

**Tan Chong
Motor
Holdings
Berhad**

FY2018 Third-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

3Q18 Sales Performance & Operation Review

Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q

Revenue

Operating Profit/ (Loss)

Profit/ (Loss) Attributable to Owners of the Company

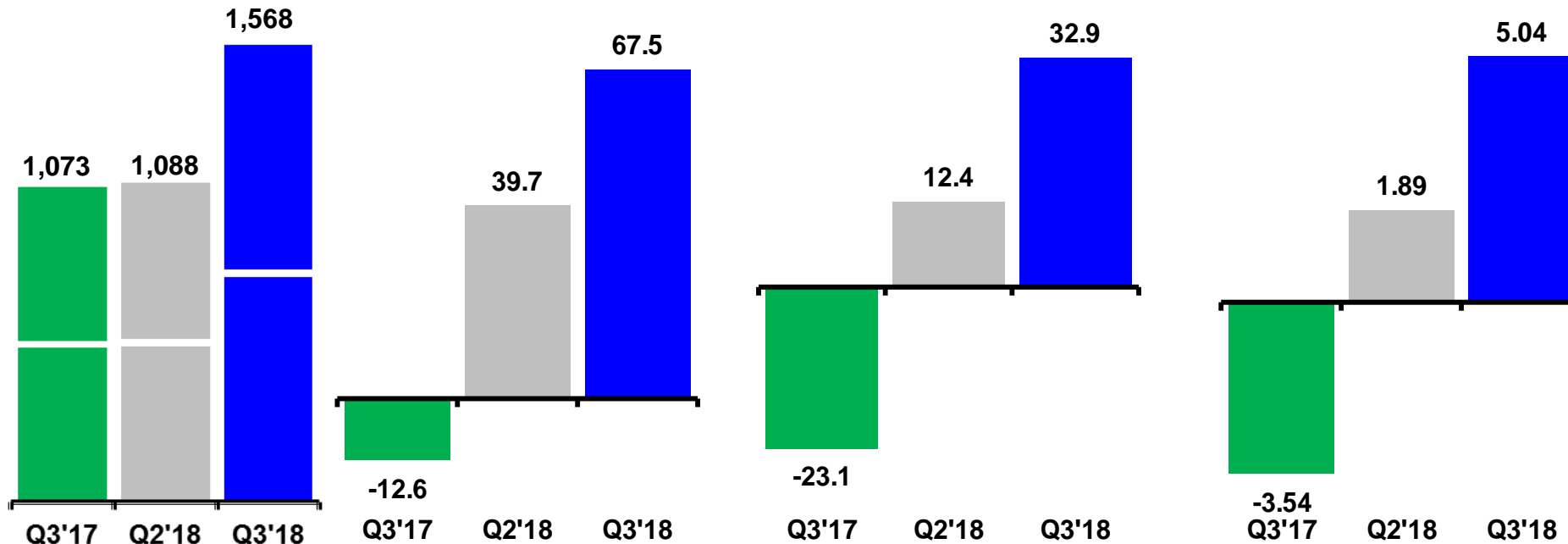
Earning/ (Loss) Per Share (Sen)

46.1%
44.1%

634.3%
70.0%

242.3%
165.8%

242.4%
166.7%



QoQ Financials Review

In RM'000, unless stated otherwise

	2Q18	3Q18	Changes
Net Revenue	1,088,316	1,568,434	44.1%
Operating Profit	39,654	67,490	70.2%
Profit Before Tax	24,805	56,592	128.1%
Profit Attributable to Owners of the Company	12,363	32,863	165.8%
Earnings per Share (Sen)	1.89	5.04	166.7%
Shareholders' Fund	2,790,628	2,808,243	0.6%
Net Asset per Share (RM)	4.28	4.30	0.5%

- Revenue increased significantly due to increase in demand during tax holiday sales period and sales of new Nissan Serena S-Hybrid.
- Profitability improved due to better sales mix.

YoY Financials Review

In RM'000 , unless stated otherwise

	30-Sep-17	30-Sep-18	Changes
Revenue	3,265,272	3,691,368	13.0%
Operating (Loss)/ Profit	(45,775)	130,785	385.7%
(Loss)/ Profit Before Tax	(85,402)	94,858	211.1%
(Loss)/ Profit After Tax	(90,157)	49,642	155.1%
(Loss)/ Profit Attributable to Owners of the Company	(81,408)	49,478	160.8%
(LPS)/ EPS (Sen)	(12.47)	7.58	160.8%

- Revenue (YoY) increased significantly due to good response for new Serena S-Hybrid and tax holiday during the third quarter.
- Profitability improved significantly due to better sales mix and forex.

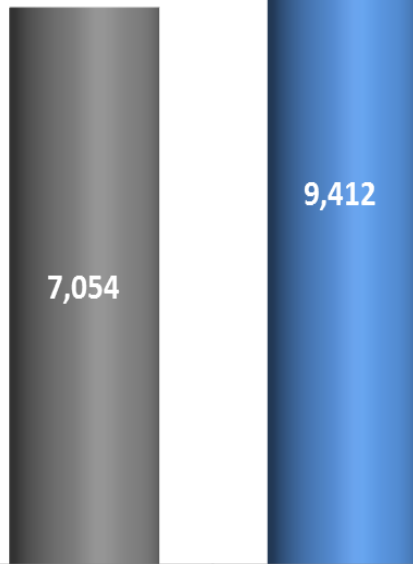
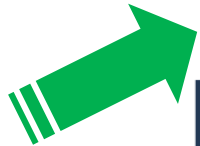
Segmental Performance

<i>In RM'000</i>	2Q18	3Q18	Change (%)
Sales			
Automobiles	1,062,727	1,540,565	45.0%
Financial services	22,610	22,240	-1.6%
Other operations	2,979	5,629	89.0%
	1,088,316	1,568,434	44.1%
EBITDA			
Automobiles	53,640	88,647	65.3%
Financial services	4,481	5,186	15.7%
Other operations	11,010	1,555	-85.9%
	69,131	95,388	38.0%
EBITDA margin			
Automobiles	5.0%	5.8%	
Financial services	19.8%	23.3%	
Other operations	369.6%	27.6%	
	6.4%	6.1%	

Malaysia Sales Performance

Q-o-Q

+33.4%



2Q18

3Q18



8,807 units

+33%



217 units

+31%



366 units

+39%

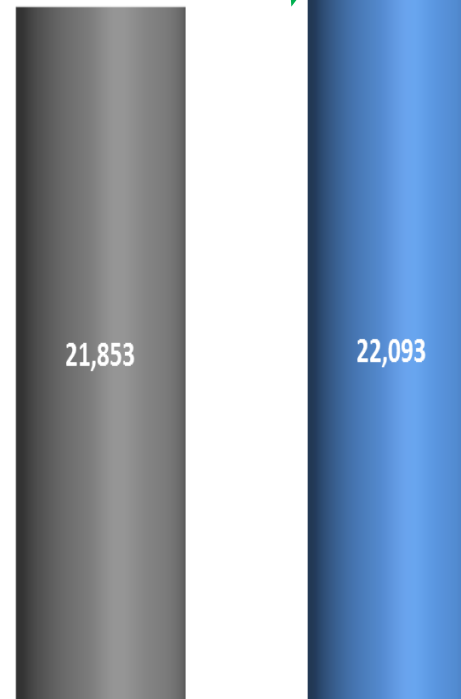


22 units

+175%

Y-o-Y

+1.1%



2017

2018



20,733 units

-0.1%



543 units

-15%



782 units

+81%



35 units

+67%

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY +1.1% : Remained consistent compared to prior year sales.**
- **QoQ +33.4% : Due to tax holiday sales and good response for new Nissan Serena S-Hybrid.**

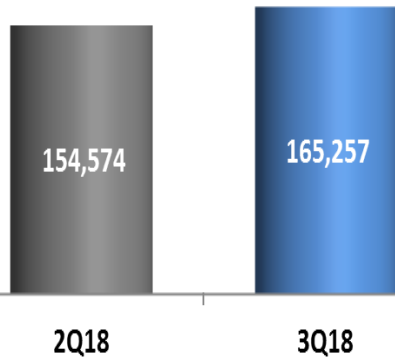


Top 5 manufacturers

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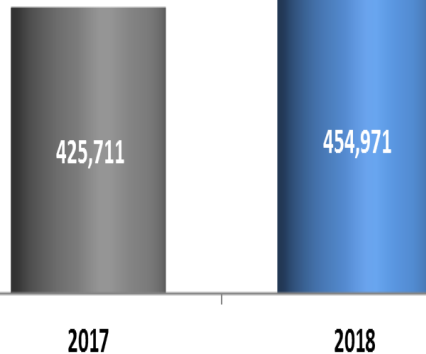
Q-o-Q

+6.9%



Y-o-Y

+6.9%



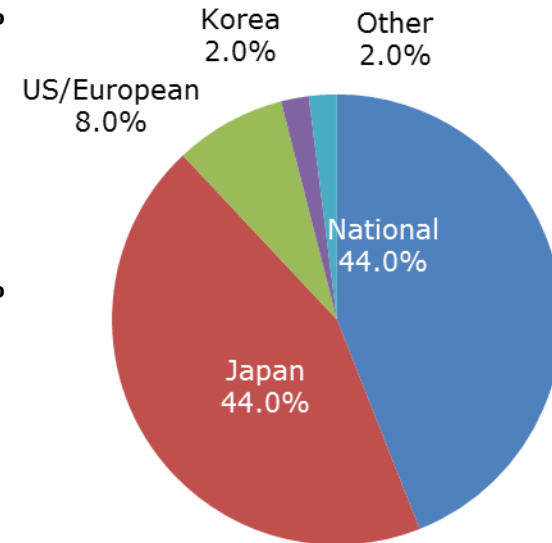
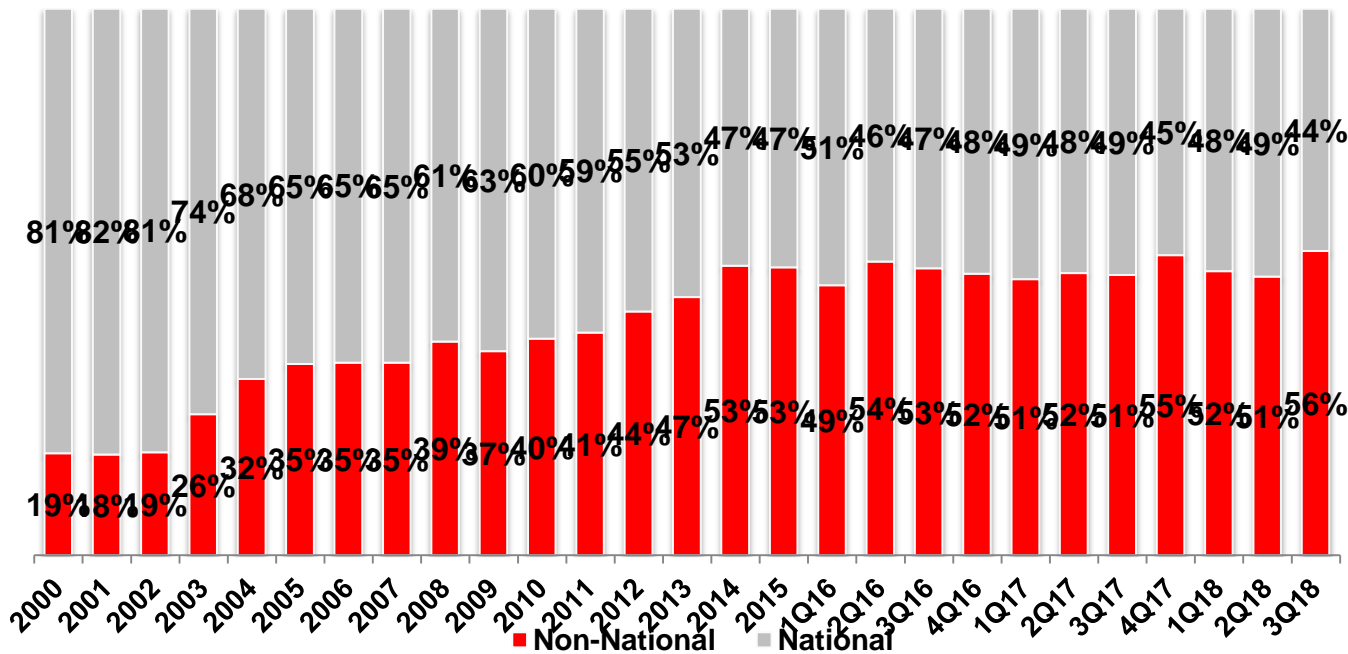
Top 5 manufacturers

	Units			Market Share		
	3Q'18	2Q'18	Changes	3Q'18	2Q'18	2018
Perodua	51,105	61,530	-16.9%	30.9%	39.8%	37.0%
Proton	22,127	14,263	+55.1%	13.4%	9.2%	10.8%
Honda	28,561	27,172	+5.1%	17.3%	17.6%	17.6%
Toyota	20,940	19,026	+10.1%	12.7%	12.3%	11.6%
Nissan	8,807	6,616	+33.1%	5.3%	4.3%	4.6%

Source: MAA

Non-national brands regaining market share

3Q'18



	Q-o-Q %
Perodua	-16.9%
Proton	55.1%

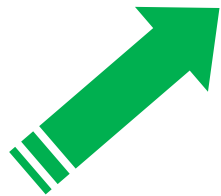
	Q-o-Q %
Toyota	10.1%
Nissan	33.1%
Honda	5.1%
Mitsubishi	34.7%
Isuzu	47.9%
Mazda	33.6%

	Q-o-Q %
Ford	42.6%
VW	25.8%
BMW	29.1%
Mercedes	-2.5%

Indochina Sales Performance

Q-o-Q

+160%



2Q'18



3Q'18



2,492 units
+279%

Vietnam



127 units
-16%

Laos



119 units
+7%

Cambodia

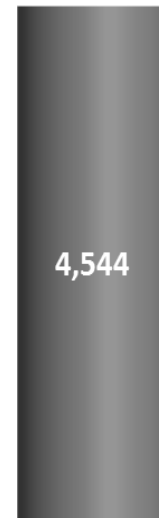
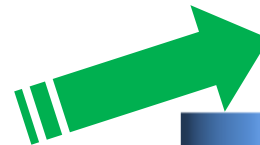


276 units
+15%

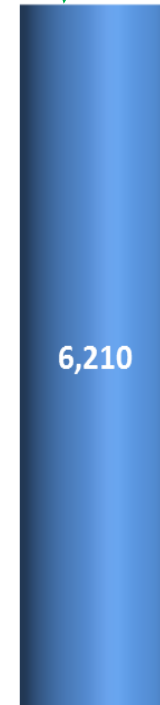
Myanmar

Y-o-Y

+37%



2017



2018



4,741 units
+35%

Vietnam



419 units
+47%

Laos



337 units
>100%

Cambodia



713 units
+17%

Myanmar

Ytd Sales

Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 37% due to overall improvement in the sales of Navara and Sunny in Vietnam and Myanmar.
- Increased sales Q-o-Q in Vietnam was mainly due to higher sales from Navara following compliance with Decree 116 regulation requirements 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: Q3 2018 – 717 units, Q2 2018 – 655 units)

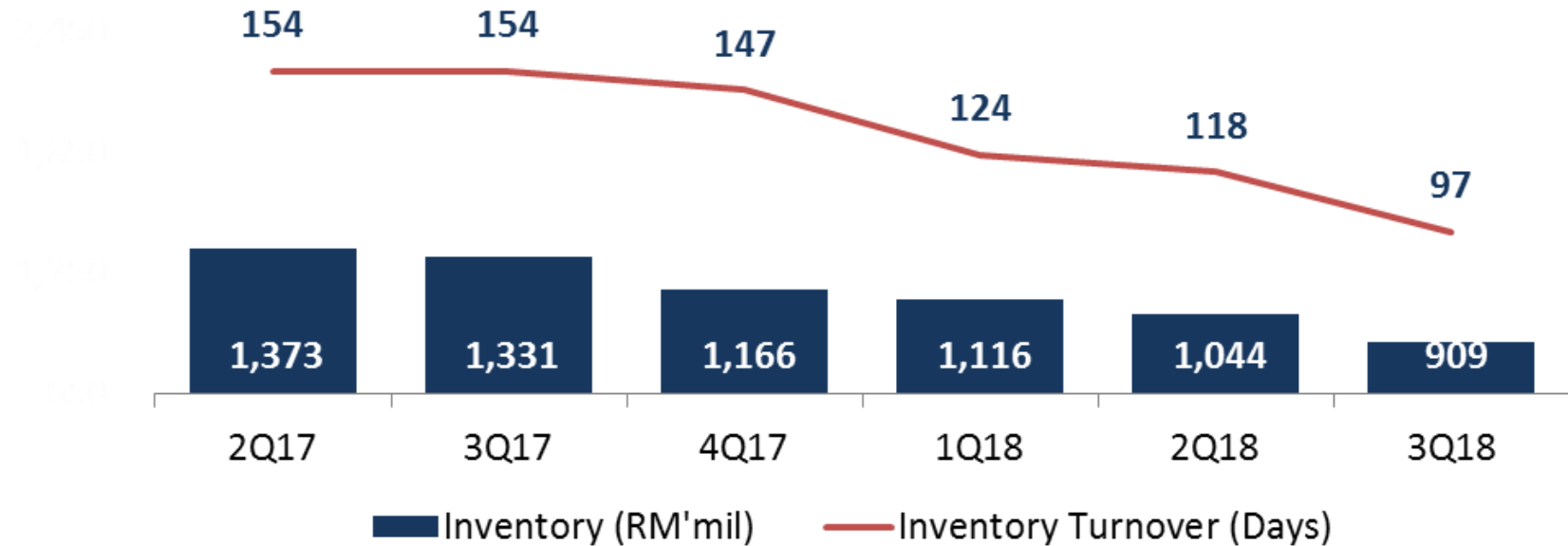


Business Review

3Q18 Sales Performance & Operation Review

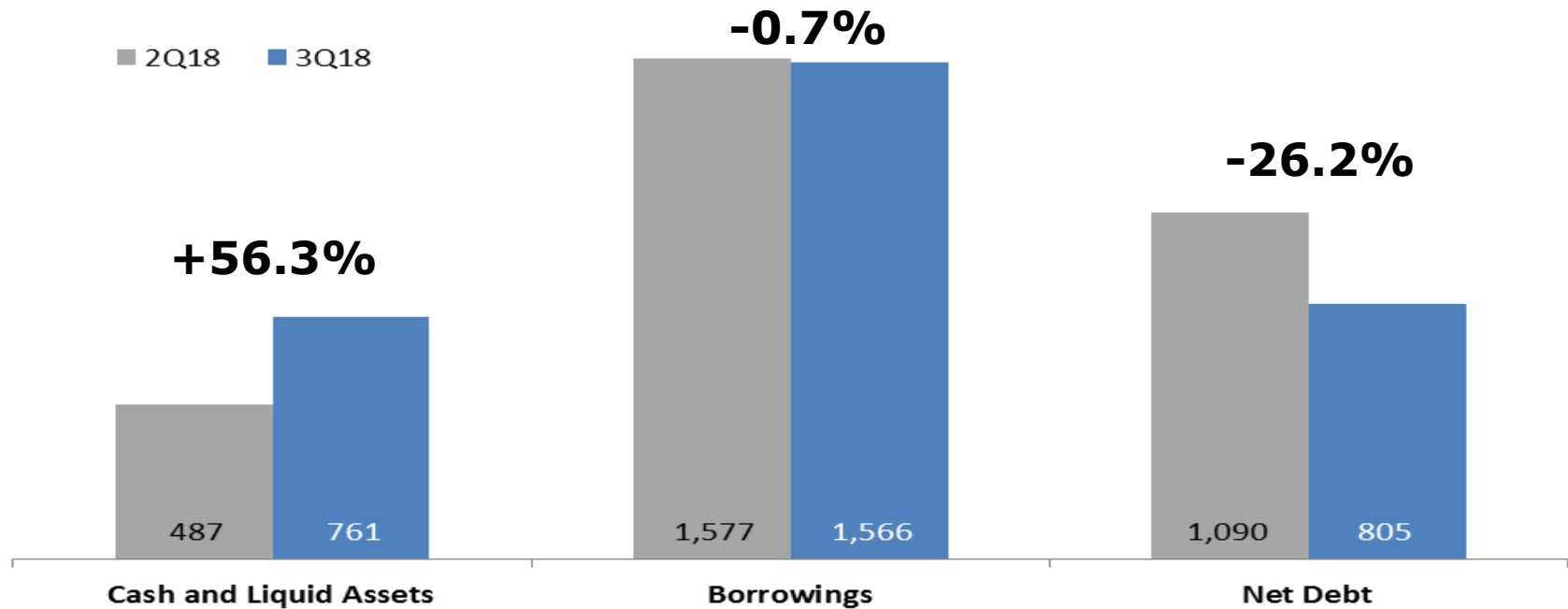
Appendices

Inventory Management



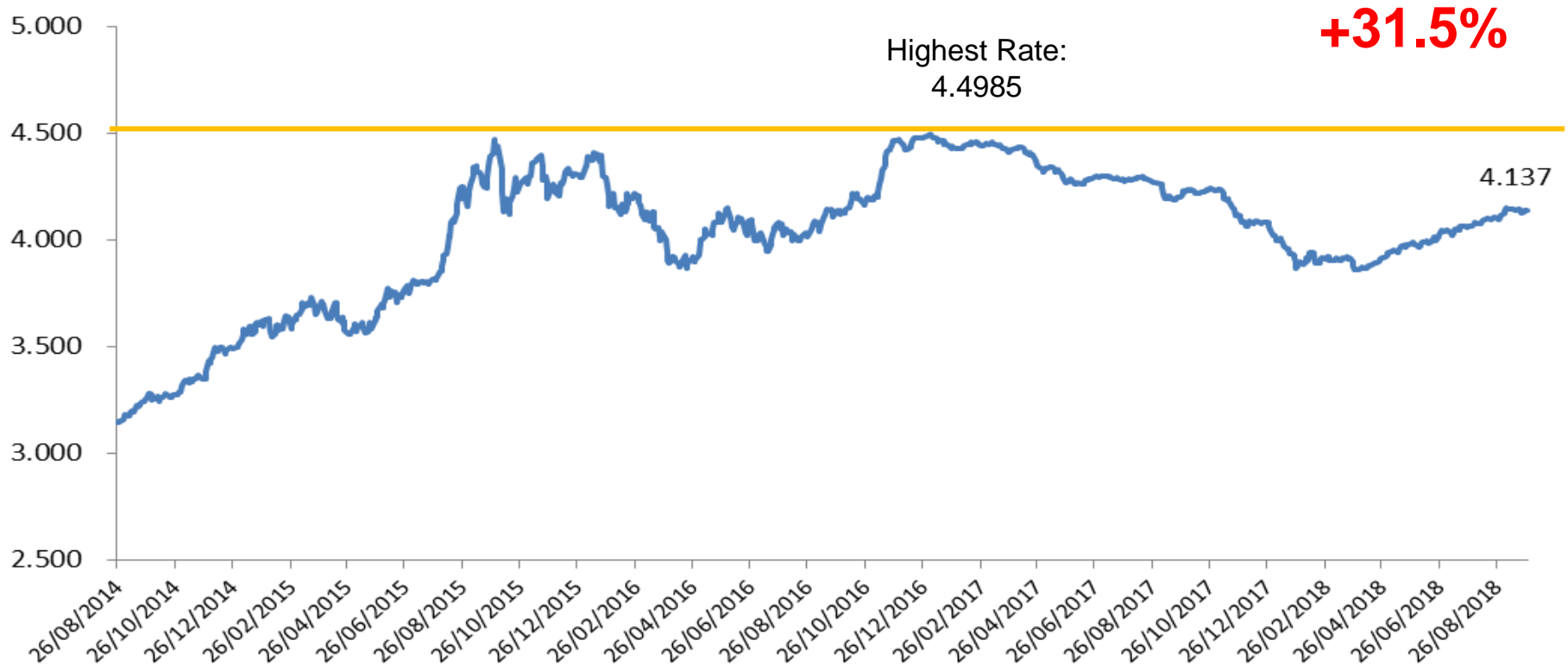
- Turnover days improved over the year due to efficient inventory management.

Cash Balance & Borrowings (RM'mil)



- Total borrowings decreased due to repayment made during the quarter.
- Net gearing stood at 28.8%.

Foreign Exchange Management



Source: Bloomberg

- Ringgit vs U.S. Dollar increased since last quarter due to US-China trade wars and uncertainties in Malaysia's economy.
- We will take diligent steps to monitor the foreign currency risk and continue to exercise our hedging activities.

Thank you

