

**Tan Chong
Motor
Holdings
Berhad**

FY2017 Third-Quarter Financial Results



Cautionary Statement with Respect to Forward-Looking Statements

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Statements or comments made during this presentation that are not historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to differ materially from that anticipated in these statements.

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

3Q17 Sales Performance & Operation Review

Key Performance Indicators

(RM'million, unless otherwise stated)

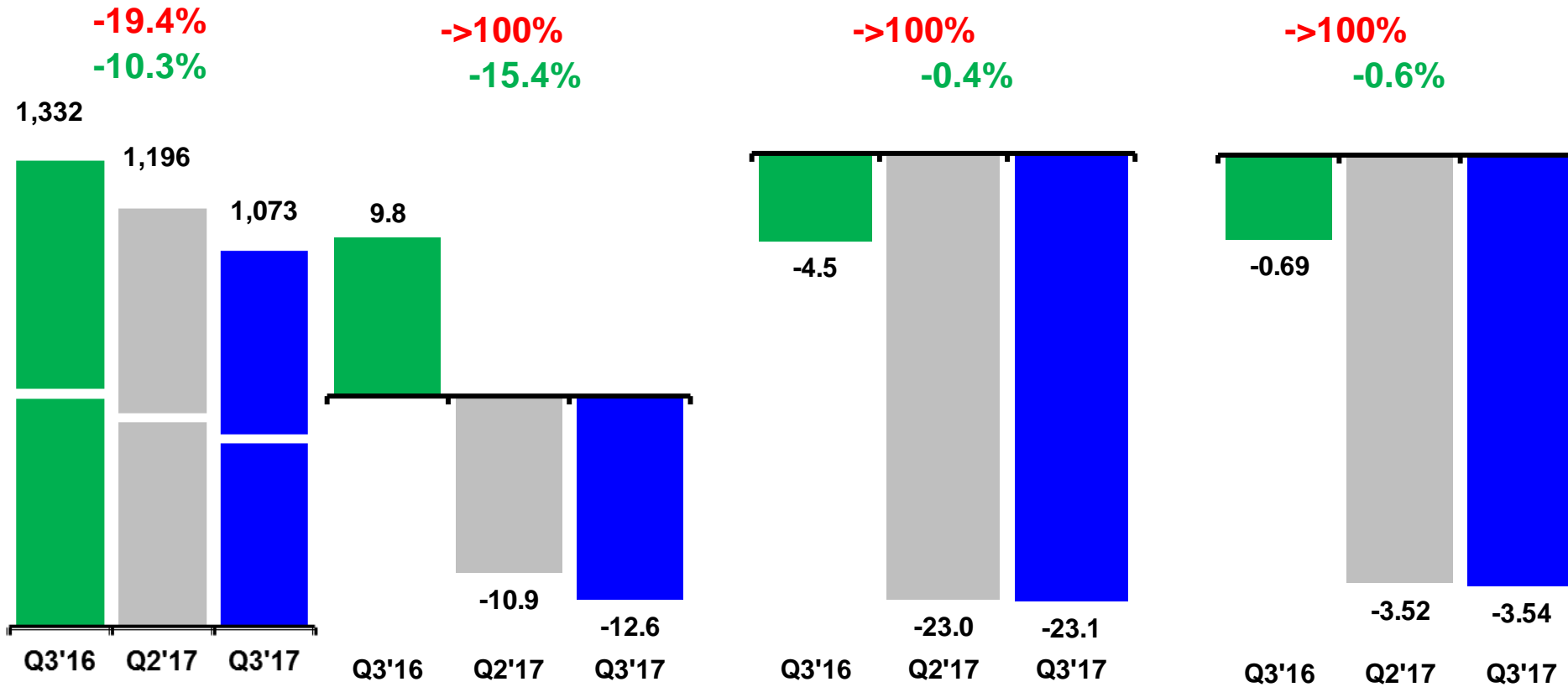
Y-o-Y
Q-o-Q

Revenue

Operating Profit/ (Loss)

Loss Attributable to Owners of the Company

Loss Per Share (Sen)



QoQ Financials Review

In RM'000, unless stated otherwise

	2Q17	3Q17	Changes
Net Revenue	1,196,358	1,073,262	-10.3%
Operating Loss	(10,949)	(12,631)	-15.4%
Loss Before Tax	(22,713)	(27,146)	-19.5%
Loss Attributable to Owners of the Company	(22,999)	(23,087)	-0.4%
Loss per Share (Sen)	(3.52)	(3.54)	-0.6%
Shareholders' Fund	2,816,799	2,789,932	-1.0%
Net Asset per Share (RM)	4.32	4.27	-1.2%

- Decreased in revenue due to lower sales of vehicles in a highly competitive market. Concurrently, profitability was also affected negatively.

YoY Financials Review

In RM'000 , unless stated otherwise

	30-Sep-16	30-Sep-17	Changes
Revenue	4,058,301	3,265,272	-19.5%
Operating Loss	(6,239)	(45,775)	->100%
Loss Before Tax	(54,499)	(85,402)	-56.7%
Loss After Tax	(58,379)	(90,157)	-54.4%
Loss Attributable to Owners of the Company	(56,296)	(81,408)	-44.6%
LPS (Sen)	(8.63)	(12.47)	-44.5%

- Revenue decreased YoY mainly due to slower sales of new vehicles in a highly competitive market.

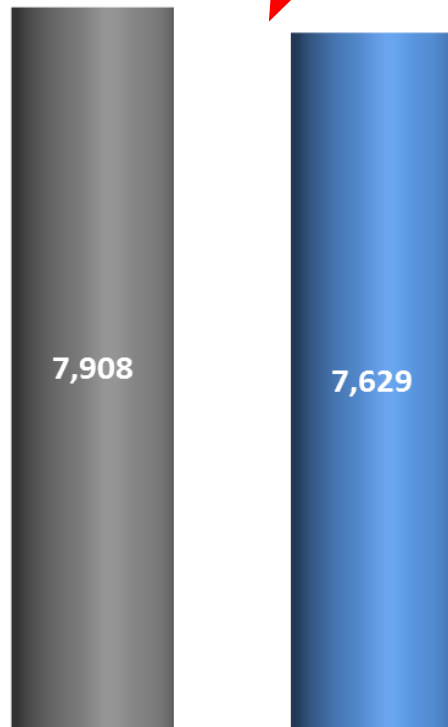
Segmental Performance

<i>In RM'000</i>	2Q17	3Q17	Change (%)
Sales			
Automobiles	1,176,851	1,048,503	-10.9%
Financial services	17,469	23,024	31.8%
Other operations	2,038	1,735	-14.9%
	1,196,358	1,073,262	-10.3%
EBITDA			
Automobiles	20,672	17,382	-15.9%
Financial services	3,771	5,108	35.5%
Other operations	2,624	(2,852)	-208.7%
	27,067	19,638	-27.4%
EBITDA margin			
Automobiles	1.8%	1.7%	
Financial services	21.6%	22.2%	
Other operations	128.8%	-164.4%	
	2.3%	1.8%	

Malaysia Sales Performance

Q-o-Q

-3.5%



2Q17

3Q17



7,222 units

-4%



262 units

+35%



138 units

-12%

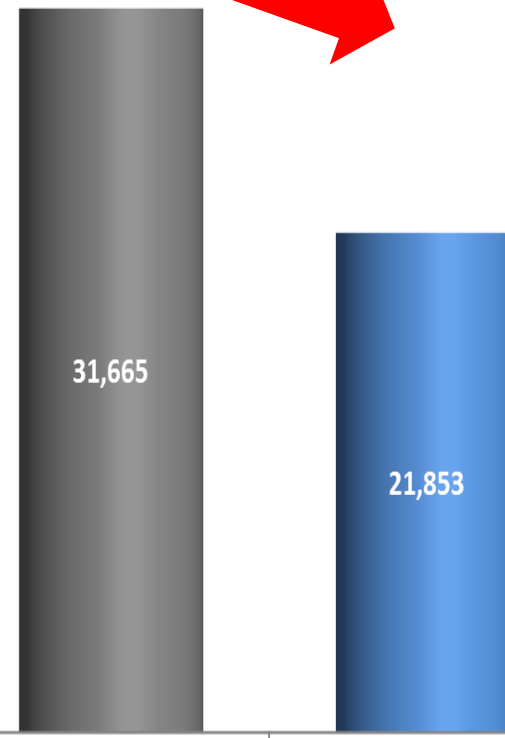


7 units

-30%

Y-o-Y

-31.0%



2016

2017



20,759 units

-32%



640 units

-9%



433 units

-7%



21 units

-79%

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY -31.0% : Due to weak consumer demand.**
- **QoQ -3.5% : Due to slight reduced in demand after aggressive festivities promotion last quarter.**
- **To compensate for new car sales, TCMH has been able to sell trade-in used cars through MUV. (Sales unit: Q3'2015 – 968 units, Q3'2016 – 1,951 units, Q3'2017 – 1,234 units)**

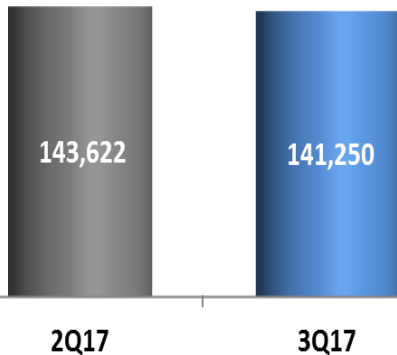


Top 5 manufacturers

TIV

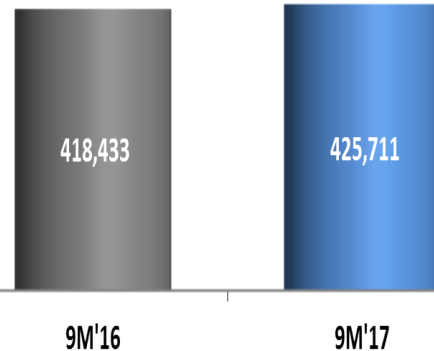
Q-o-Q

-1.7%



Y-o-Y

+1.7%



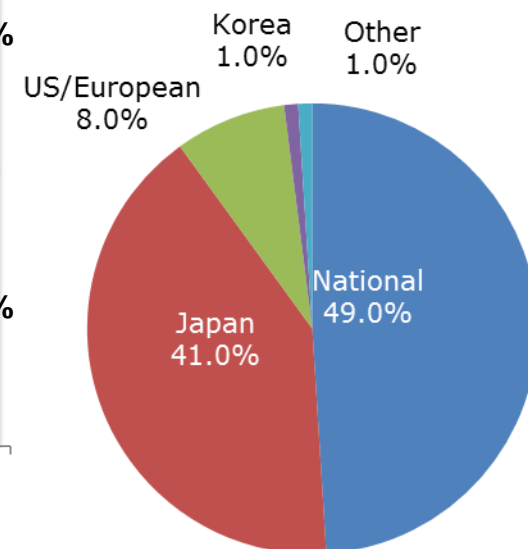
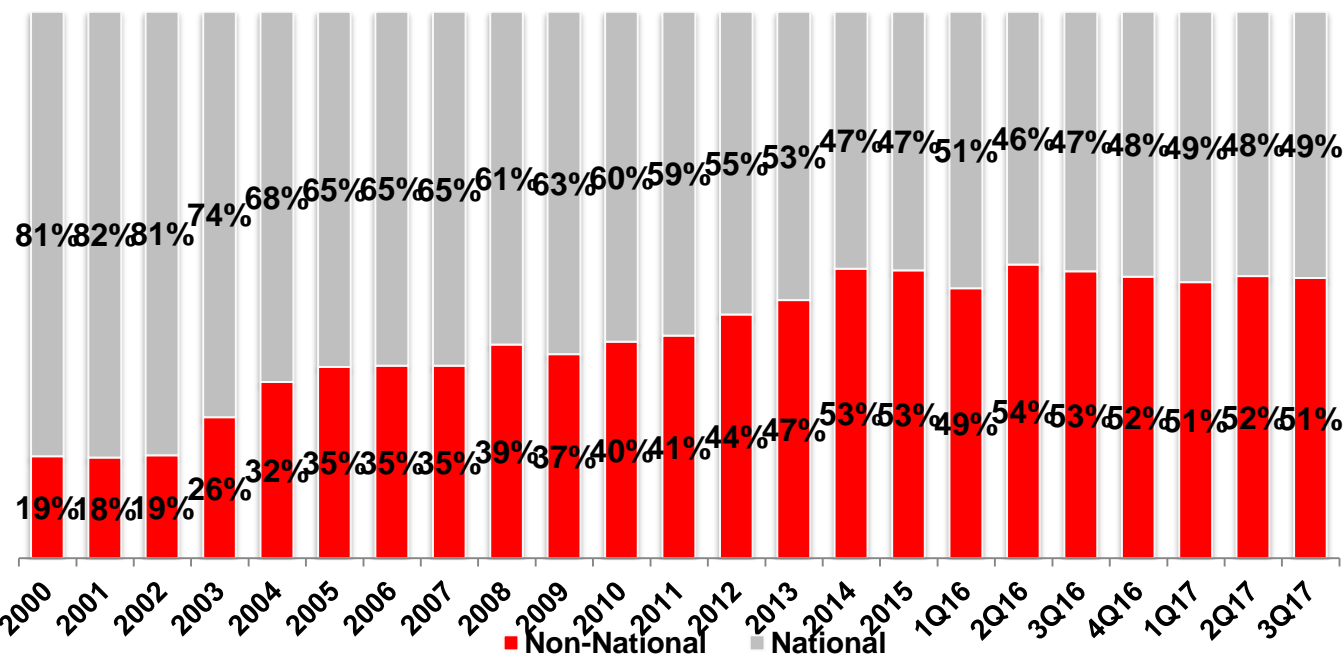
Top 5 manufacturers

	Units			Market Share		
	3Q'17	2Q'17	Changes	3Q'17	2Q'17	2017
Perodua	51,905	49,410	+5.0%	36.7%	34.4%	35.6%
Proton	16,904	20,017	-15.6%	12.0%	13.9%	13.2%
Honda	26,215	25,244	+3.8%	18.6%	17.6%	18.5%
Toyota	15,596	17,220	-9.4%	11.0%	12.0%	11.6%
Nissan	7,222	7,548	-4.3%	5.1%	5.3%	4.9%

Source: MAA

National brands regaining market share

3Q'17



Q-o-Q %

Perodua	+5.0%
Proton	-15.6%

Q-o-Q %

Toyota	-9.4%
Nissan	-4.3%
Honda	+3.8%
Mitsubishi	-5.5%
Isuzu	-3.5%
Mazda	-17.0%

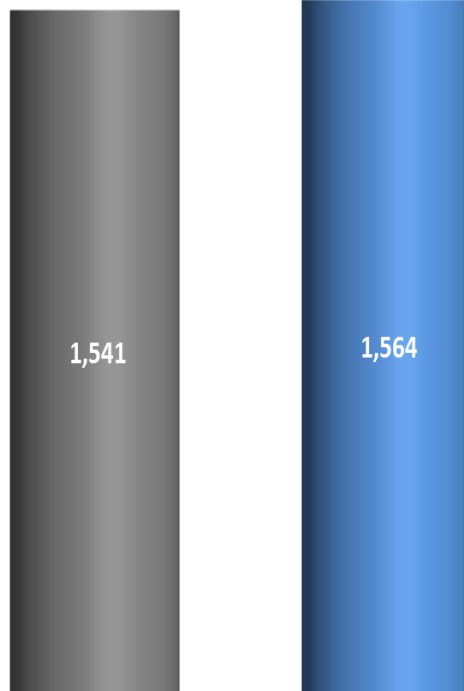
Q-o-Q %

Ford	+0.8%
VW	+16.3%
BMW	+14.0%
Mercedes	-2.5%

Indochina Sales Performance

Q-o-Q

+1%



2Q'17

3Q'17



1,199 units
+0%

Vietnam



81 units
-17%

Laos



57 units
+46%

Cambodia

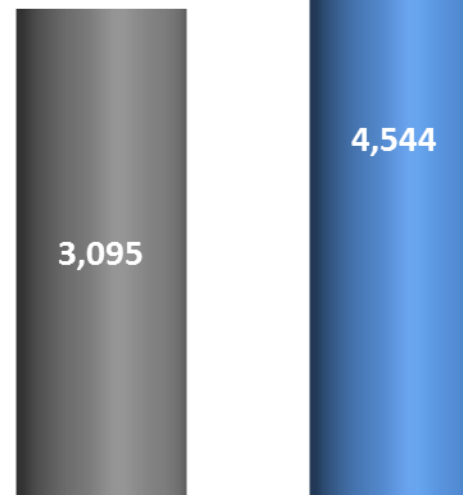
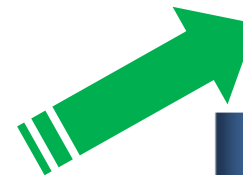


227 units
+8%

Myanmar

Y-o-Y

+47%



2016

2017



3,502 units
+24%

Vietnam



285 units
+37%

Laos



145 units
>100%

Cambodia



612 units
>100%

Myanmar

Ytd Sales

Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 47% due to launch of new X-trail in Vietnam and new Sunny in Myanmar.
- Consistent sales Q-o-Q in Vietnam was due to consistent sales of Navara and X-trail models.
- Danang assembly plant still impacted by negative production variances.
- TC Motorcycle Vietnam which has exclusive distribution of Kawasaki is profitable with scalable potential. (Sales units: Q3 2017 – 335 units, Q2 2017 – 385 units)
- As of 27 November 2017, Cambodian Court ruled in favour of TCM Cambodia and awarded USD8mil in damages on the legal case in Cambodia.

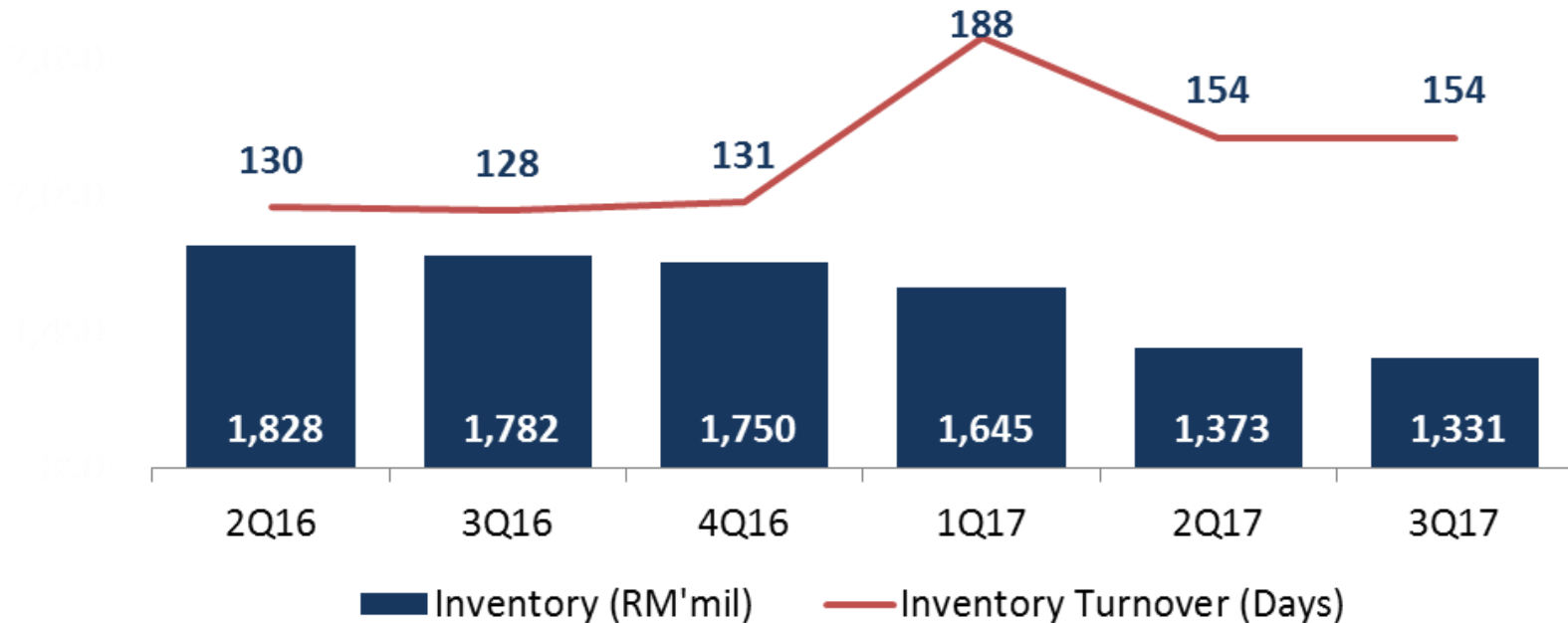


Business Review

3Q17 Sales Performance & Operation Review

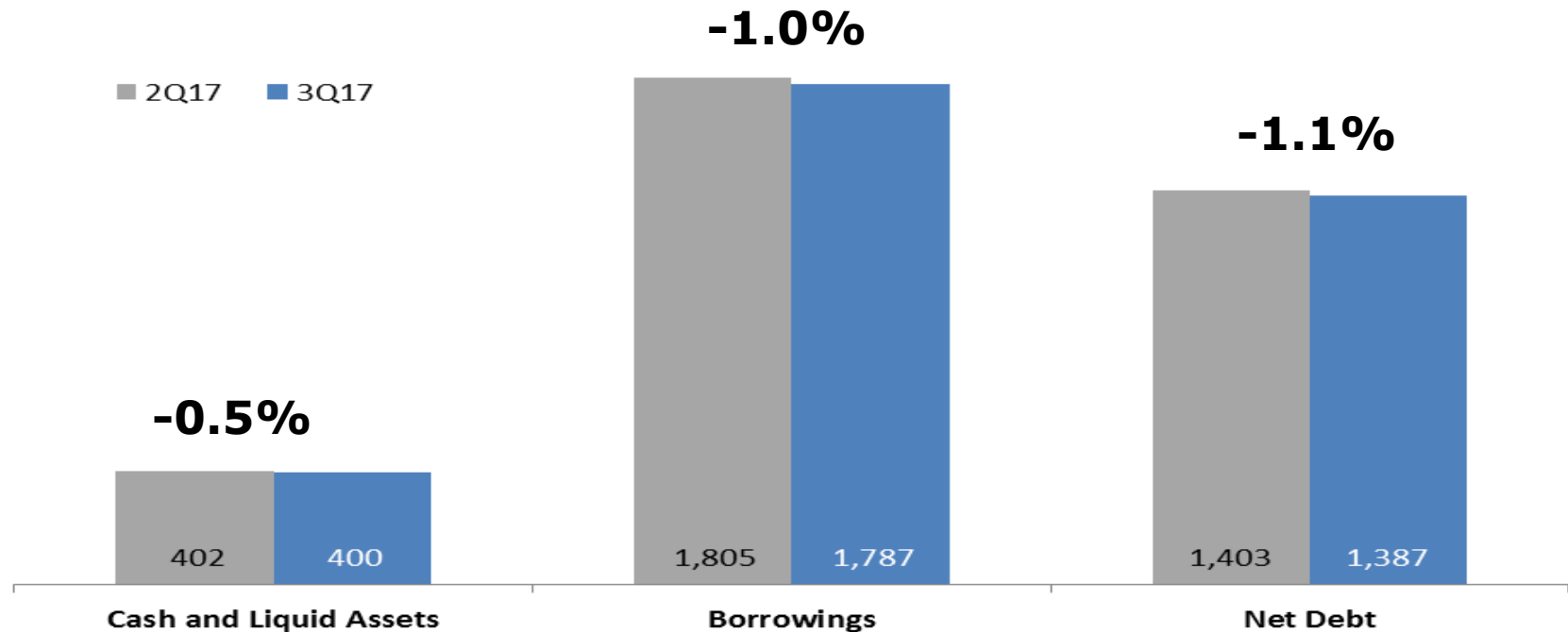
Appendices

Inventory Management



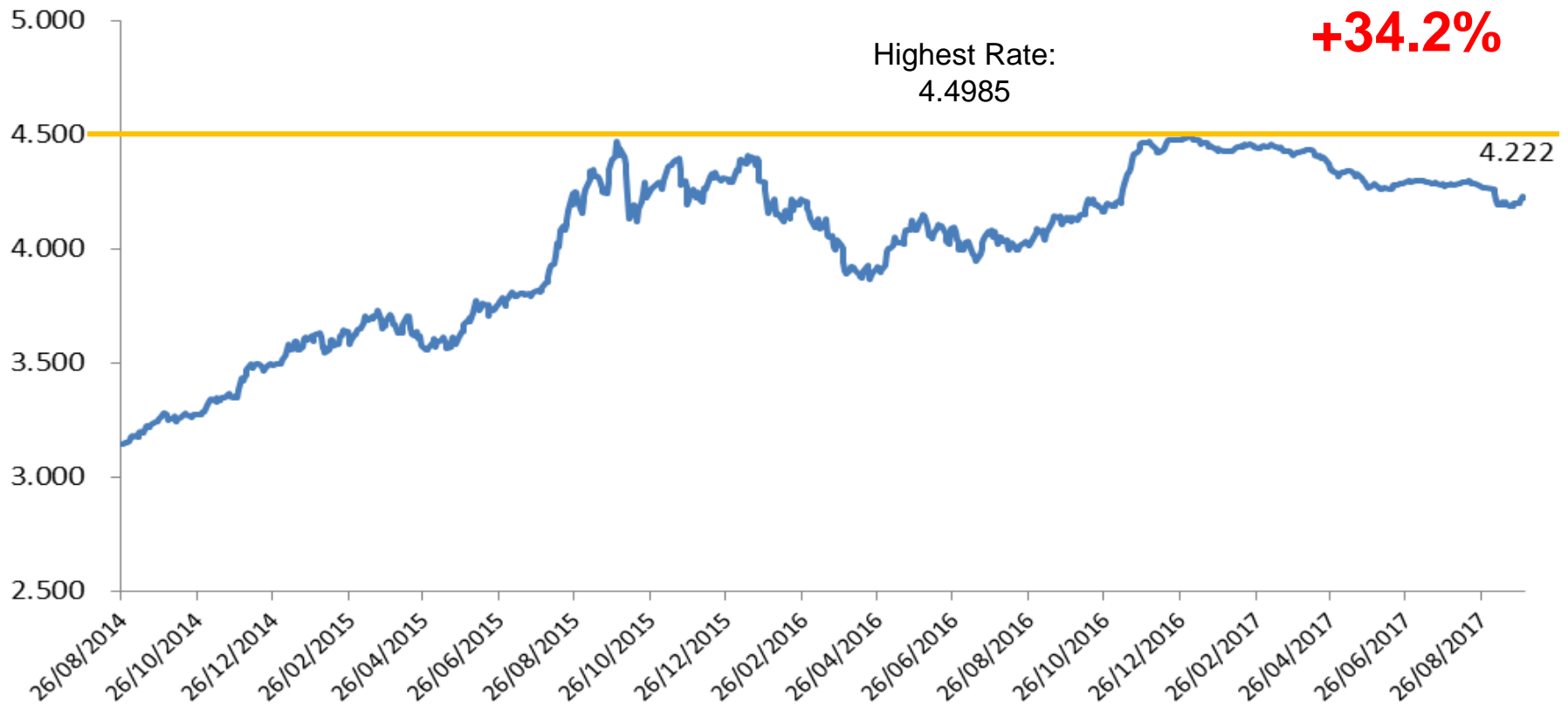
- Turnover days remained consistent since last quarter as the total sales units for Q3 were also quite similar with Q2.

Cash Balance & Borrowings (RM'mil)



- Total borrowings slightly decreased due to repayment made during the quarter.
- Net gearing stood at 49.7%.

Foreign Exchange Management



Source: Bloomberg

- Ringgit vs U.S. Dollar fluctuated and devalued towards the last year end. It remains consistent and is stable since then.
- We will take diligent steps to monitor the foreign currency risk and continue to exercise our hedging activities.

