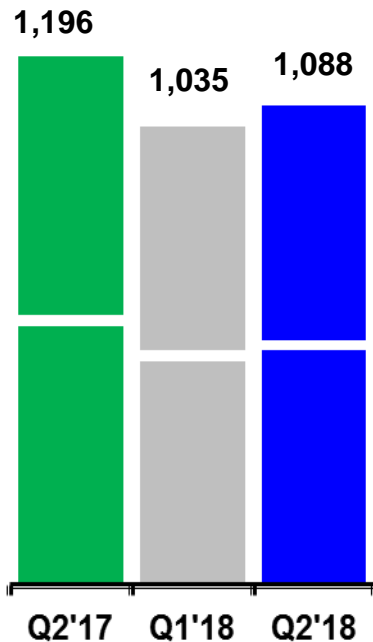
Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q

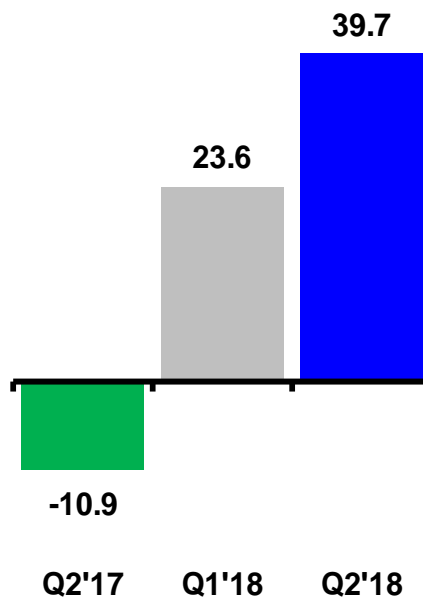
Revenue

-9.0%
5.2%



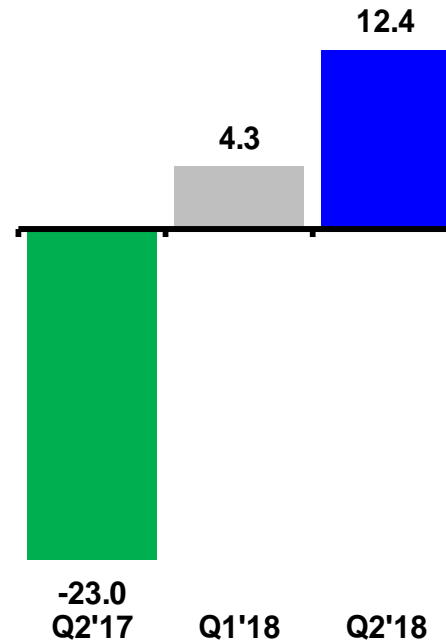
Operating Profit/ (Loss)

462.2%
67.7%



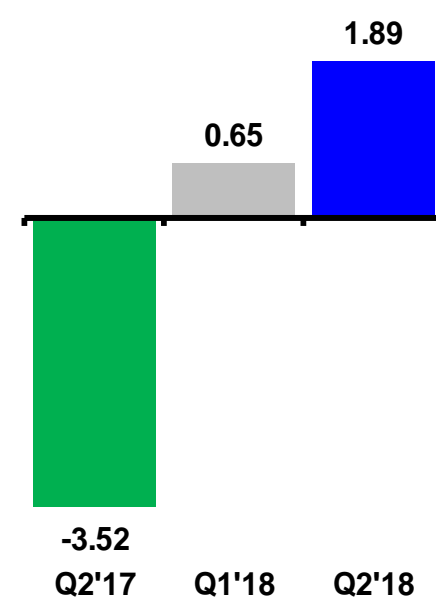
Profit/ (Loss) Attributable to Owners of the Company

153.8%
190.8%



Earning/ (Loss) Per Share (Sen)

153.7%
190.8%



QoQ Financials Review

In RM'000, unless stated otherwise

	1Q18	2Q18	Changes
Net Revenue	1,034,618	1,088,316	5.2%
Operating Profit	23,641	39,654	67.7%
Profit Before Tax	13,461	24,805	84.3%
Profit Attributable to Owners of the Company	4,252	12,363	190.8%
Earnings per Share (Sen)	0.65	1.89	190.8%
Shareholders' Fund	2,803,533	2,790,628	-0.5%
Net Asset per Share (RM)	4.30	4.28	-0.5%

- Revenue increased slightly due to launch of new Nissan Serena S-Hybrid during month of May.
- Profitability improved due to better margins.

YoY Financials Review

In RM'000 , unless stated otherwise

	30-Jun-17	30-Jun-18	Changes
Revenue	2,192,010	2,122,934	-3.2%
Operating (Loss)/ Profit	(33,144)	63,295	291.0%
(Loss)/ Profit Before Tax	(58,256)	38,266	165.7%
(Loss)/ Profit After Tax	(63,457)	11,955	118.8%
(Loss)/ Profit Attributable to Owners of the Company	(58,321)	16,615	128.5%
(LPS)/ EPS (Sen)	(8.94)	2.55	128.5%

- Revenue (YoY) slightly reduced.
- Profitability improved due to better margins and forex.

Segmental Performance

<i>In RM'000</i>	1Q18	2Q18	Change (%)
Sales			
Automobiles	1,007,126	1,062,727	5.5%
Financial services	24,760	22,610	-8.7%
Other operations	2,732	2,979	9.0%
	1,034,618	1,088,316	5.2%
EBITDA			
Automobiles	48,187	53,640	11.3%
Financial services	7,886	4,481	-43.2%
Other operations	(2,102)	11,010	623.8%
	53,971	69,131	28.1%
EBITDA margin			
Automobiles	4.8%	5.0%	
Financial services	31.8%	19.8%	
Other operations	-76.9%	369.6%	
	5.2%	6.4%	

Malaysia Sales Performance

Q-o-Q

Y-o-Y

+25.4%

-10.9%



6,616 units
+25%



UD TRUCKS

166 units
+4%

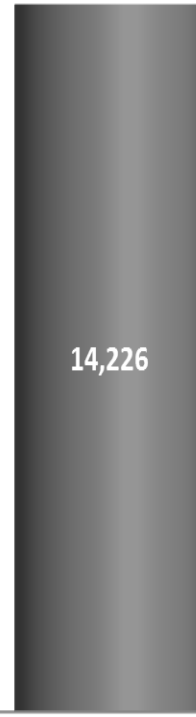


RENAULT

264 units
+74%



8 units
+60%



11,926 units
-12%



UD TRUCKS

326 units
-14%



RENAULT

416 units
+41%



13 units
-19%

1Q18

2Q18

2017

2018

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY -10.9% : Due to competitive business environment.**
- **QoQ +25.4% : Due to Raya sales, tax holiday sales and new launching of Nissan Serena S-Hybrid in May.**

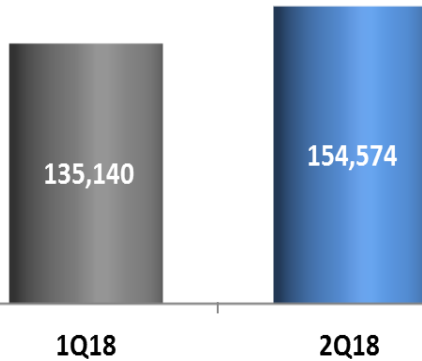


Top 5 manufacturers

TIV

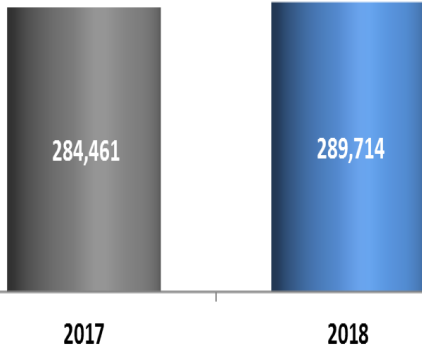
Q-o-Q

+14.4%



Y-o-Y

+1.8%



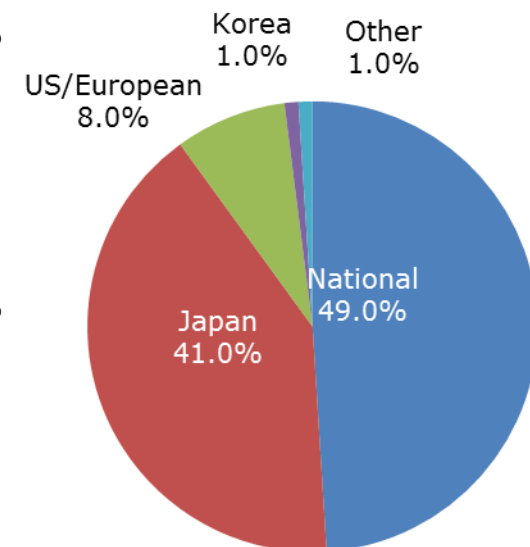
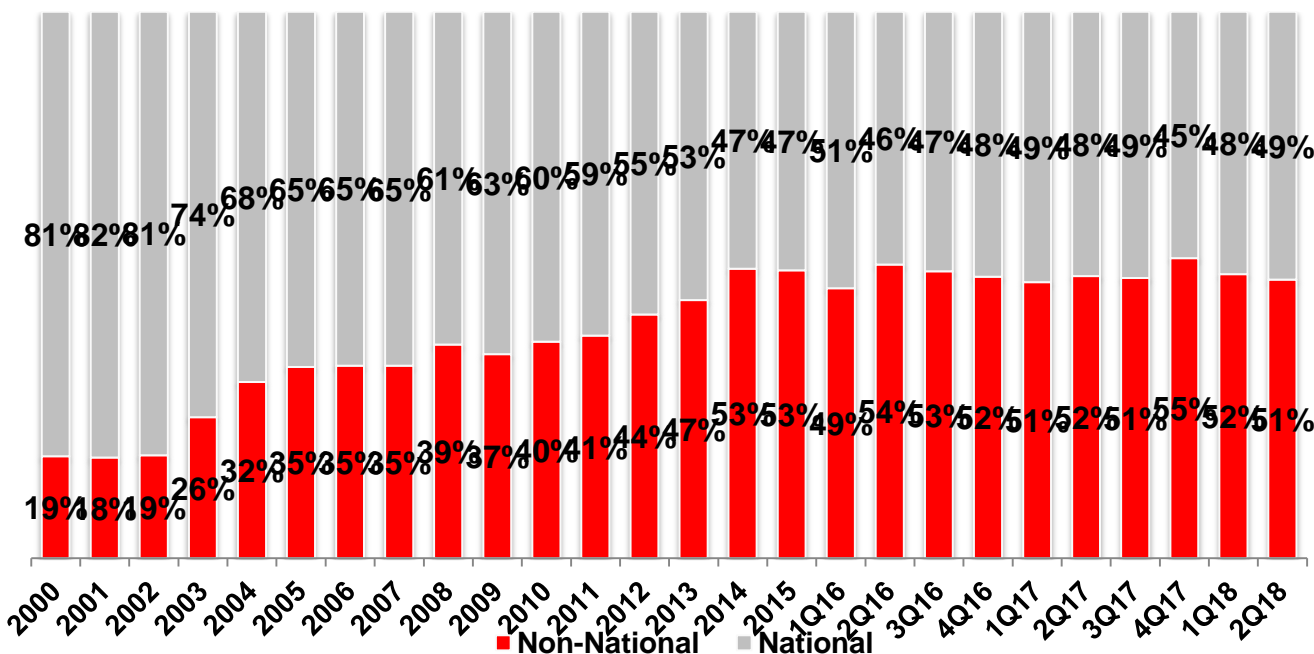
Top 5 manufacturers

	Units			Market Share		
	2Q'18	1Q'18	Changes	2Q'18	1Q'18	2018
Perodua	61,530	55,568	+10.7%	39.8%	41.1%	40.4%
Proton	14,263	12,843	+11.1%	9.2%	9.5%	9.4%
Honda	27,172	24,182	+12.4%	17.6%	17.9%	17.7%
Toyota	19,026	12,683	+50.0%	12.3%	9.4%	10.9%
Nissan	6,616	5,310	+24.6%	4.3%	3.9%	4.1%

Source: MAA

National brands regaining market share

2Q'18



	Q-o-Q %
Perodua	10.7%
Proton	11.1%

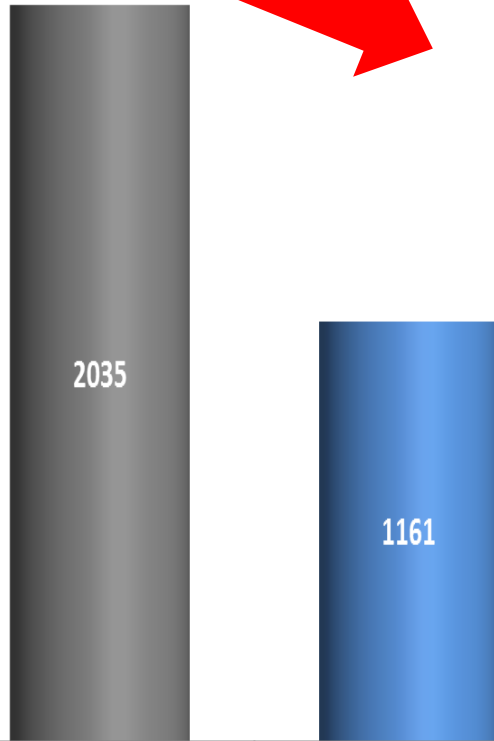
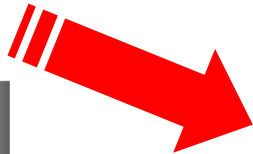
	Q-o-Q %
Toyota	50.0%
Nissan	24.6%
Honda	12.4%
Mitsubishi	-19.1%
Isuzu	13.7%
Mazda	-5.3%

	Q-o-Q %
Ford	7.1%
VW	23.4%
BMW	11.9%
Mercedes	3.6%

Indochina Sales Performance

Q-o-Q

-43%



1Q'18

2Q'18



657 units
-59%

Vietnam



152 units
+9%

Laos



111 units
+4%

Cambodia

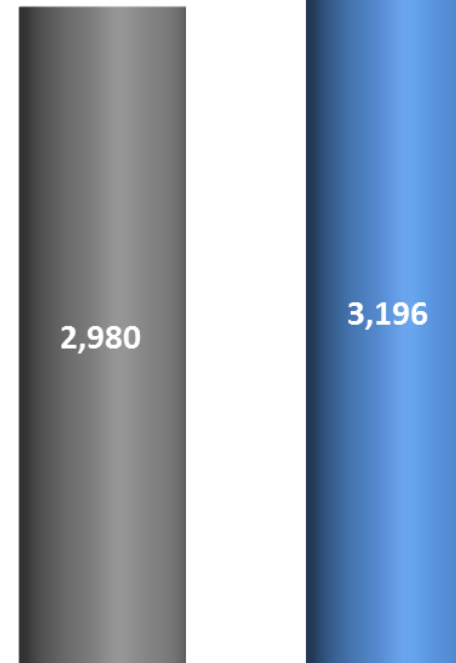


241 units
+23%

Myanmar

Y-o-Y

+7%



2017

2018



2,249 units
-2%

Vietnam



292 units
+43%

Laos



218 units
>100%

Cambodia



437 units
+14%

Myanmar

Ytd Sales

Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 7% due to overall improvement in the sales of Navara and Sunny in Myanmar, 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: Q2 2018 – 655 units, Q1 2018 – 530 units)

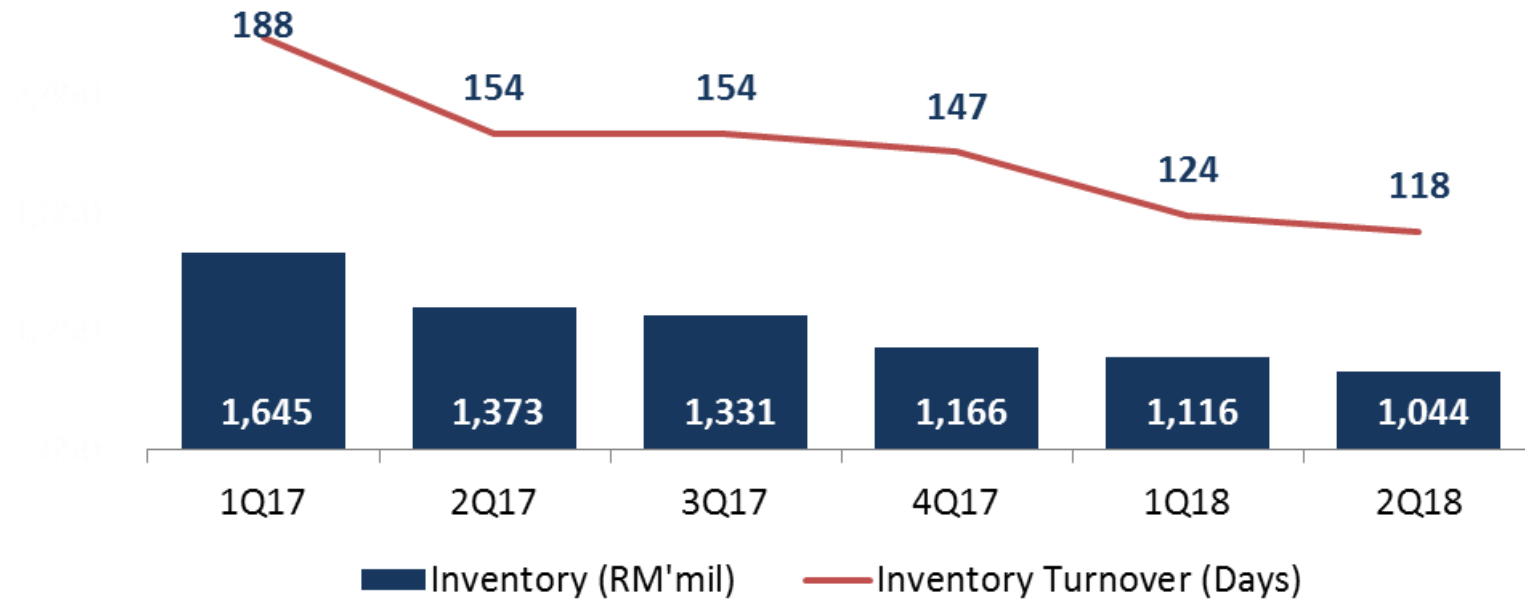


Business Review

2Q18 Sales Performance & Operation Review

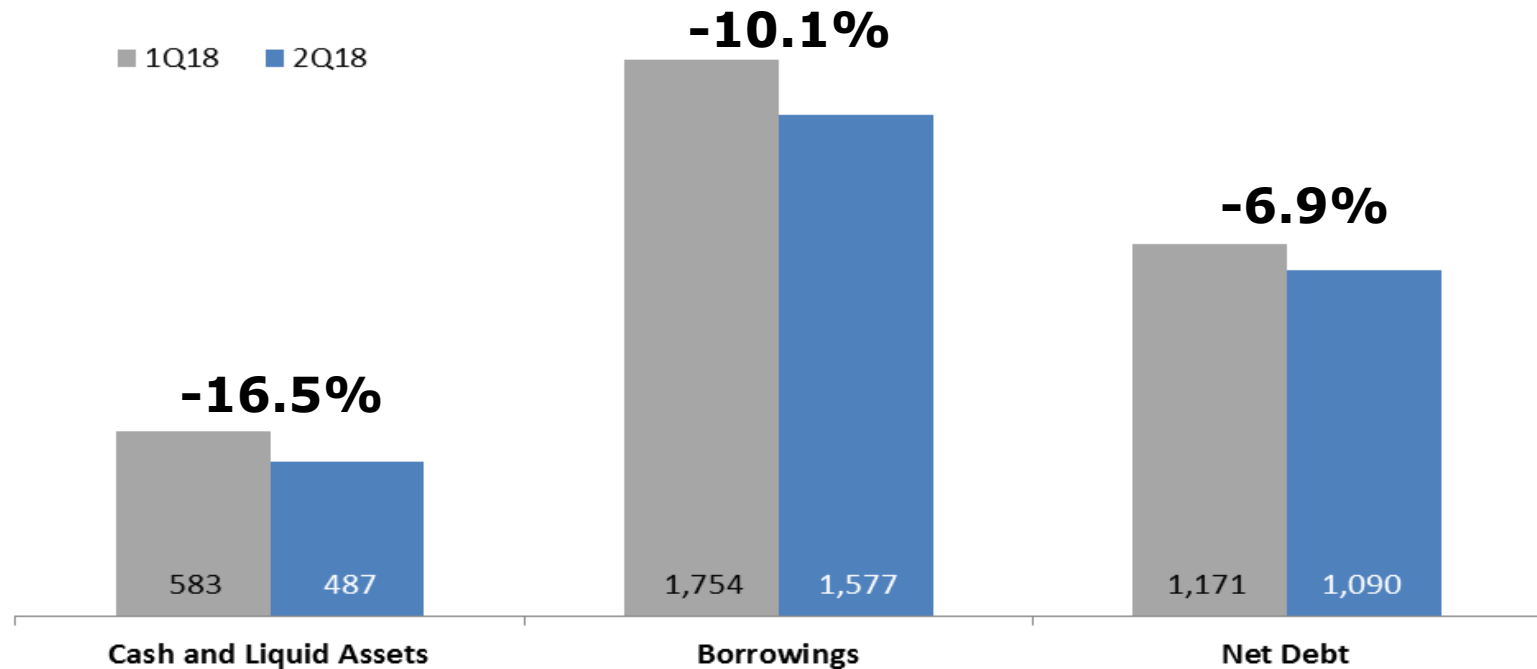
Appendices

Inventory Management



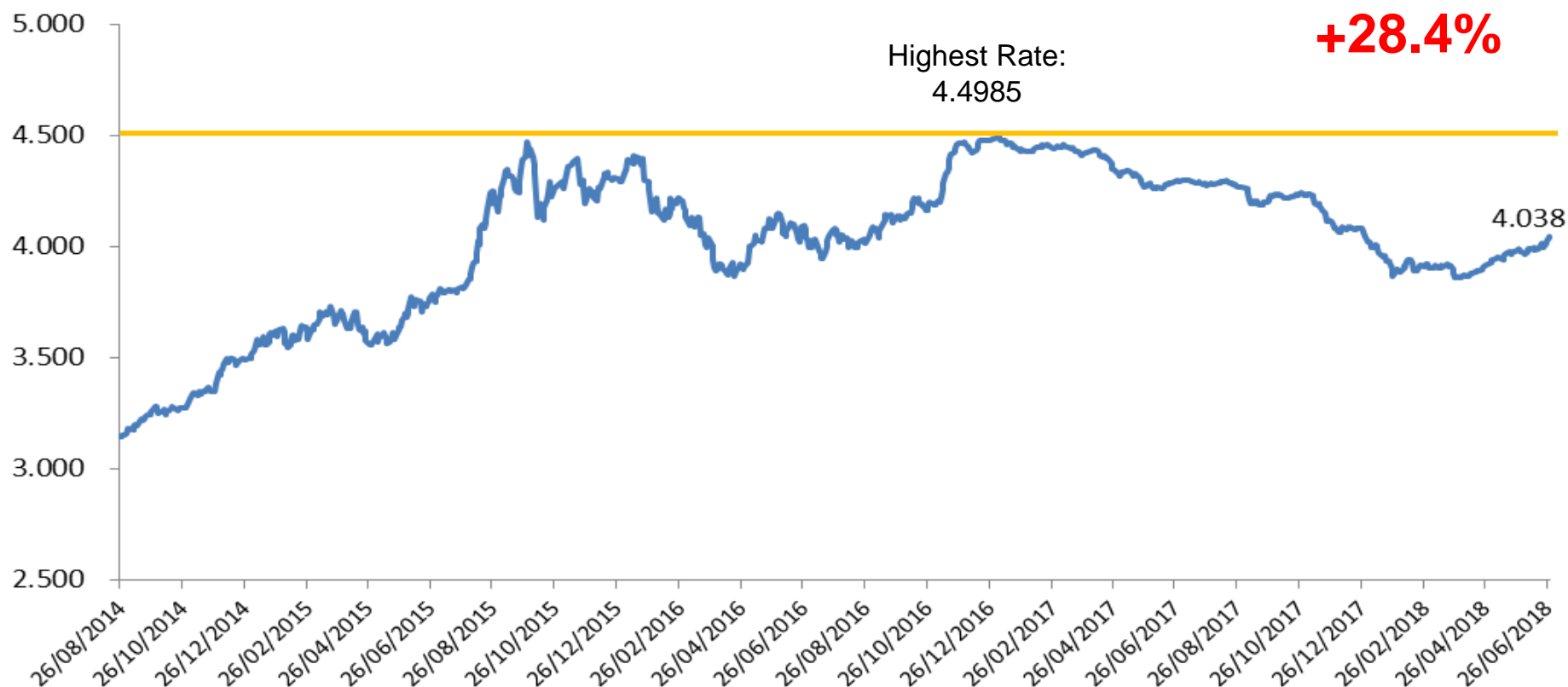
- Turnover days improved over the year due to efficient inventory management.

Cash Balance & Borrowings (RM'mil)



- Total borrowings decreased due to repayment made during the quarter.
- Net gearing stood at 39.1%.

Foreign Exchange Management



Source: Bloomberg

- Ringgit vs U.S. Dollar fluctuated since the end of first quarter due to change of government.
- We will take diligent steps to monitor the foreign currency risk and continue to exercise our hedging activities.

Thank you

