



**Tan Chong
Motor
Holdings
Berhad**

FY2014 First-Quarter Financial Results

14 May 2014



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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

1Q14 Sales Performance & Operation Review

Appendices

New Product Launches



Model	OTR with insurance
X-Gear 1.6L (A/T)	89,800.00

New Product Launches (*Cont'd*)



Model	OTR without insurance
Sylphy 1.8 E	RM111,900
Sylphy 1.8 VL	RM121,900

New Product Launches (*Cont'd*)



Model	OTR with insurance
Koleos	RM185,888

New Product Launches (*Cont'd*)



Model	OTR with insurance
Clio RS 200 EDC	RM172,888

New Product Launches – Coming Soon



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Key Performance Indicators

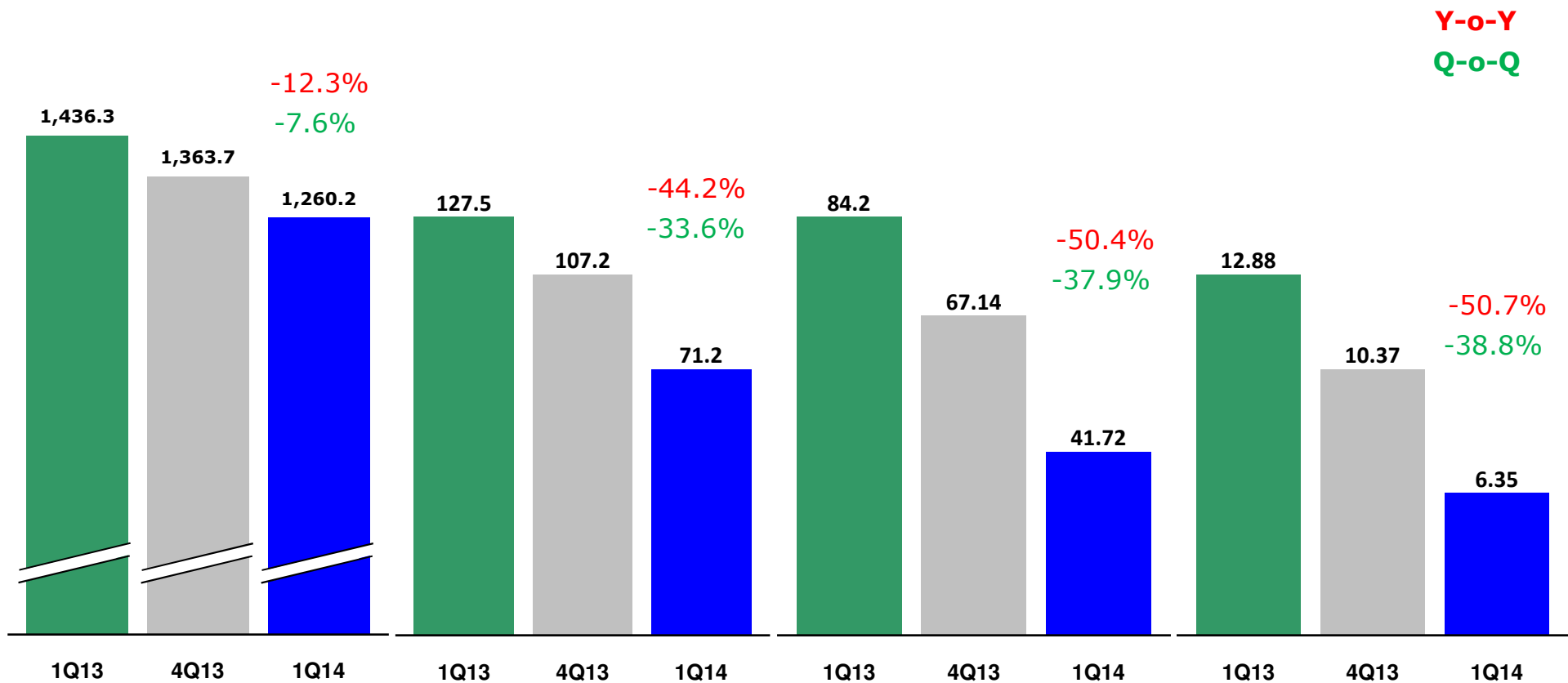
(RM 'million)

Revenue

Operating Profit

Net Profit

Earnings Per Share (Sen)



First Quarter Financials Review

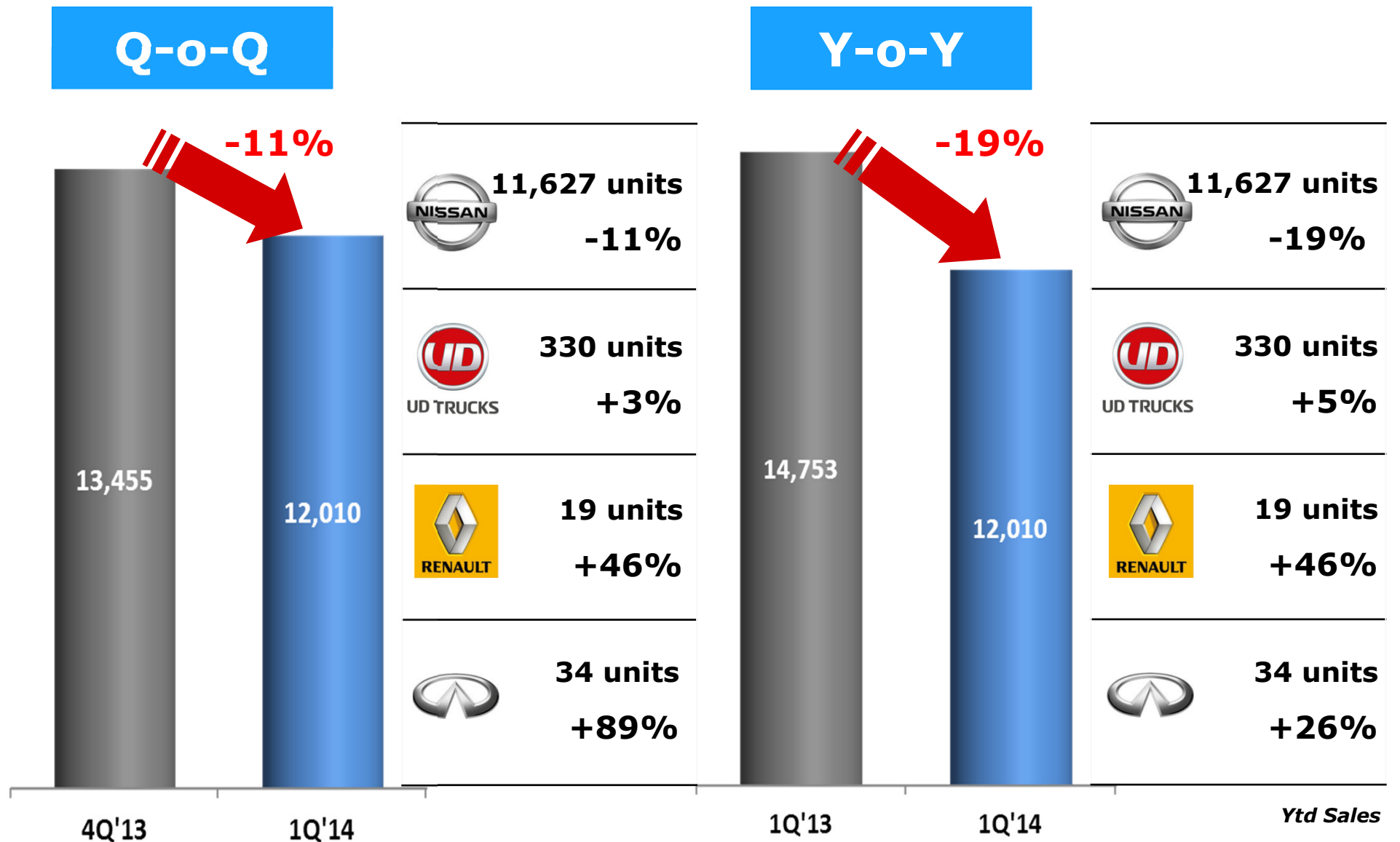
<i>In RM'000, unless stated otherwise</i>	1Q14	4Q13
Net Revenue	1,260,193	1,353,749
Operating Profit	71,205	107,289
Profit Before Tax	63,930	95,710
Profit After Tax	41,720	67,284
Earnings per Share (Sen)	6.35	10.39
Shareholders' Fund	2,746,008	2,702,163
Net Asset per Share (RM)	4.22	4.15

- Lower revenue Q-o-Q due to price war and key model launches by competitors.
- Profits margins overall affected by the higher exchange rate USD/MYR and increased promotional & marketing activities to sustain sales.
- Upfront costs in respect of new model launches in 2Q14, i.e. Sylphy in April and Teana in June.

Segmental performance

	1Q14 RM '000	1Q13 RM '000	Change %
Sales			
Automobiles	1,243,999	1,426,331	-12.8%
Financial services	13,614	9,126	+49.2%
Other operations	2,580	882	+193%
	1,436,339		
EBITDA			
Automobiles	94,949	144,605	-34.3%
Financial services	7,260	4,587	+58.3%
Other operations	302	(149)	+303%
EBITDA margin			
Automobiles	7.6%	10.1%	
Financial services	53.3%	50.3%	
Other operations	11.7%	(16.9%)	

Malaysia Sales Performance



Malaysia Sales Performance (Cont'd)

Malaysia

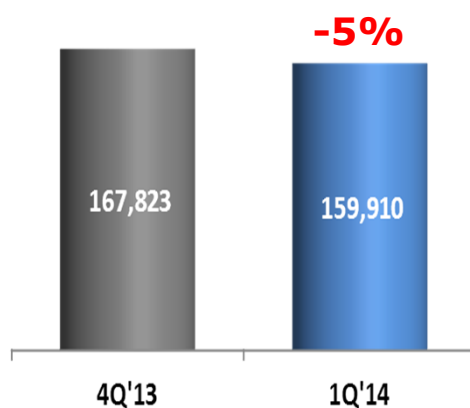
- After achieving No.2 position in 2013 (non-national segment), sales eased to 11.6K units because of fierce competition.
- Tighter credits and increased HP rates impinged on affordability.
- Almera, Grand Livina and Navara sales were hit by competing brands.
- New products launched during the quarter: Nissan X-Gear, Renault Koleos & Renault Clio R.S.
- More new models lined up for rest of the year, i.e. All-new Nissan Sylphy and Nissan Teana in 2Q14.



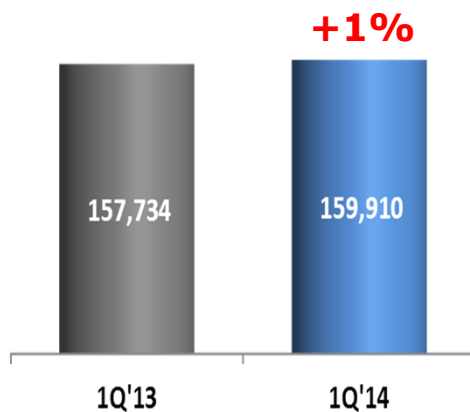
Top 5 manufacturers

TIV

Q-o-Q



Y-o-Y

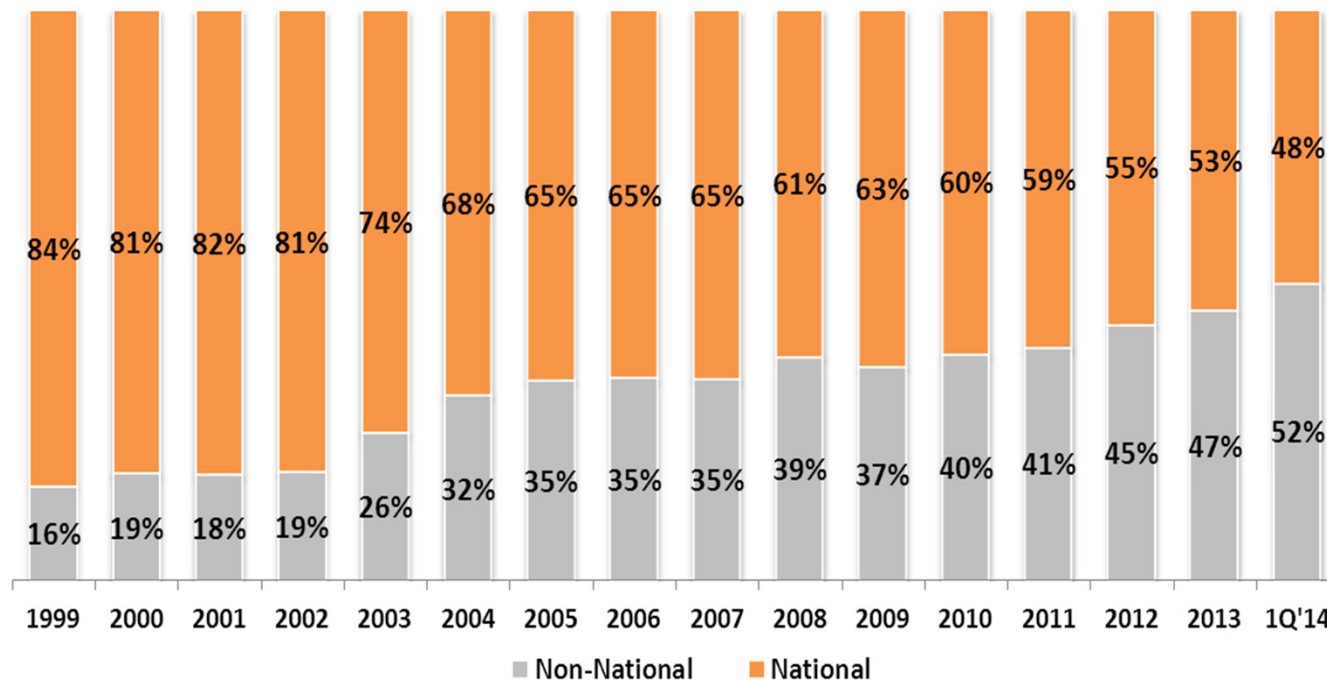


Top 5 manufacturers

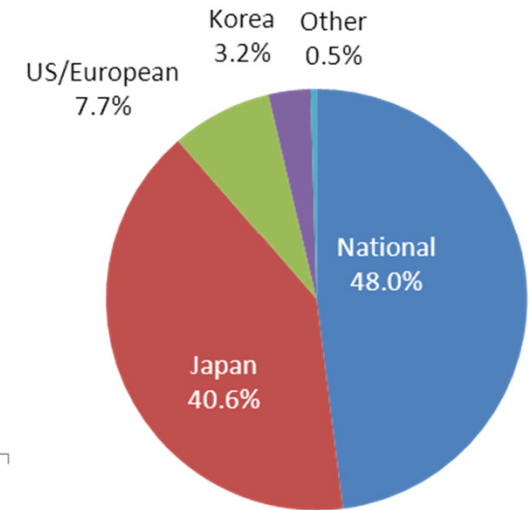
	Units			Market Share		
	1Q'14	4Q'13	Changes	1Q'14	4Q'13	FY2013
Perodua	44,024	48,673	-9.6%	27.5%	29.0%	29.9%
Proton	32,734	30,711	+6.6%	20.5%	18.3%	21.2%
Toyota	24,185	27,109	-10.8%	15.1%	16.2%	13.9%
Honda	15,627	14,962	+4.4%	9.8%	8.9%	7.9%
Nissan	11,957	13,424	-10.9%	7.5%	8.0%	8.1%

Source: MAA

Non-national gaining market share



1Q14

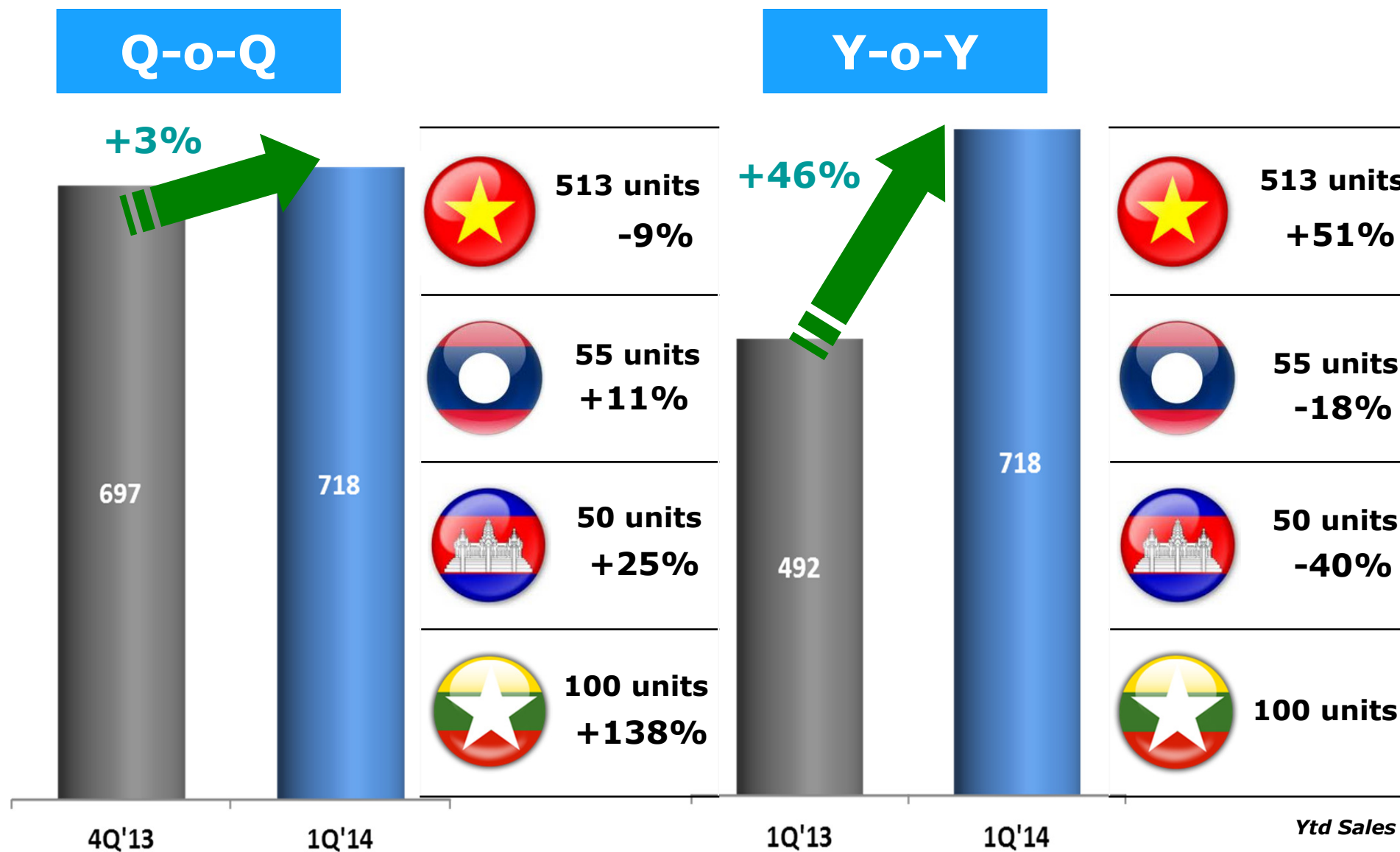


	Y-o-Y %
Perodua	-5.7%
Proton	-4.7%

	Y-o-Y %
Toyota	+20.1%
Nissan	-16.7%
Honda	+30.1%
Mitsubishi	-8.7%
Isuzu	+4.0%
Mazda	+2.2%

	Y-o-Y %
Ford	+3.3%
VW	+18.2%
BMW	+10.7%
Peugeot	+29.3%

Indochina Sales Performance



Indochina Sales Performance (*Cont'd*)

Indochina

- **Low base effect.**
- **More than 400 units Nissan Sunny sold in Vietnam during the quarter.**
- **Improved sales in Cambodia and Laos post election sentiment.**
- **Sales in Myanmar doubled Q-o-Q (start of sales 4Q13).**
- **Fill capacity at Danang before Myanmar plant comes on stream in 2016.**
- **Further market share gains in Vietnam expected after resolution of Import Duty issues (Recap: US\$16.98M provisions for past import duties in 3Q13).**



Indochina TIV 1Q14

	TIV 1Q14	Nissan Sales (Units)	Market Share (%)
Vietnam	24,168	513	2.1%
Laos	5,800	55	0.8%
Cambodia	980	50	5.1%
Myanmar	750	100	13.3%
Total	31,698	718	2.3%

**No official TIV for Laos, Cambodia and Myanmar. Based on Management's estimate*

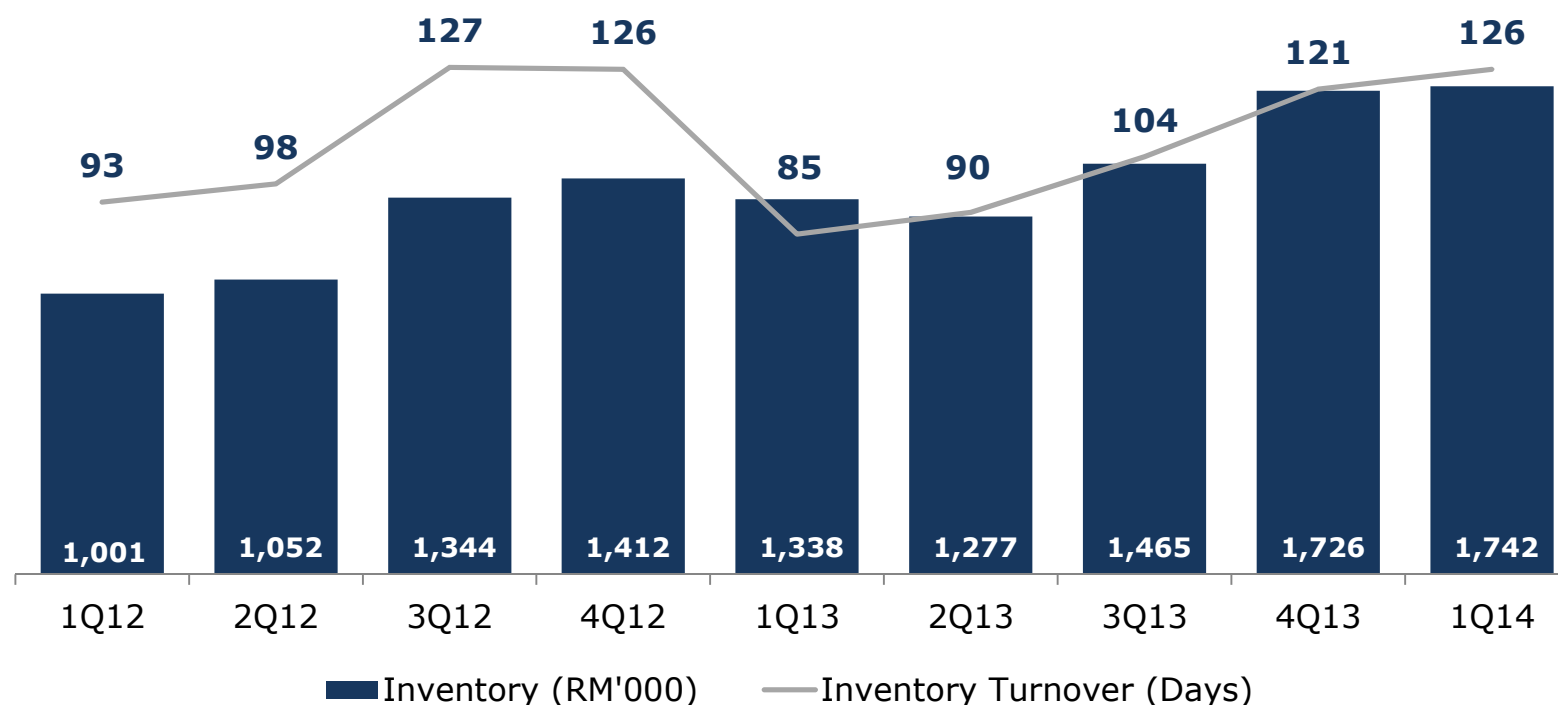
Target 8% market share by 2016 under Nissan Power 88.

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Inventory Management

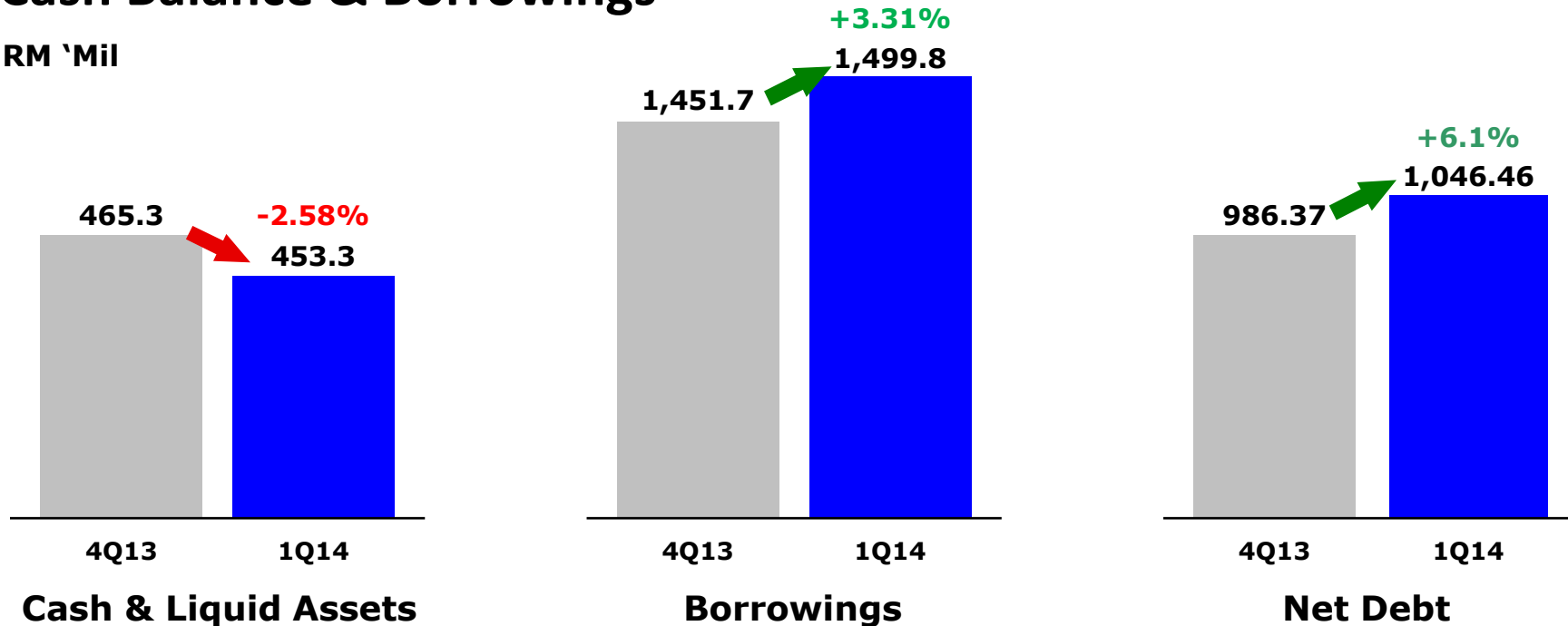


- Inventory level remains elevated due to carried forward stocks purchased at favourable exchange rates.
- 2Q14 CKD imports cut temporarily until existing stocks cleared and inventory brought down to RM1.0 – 1.2b range.

Liquidity Management

Cash Balance & Borrowings

RM 'Mil



- Higher borrowings to finance working capital requirements.
- Increased HP underwritings under tightening credit environment.
- Net gearing stood at 38% of shareholders' equity. Target gross and net gearing below 50% and 25% respectively by 2015.

Foreign Exchange Management



- **USD bottomed in May 13 and has steadily climbed to a high of RM3.35 in Feb 2014.**
- **The Group continues to forward hedge on any weakness in the USD.**

Thank you

