

**Tan Chong
Motor
Holdings
Berhad**

FY2017 Fourth-Quarter Financial Results



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Business Review

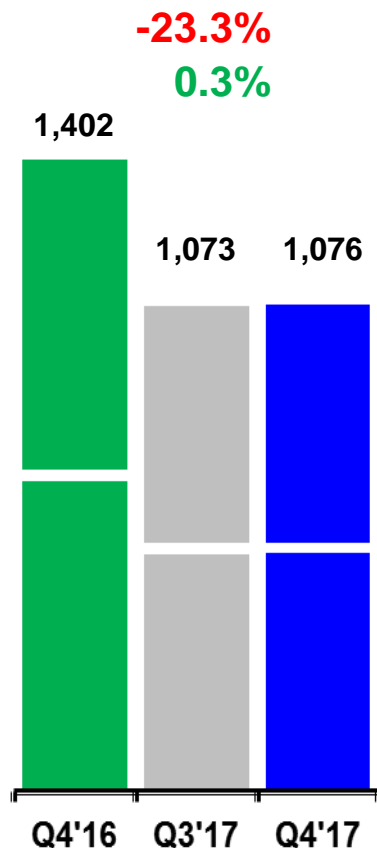
4Q17 Sales Performance & Operation Review

Key Performance Indicators

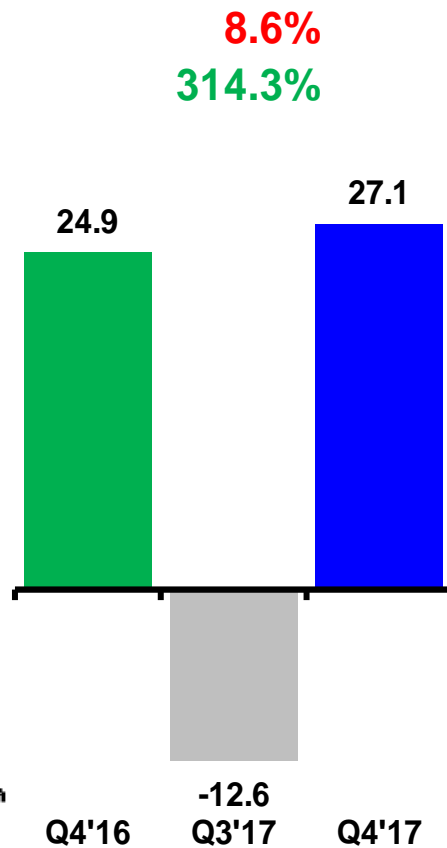
(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q

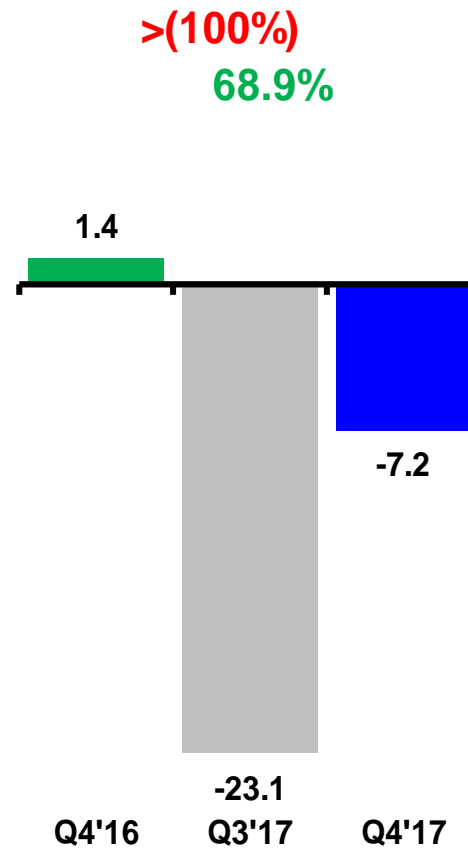
Revenue



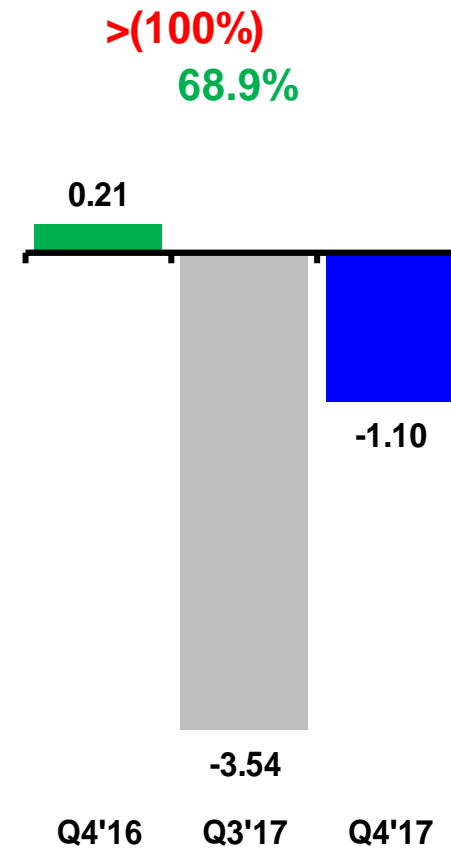
Operating Profit/ (Loss)



Profit/ (Loss) Attributable to Owners of the Company



Earning/ (Loss) Per Share (Sen)



QoQ Financials Review

In RM'000, unless stated otherwise

	3Q17	4Q17	Changes
Net Revenue	1,073,262	1,075,956	0.3%
Operating (Loss)/ Profit	(12,631)	27,066	314.3%
(Loss)/ Profit Before Tax	(27,146)	12,591	146.4%
Loss Attributable to Owners of the Company	(23,087)	(7,189)	68.9%
Loss per Share (Sen)	(3.54)	(1.10)	68.9%
Shareholders' Fund	2,789,932	2,795,879	0.2%
Net Asset per Share (RM)	4.27	4.28	0.2%

- Consistent revenue compared to previous quarter despite strong competition from other competitors.

YoY Financials Review

In RM'000 , unless stated otherwise

	31-Dec-16	31-Dec-17	Changes
Revenue	5,460,757	4,341,228	-20.5%
Operating Profit/ (Loss)	18,695	(18,709)	>(100%)
Loss Before Tax	(43,080)	(72,811)	-69.0%
Loss After Tax	(59,034)	(96,389)	-63.3%
Loss Attributable to Owners of the Company	(54,943)	(88,597)	-61.3%
LPS (Sen)	(8.42)	(13.57)	-61.2%

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

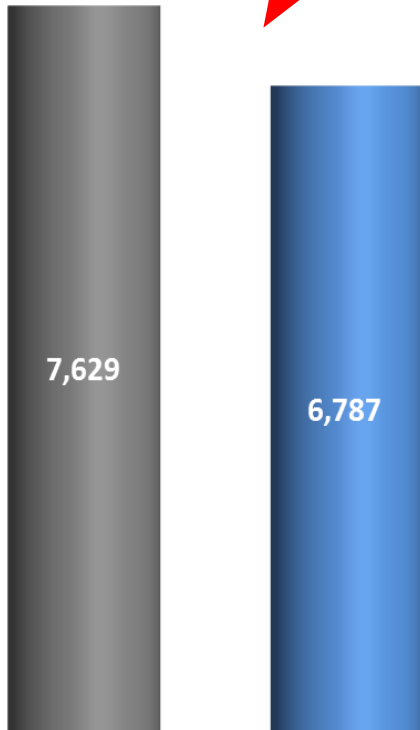
Segmental Performance

<i>In RM'000</i>	3Q17	4Q17	Change (%)
Sales			
Automobiles	1,048,503	1,055,711	0.7%
Financial services	23,024	18,638	-19.0%
Other operations	1,735	1,607	-7.4%
	1,073,262	1,075,956	0.3%
EBITDA			
Automobiles	17,382	47,846	175.3%
Financial services	5,108	5,540	8.5%
Other operations	(2,852)	(1,498)	+47.5%
	19,638	51,888	164.2%
EBITDA margin			
Automobiles	1.7%	4.5%	
Financial services	22.2%	29.7%	
Other operations	-164.4%	-93.2%	
	1.8%	4.8%	

Malaysia Sales Performance

Q-o-Q

-11.0%



3Q17

4Q17



6,395 units

-11%



225 units

-14%



159 units

15%

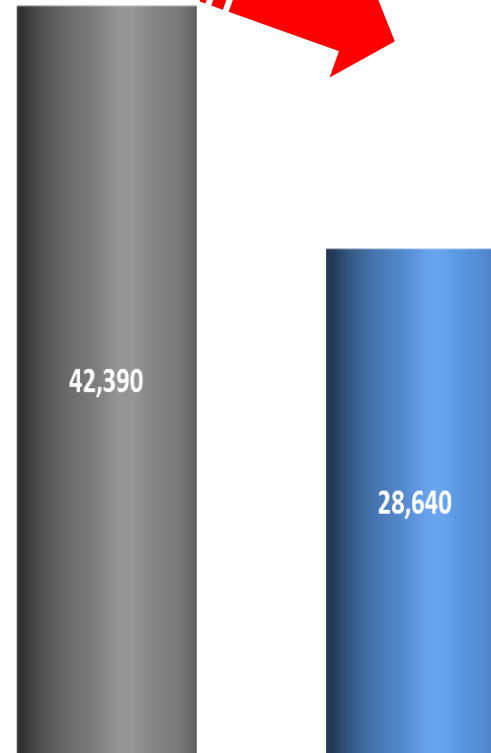
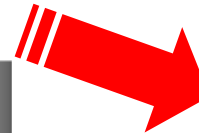


8 units

14%

Y-o-Y

-32.4%



2016

2017



27,154 units

-33%



865 units

-11%



592 units

-1%



29 units

-75%

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY -32.4% : Due to competitive business environment.**
- **QoQ -11.0% : Due to heavy competition during fourth quarter.**

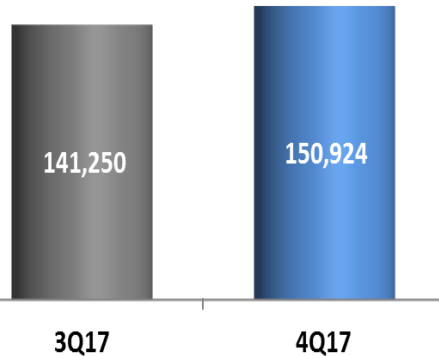


Top 5 manufacturers

TIV

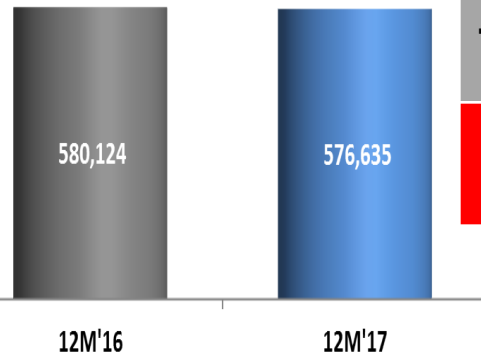
Q-o-Q

+6.8%



Y-o-Y

-0.6%



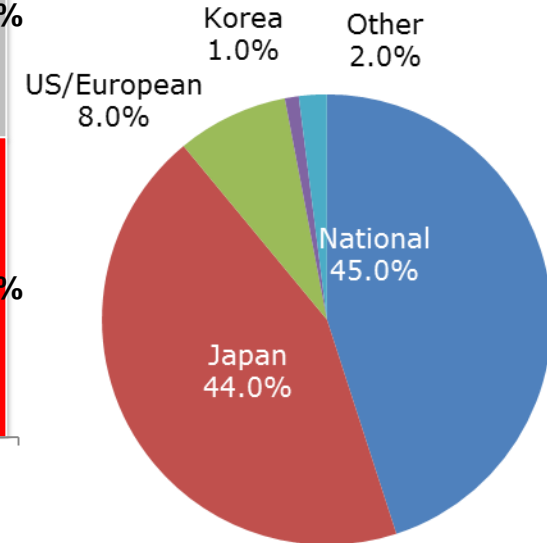
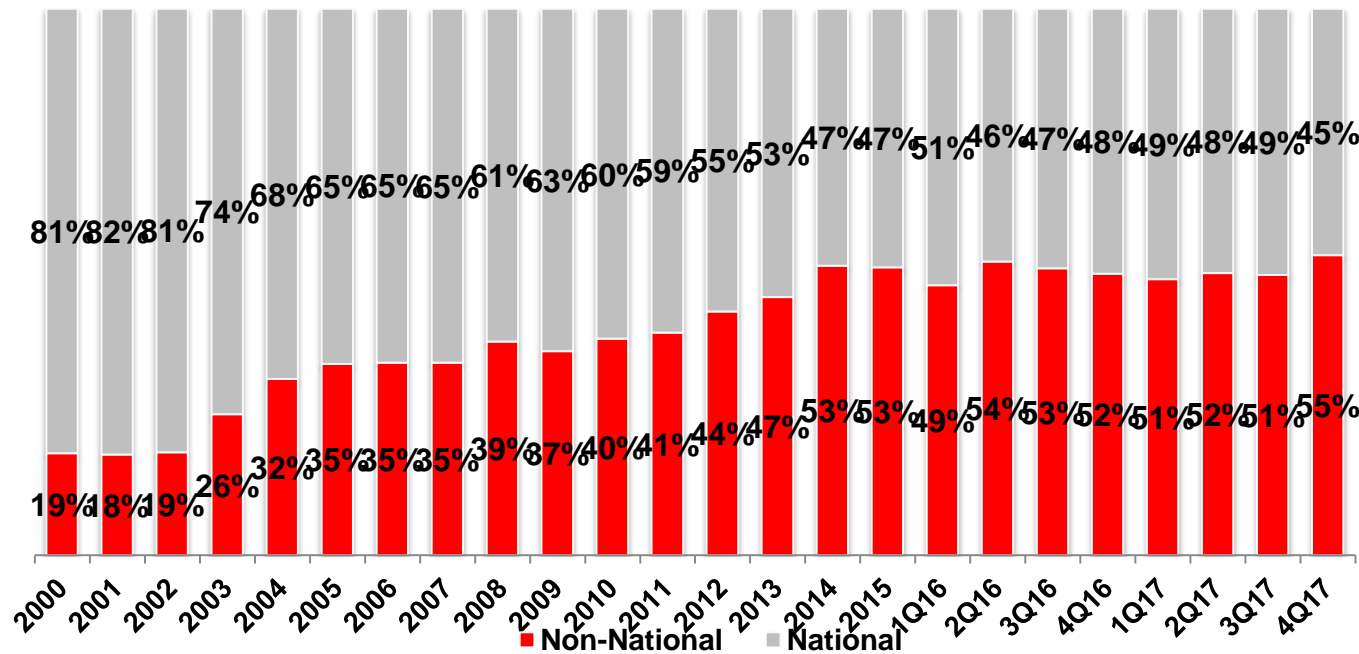
Top 5 manufacturers

	Units			Market Share		
	4Q'17	3Q'17	Changes	4Q'17	3Q'17	2017
Perodua	53,307	51,905	+2.7%	35.3%	36.7%	35.5%
Proton	14,694	16,904	-13.1%	9.7%	12.0%	12.3%
Honda	30,769	26,215	+17.4%	20.4%	18.6%	19.0%
Toyota	20,173	15,596	+29.3%	13.4%	11.0%	12.1%
Nissan	6,395	7,222	-11.5%	4.2%	5.1%	4.7%

Source: MAA

Non-national brands regaining market share

4Q'17



	Q-o-Q %
Perodua	+2.7%
Proton	-13.1%

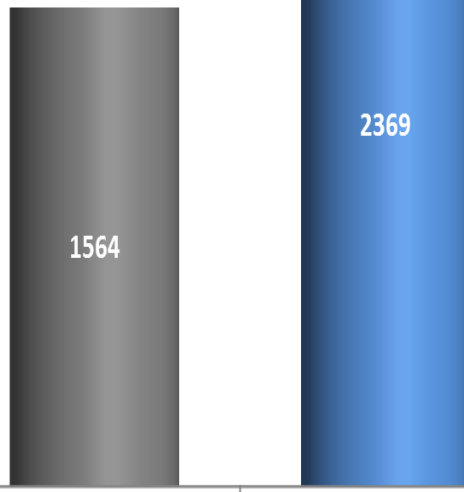
	Q-o-Q %
Toyota	+29.3%
Nissan	-11.5%
Honda	+17.4%
Mitsubishi	+41.3%
Isuzu	+8.7%
Mazda	+22.3%

	Q-o-Q %
Ford	-2.4%
VW	+2.3%
BMW	+6.0%
Mercedes	+14.4%

Indochina Sales Performance

Q-o-Q

+51%



3Q'17

4Q'17



**1,987 units
+66%**

Vietnam



**99 units
+22%**

Laos



**74 units
+30%**

Cambodia

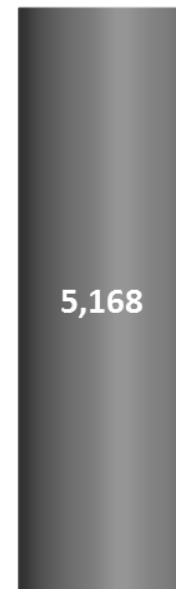


**209 units
-8%**

Myanmar

Y-o-Y

+34%



2016

2017



**5,489 units
+14%**

Vietnam



**384 units
+47%**

Laos



**219 units
>100%**

Cambodia



**821 units
>100%**

Myanmar

Ytd Sales

Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 34% due to introduction of new X-trail in Vietnam and new Sunny in Myanmar.
- Increase sales Q-o-Q in Vietnam was due to strong demand for Navara and X-trail models 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: Q4 2017 – 384 units, Q3 2017 – 335 units)

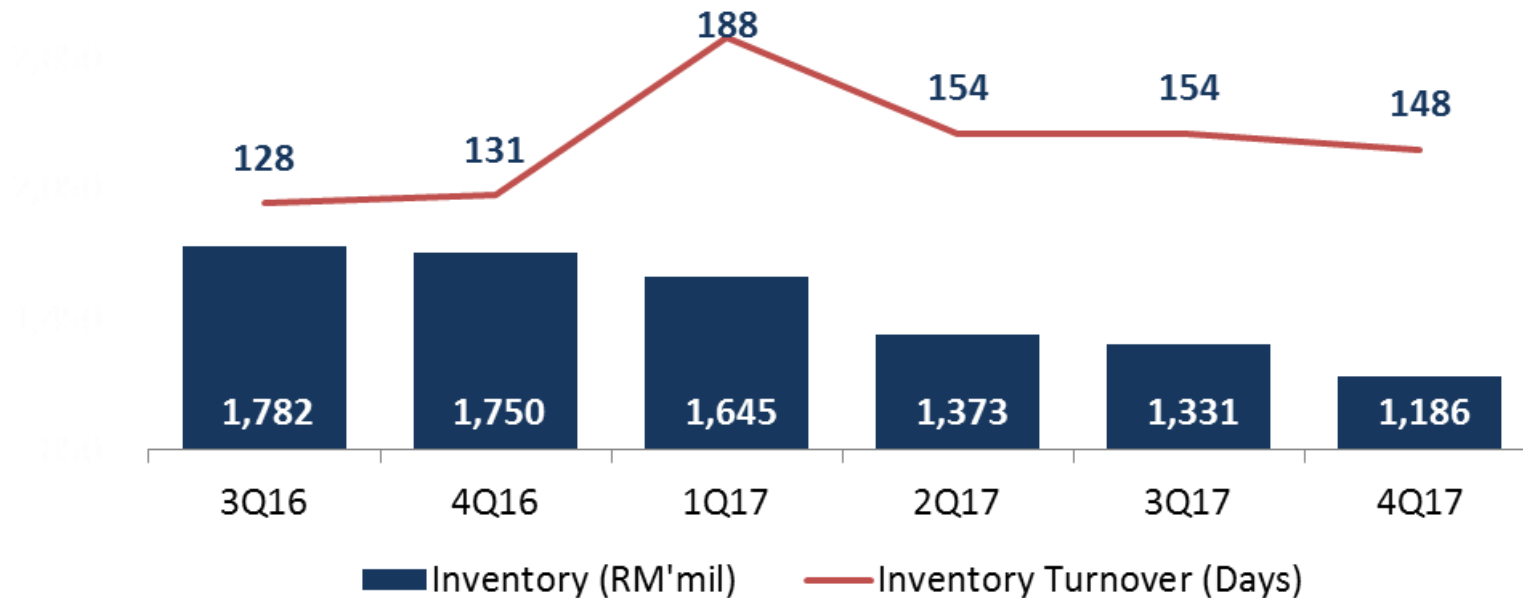


Business Review

4Q17 Sales Performance & Operation Review

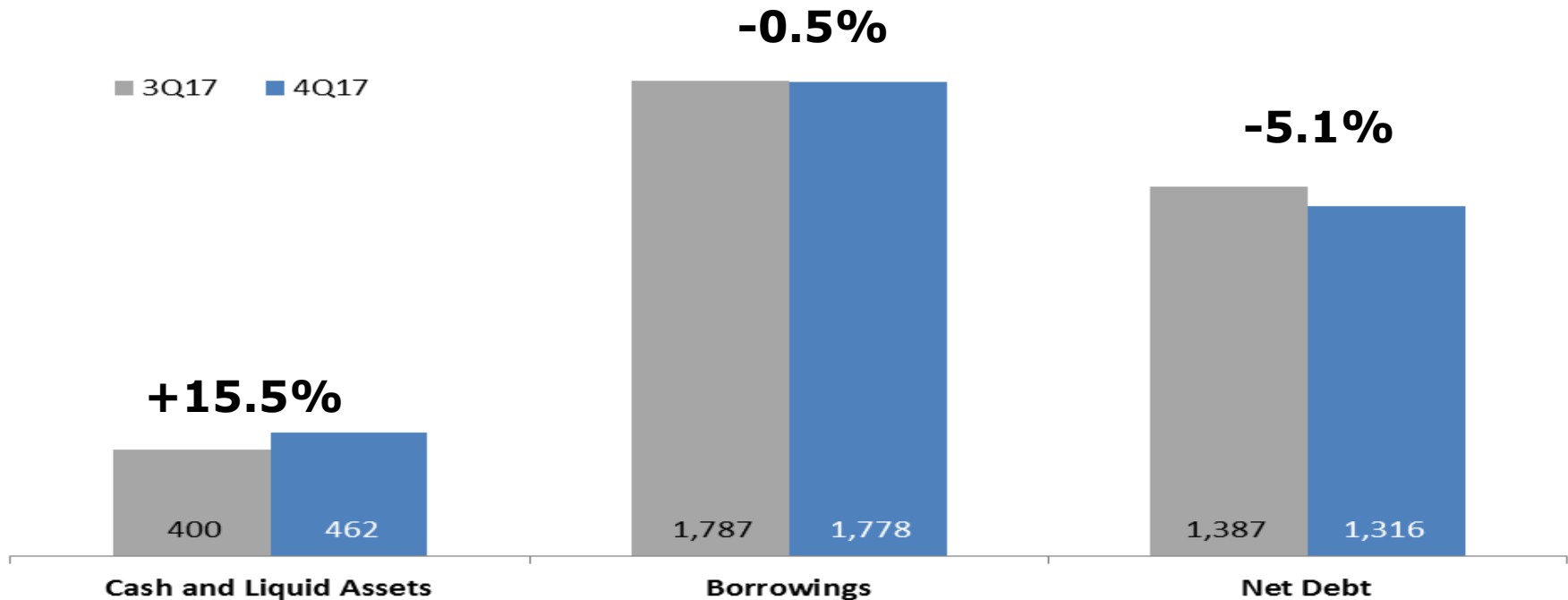
Appendices

Inventory Management



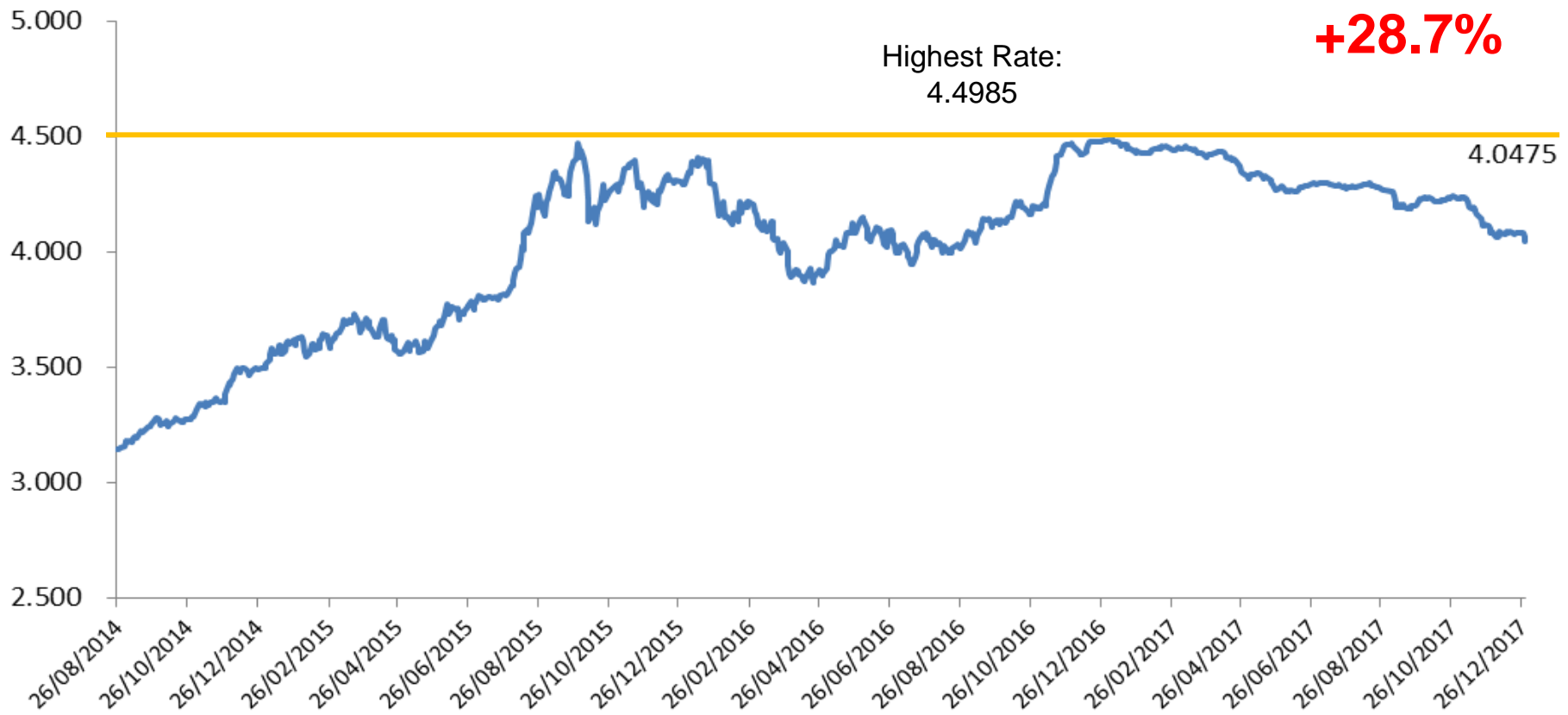
- Turnover days improved since last quarter due to efficient clearance of higher priced inventory bought during the weakest of RM.

Cash Balance & Borrowings (RM'mil)



- Total borrowings slightly decreased due to repayment made during the quarter.
- Net gearing stood at 47.1%.

Foreign Exchange Management



Source: Bloomberg

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

