



**Tan Chong
Motor
Holdings
Berhad**

FY2015 First-Quarter Financial Results

13 May 2015



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

1Q15 Sales Performance & Operation Review

Appendices

New Product Launches



Model	OTR without insurance
Infiniti QX80	RM797,837

Business Review

1Q15 Sales Performance & Operation Review

Appendices

Key Performance Indicators

(RM 'million)

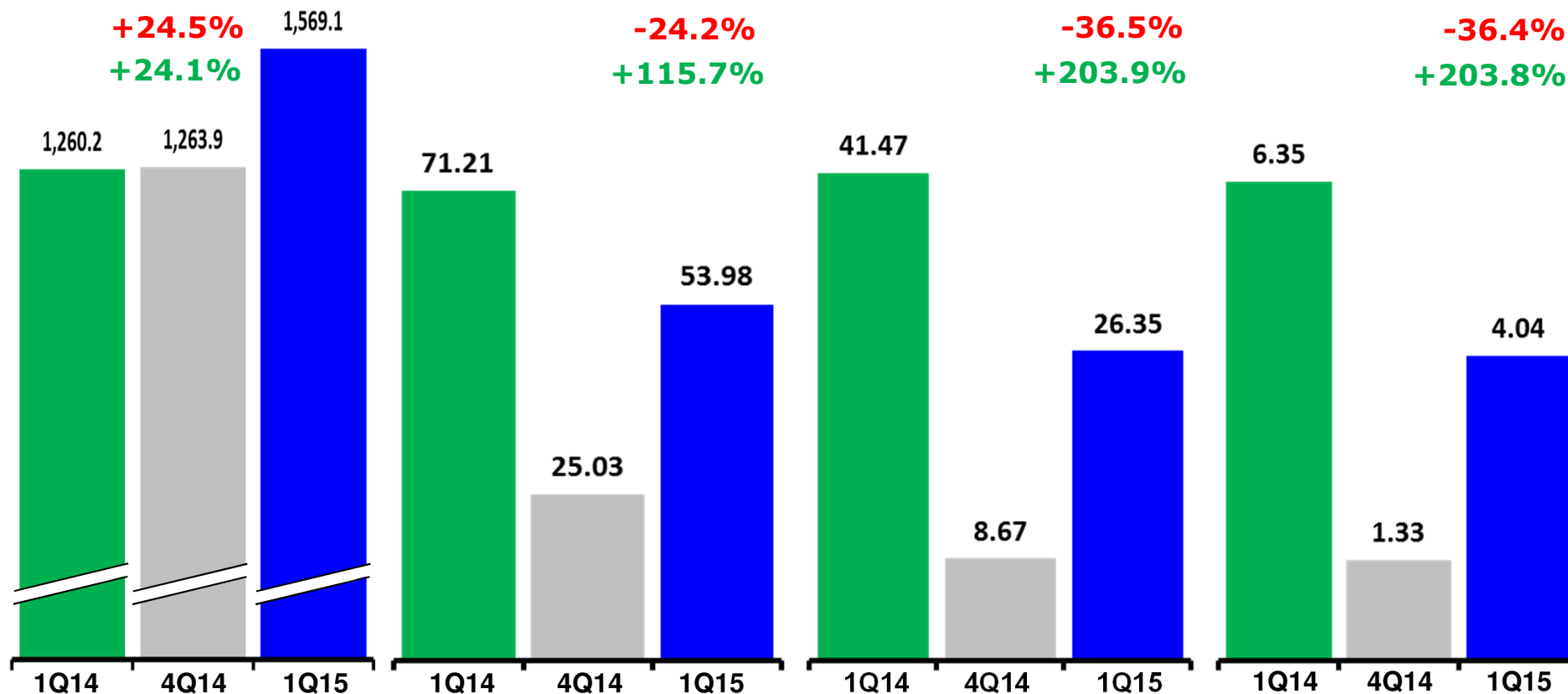
Y-o-Y
Q-o-Q

Revenue

Operating Profit

Profit Attributable to Owners of the Parent

Earnings Per Share (Sen)



1Q15 Financials Review

<i>In RM'000, unless stated otherwise</i>	4Q14^	4Q14^	1Q15
	Before EI	After EI	
Net Revenue	1,263,878	1,263,878	1,569,060
Operating Profit	17,271	25,026	53,980
Profit Before Tax	7,618	15,373	43,778
Profit Attributable to Owners of the Parent	1,962	8,667	26,348
Earnings per Share (Sen)	0.30	1.33	4.04
Shareholders' Fund	2,747,897	2,754,602	2,780,388
Net Asset per Share (RM)	4.21	4.22	4.26

- Q-o-Q, revenue increased by 24.1% arising from the Group's strong sales and marketing efforts.
- The huge improvement in profit compared to previous quarter is due to the realignment of sales strategy and promotional campaigns.

[^]revaluation gain on investment properties is RM7.8 million (at gross), net of deferred tax – RM6.7 million.

1Q15 Financials Review

In RM'000 , unless stated otherwise

	31-Mar-14	31-Mar-15	Changes
Revenue	1,260,193	1,569,060	+24.5%
Operating Profit	71,205	53,980	-24.2%
Profit Before Tax	63,930	43,778	-31.5%
Profit After Tax	41,720	25,704	-38.4%
Profit Attributable to Owners of the Parent	41,474	26,348	-36.5%
EPS (Sen)	6.35	4.04	-36.5%

- The Group's top-line increased by 24.5% with bottom-line reduced by 36.5% compared to same period of last year.
- The lower profit is also due to the higher CKD kits cost arising from unfavourable foreign exchange rate compared to corresponding period in 2014.
- Automotive sector faced a highly competitive environment.
- The Group will continue to be prudent and control the capital and operating expenditures.

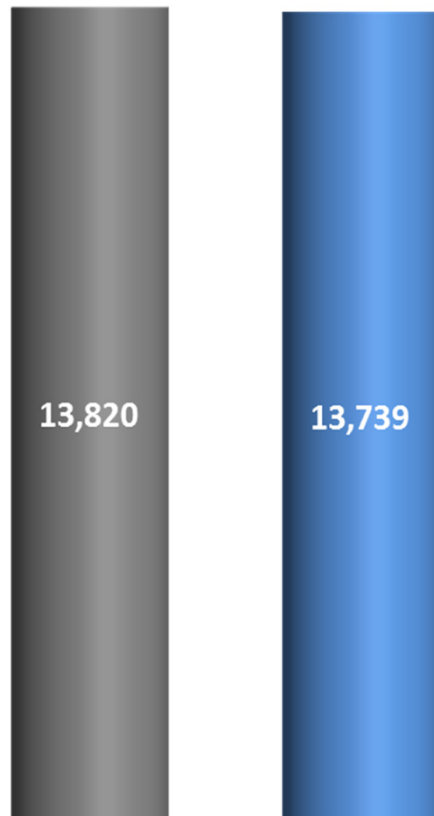
Segmental Performance

<i>In RM'000</i>	4Q14	1Q15	Change (%)
Sales			
Automobiles	1,247,427	1,550,387	+24.3%
Financial services	12,957	14,374	+10.9%
Other operations	3,494	4,299	+23.0%
	1,263,878	1,569,060	+24.1%
EBITDA			
Automobiles	37,056	73,271	+97.7%
Financial services	2,236	7,100	+217.5%
Other operations	11,864	5,593	-52.9%
	51,156	85,964	+70.0%
EBITDA margin			
Automobiles	3.0%	4.7%	
Financial services	17.3%	49.4%	
Other operations	339.6%	130.1%	
	4.0%	5.5%	

Malaysia Sales Performance

Q-o-Q

-0.6%

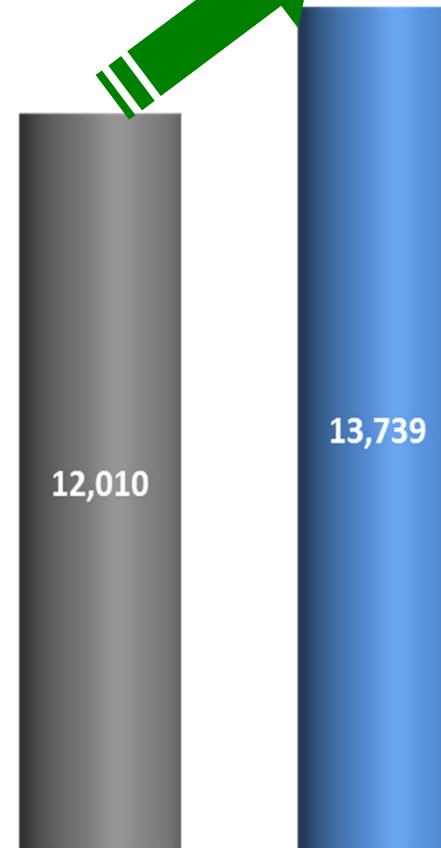


4Q'14

1Q'15

Y-o-Y

+14%



1Q'14

1Q'15



13,226 units

-2%



362 units

+24%



88 units

+83%



63 units

+117%



13,226 units

+14%



362 units

+10%



88 units

+363%



63 units

+85%

Malaysia Sales Performance (Cont'd)

Malaysia

- Nissan sales picked up 14% Y-o-Y on the back of new launches of Almera Facelift and New X-Trail.
- Market competition intense.
- Encouraging sales for UD, Infiniti and Renault – Q-o-Q increase 24%, 83% and 117% respectively.
- Uncertainties over the GST impact on prices of goods and services will continue to weigh on the consumers' spending.



Pre and Post GST Car Prices

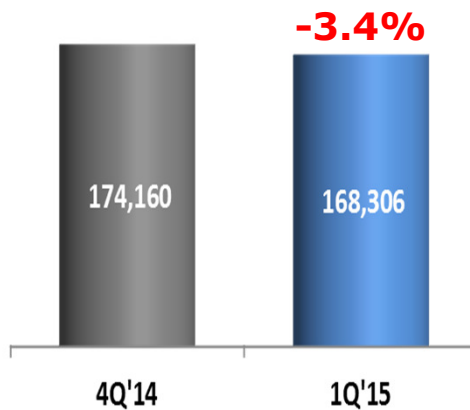
Model	Car Price Ranges		Difference	Change (%)
	Pre-GST	Post GST		
Nissan				
Almera	RM64,960 - RM77,622	RM64,765 - RM77,389	(RM195) - (RM233)	-0.30%
Teana	RM136,008 - RM165,322	RM133,285 - RM162,699	(RM2,723) - (RM2,623)	-1.59%
X-Gear	RM87,288	RM87,026	(RM262)	-0.30%
G.Livina	RM84,459 - RM97,091	RM83,975 - RM96,574	(RM484) - (RM517)	-0.53%
Serena	RM135,034 - RM145,448	RM132,978 - RM143,063	(RM2,056) - (RM2,385)	-1.64%
X-Trail	RM138,930 - RM161,326	RM136,977 - RM159,164	(RM1,953) - (RM2,162)	-1.34%
Navara	RM65,665 - RM102,885	RM64,846 - RM101,645	(RM819) - (RM1,240)	-1.21%
NV200	RM63,407	RM63,217	(RM190)	-0.30%
Renault				
Fluence	RM115,000 - RM119,888	RM113,888 - RM118,888	(RM1,112) - (RM1,000)	-0.83%
Clio	RM168,270 - RM172,270	RM166,888 - RM170,888	(RM1,382) - (RM1,382)	-0.80%
Megane	RM199,999	RM197,888	(RM2,111)	-1.06%
Koleos	RM180,921	RM178,888	(RM2,033)	-1.12%

Car price reduced from range 0.30% to 1.59% after GST implementation.

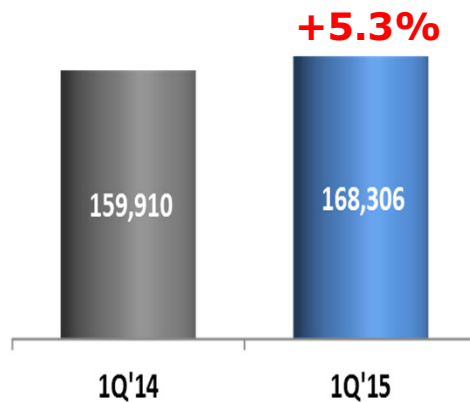
Top 5 manufacturers

TIV

Q-o-Q



Y-o-Y

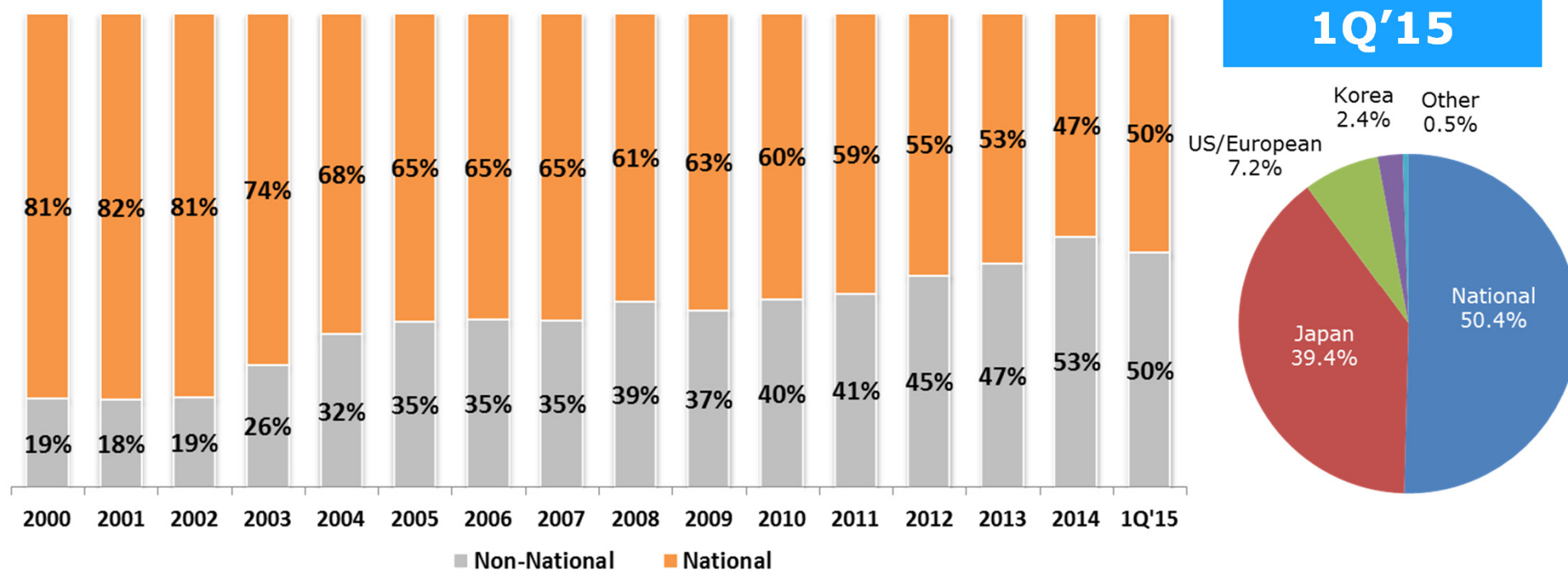


Top 5 manufacturers

	Units			Market Share		
	1Q'15	4Q'14	Changes	1Q'15	4Q'14	FY'14
Perodua	57,153	55,262	+3.4%	34.0%	31.7%	29.3%
Proton	27,682	25,034	+10.6%	16.4%	14.4%	17.4%
Honda	22,145	20,748	+6.7%	13.2%	11.9%	11.6%
Toyota	16,241	27,405	-40.7%	9.6%	15.7%	15.3%
Nissan	13,226	13,743	-3.8%	7.9%	7.9%	7.0%

Source: MAA

National brands regaining market share



	Q-o-Q %
Perodua	+3.4%
Proton	+10.6%

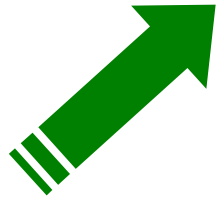
	Q-o-Q %
Toyota	-40.7%
Nissan	-3.8%
Honda	+6.7%
Mitsubishi	-5.2%
Isuzu	-35.5%
Mazda	-29.3%

	Q-o-Q %
Ford	+23.9%
VW	+21.0%
BMW	-38.5%
Peugeot	-1.0%

Indochina Sales Performance

Q-o-Q

+39%



4Q'14

1Q'15



823 units
+33%



86 units
+177%



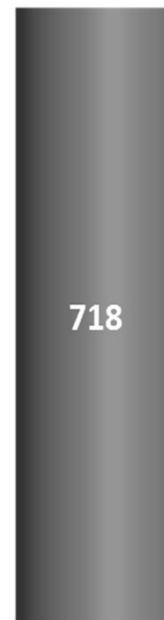
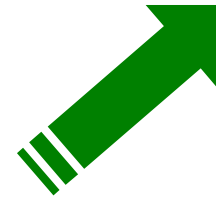
3 units
-40%



53 units
+36%

Y-o-Y

+34%



1Q'14

1Q'15



823 units
+60%



86 units
+56%



3 units
-94%



53 units
-47%

Ytd Sales

Indochina Sales Performance (Cont'd)

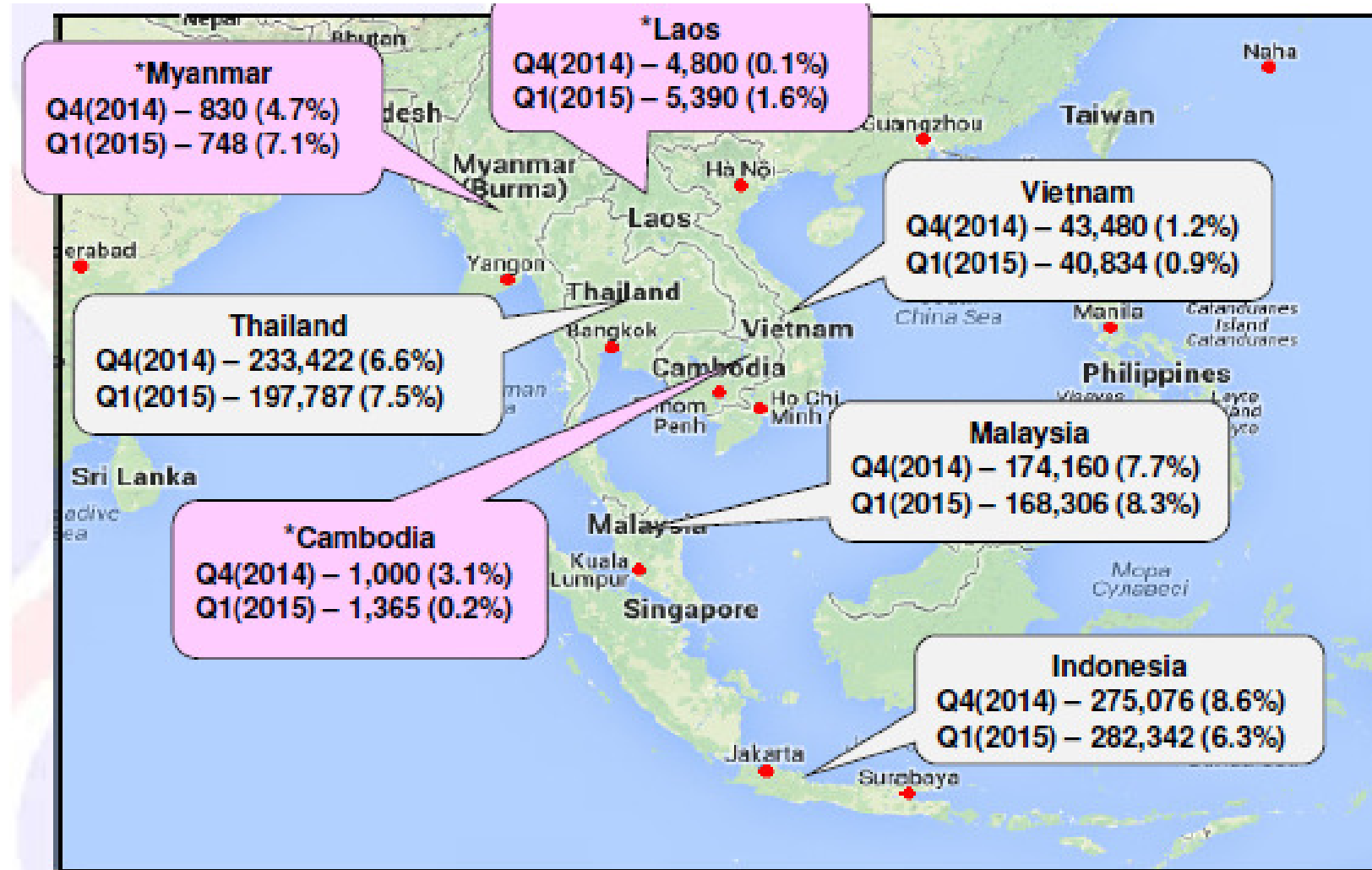
Indochina

- Sales picked up 39% in Indochina compared to last quarter.
- Y-o-Y, sales in Indochina increased 34% after resolution of Import Duty issues in Vietnam.
- Lower unit sales seen in Laos as buyers waited for anticipated launch of new model.
- The overseas assembly plant operation is impacted by negative production variances.
- New products launched in Vietnam: NP300 Navara and Juke



Nissan Penetration in the Region

Total Industry Volume By Country



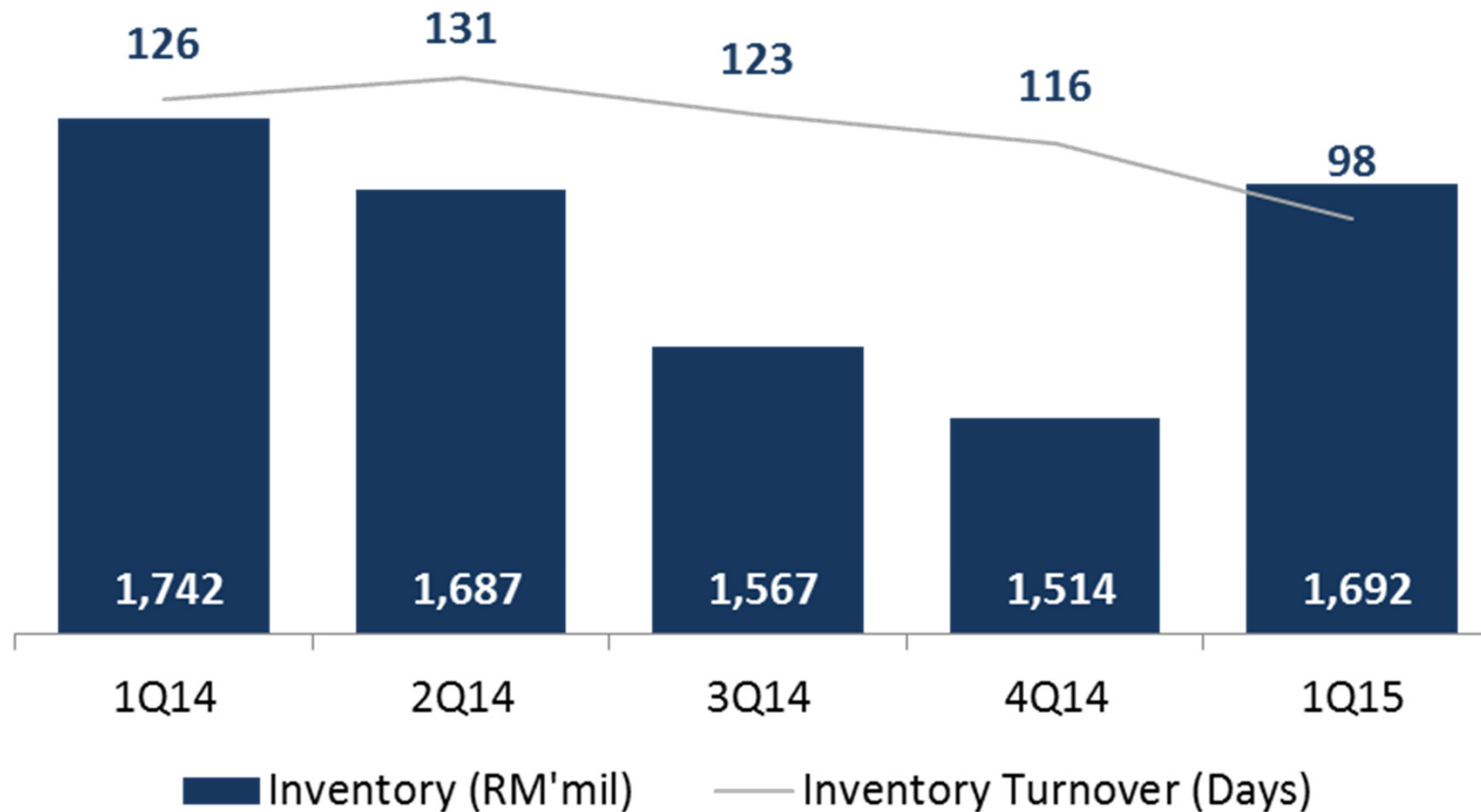
** Management best estimate, no official TIV*

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Inventory Management

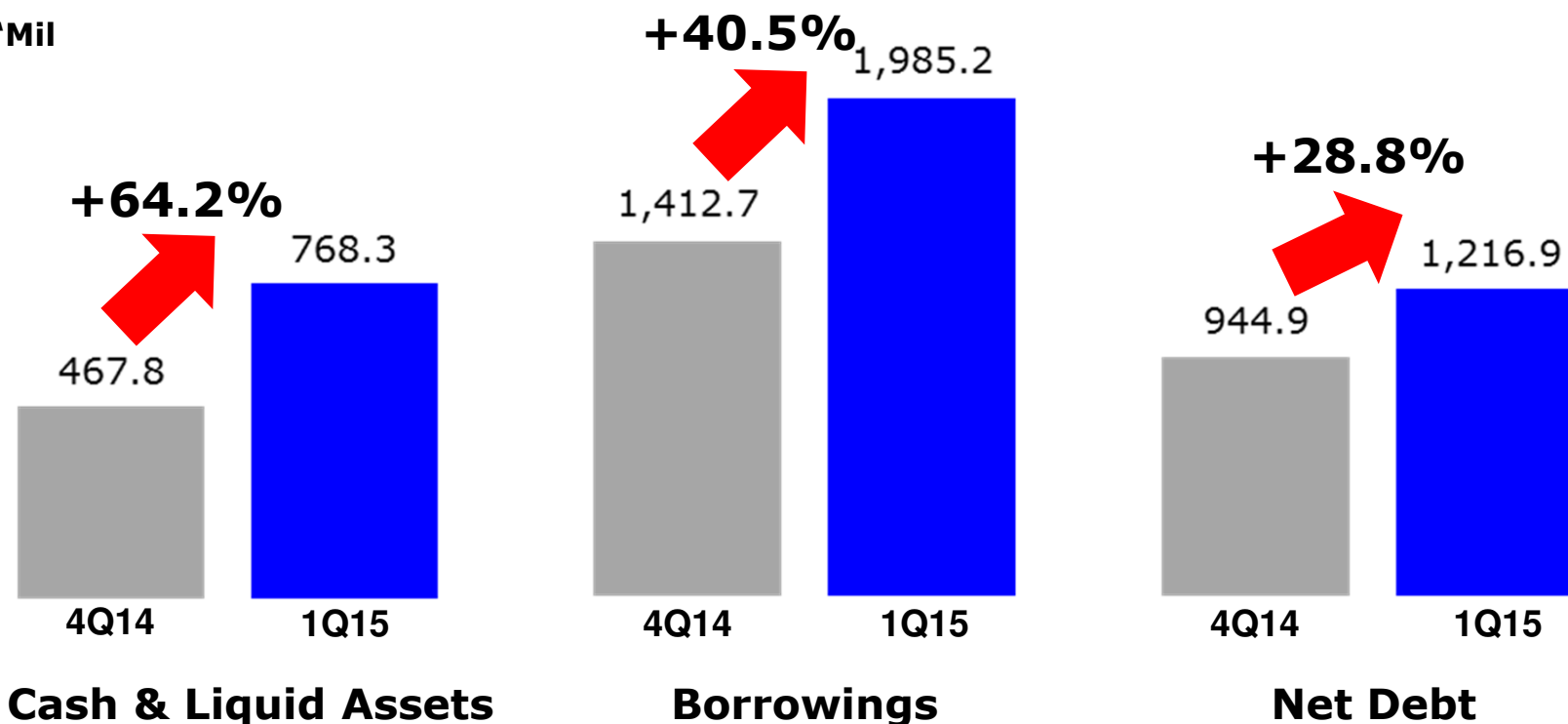


- **Front loaded in 1Q15 and taper off in 2Q15 – 4Q15**
- **Limit CKD import order until existing stocks cleared and inventory level brought down**

Liquidity Management

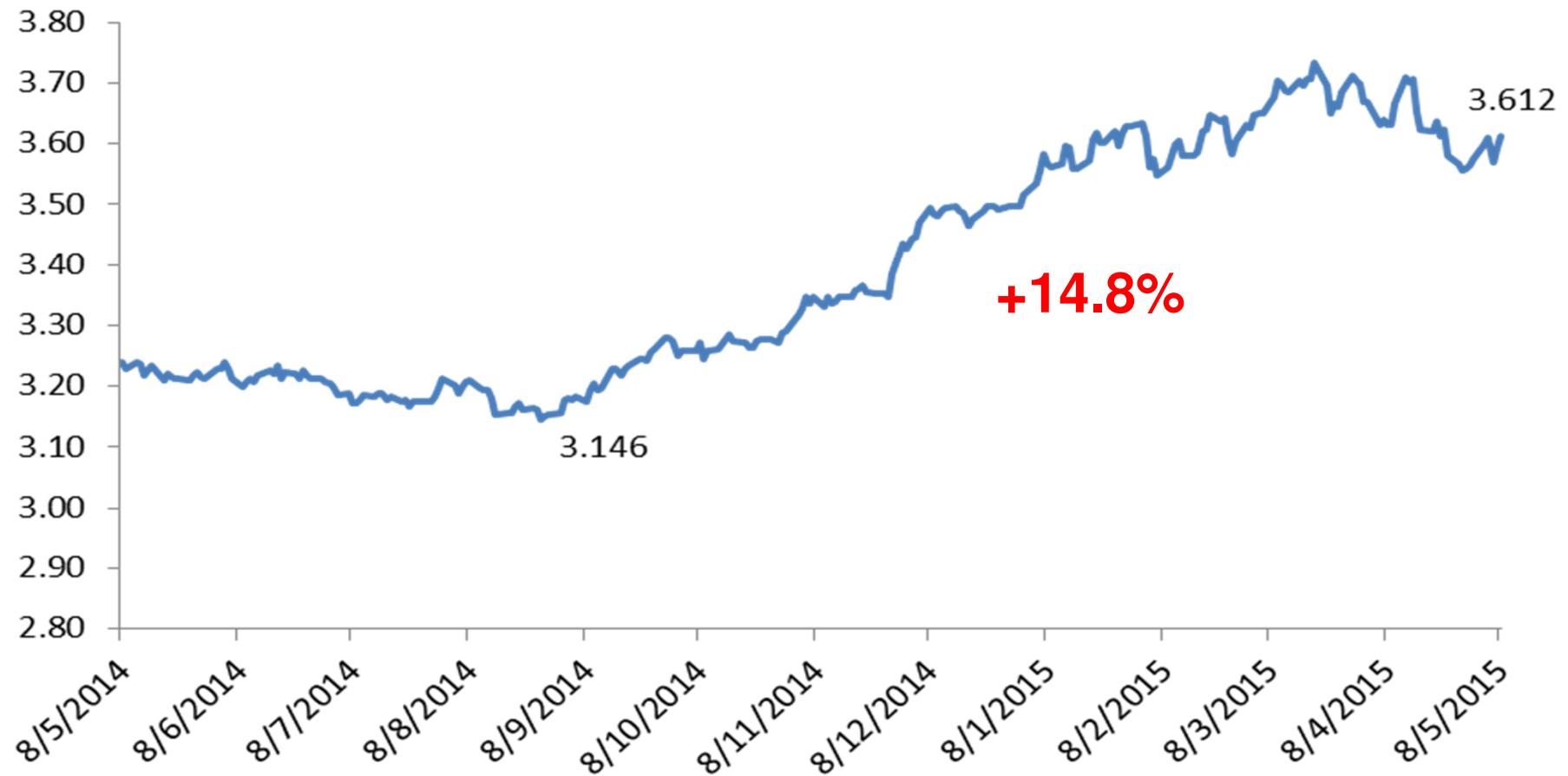
Cash Balance & Borrowings

RM `Mil



- Higher borrowings to finance working capital requirements.
- Net gearing stood at 43.8% of shareholders' equity.

Foreign Exchange Management



- **We will take diligent steps to monitor the foreign currency risk and continues to forward hedge on any weakness in the USD.**

Source: Bloomberg

Thank you

