FY2016 Second-Quarter Financial Results

Tan Chong Motor Holdings Berhad

NISSAN

RENAULT

UD

New Product

Model	OTR without insurance
Renault Koleos	**RM172,800**

Cautionary Statement with Respect to Forward-Looking Statements

Information contained in this presentation is intended solely for your reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. We do not make representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

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

2Q16 Sales Performance & Operation Review

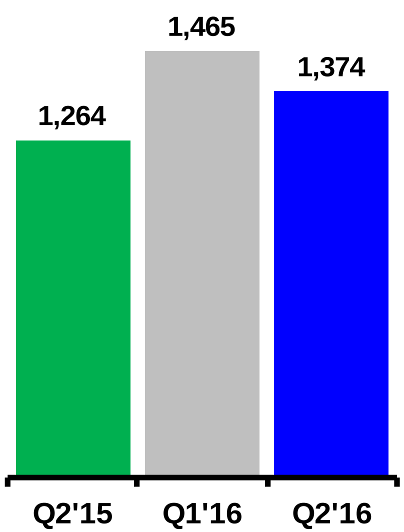
Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q

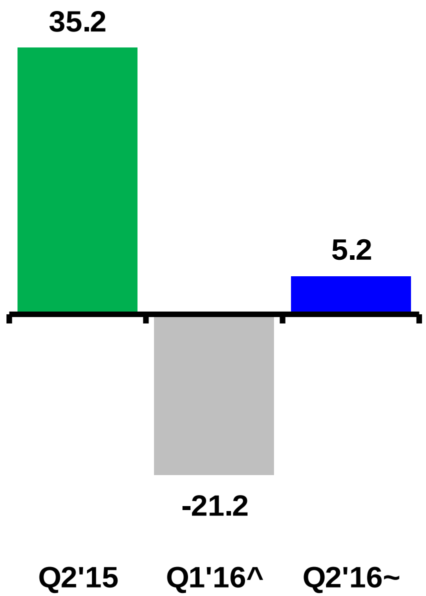
Revenue

8.7%
-6.2%



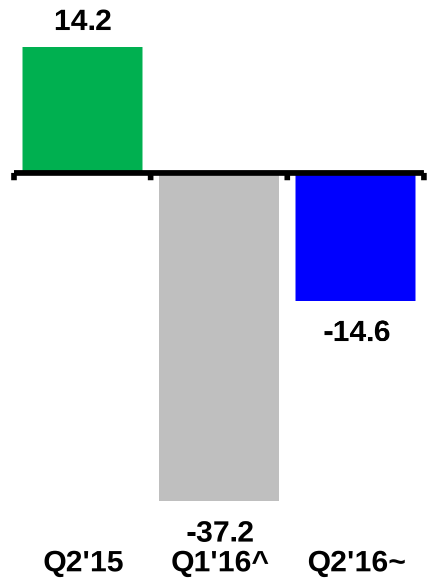
Operating Profit/ (Loss)

-85.3%
124.3%



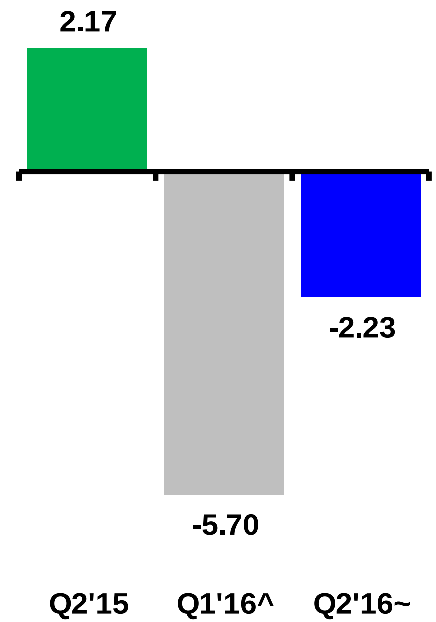
Profit/ (Loss) Attributable to Owners of the Company

-203.0%
60.8%



Earning/ (Loss) Per Share (Sen)

-202.8%
60.9%



^ *include provision/write off of receivables of RM5.3mil and net unrealised forex losses of RM8.3mil.*

~ *include net realised foreign exchange gain of RM9.4mil.*

QoQ Financials Review

In RM'000, unless stated otherwise	1Q16^	2Q16~	Changes
Net Revenue	**1,465,123**	**1,374,016**	**-6.2%**
Operating Profit/ (Loss)	**(21,210)**	**5,161**	**124.3%**
Profit/ (Loss) Before Tax	**(36,744)**	**(11,483)**	**68.7%**
Profit/ (Loss) Attributable to Owners of the Company	**(37,208)**	**(14,587)**	**60.8%**
Earning/ (Loss) per Share (Sen)	**(5.70)**	**(2.23)**	**60.9%**
Shareholders' Fund	**2,739,935**	**2,715,708**	**-0.9%**
Net Asset per Share (RM)	**4.20**	**4.16**	**-1.0%**

- **2Q16 saw post-price hike effect which induced lower revenue compare to 1Q16.**
- **Profitability improved by increase in selling price.**

^ *include provision/write off of receivables of RM5.3mil and net unrealised forex losses of RM8.3mil.*

~ *include net realised foreign exchange gain of RM9.4mil.*

YoY Financials Review

In RM'000 , unless stated otherwise	30-Jun-15	30-Jun-16~	Changes
Revenue	2,832,728	2,839,139	0.2%
Operating Profit/ (Loss)	89,203	(16,049)	-118.0%
Profit/ (Loss) Before Tax	66,626	(48,227)	-172.4%
Profit/ (Loss) After Tax	38,866	(53,767)	-238.3%
Profit/ (Loss) Attributable to Owners of the Company	40,507	(51,795)	-227.9%
EPS/ (LPS) (Sen)	6.21	(7.94)	-227.9%

- **Revenue remained consistent compared to prior year.**
- **Profitability is largely a function of forex direction.**

~ *include net realised foreign exchange gain of RM9.4mil.*

Segmental Performance

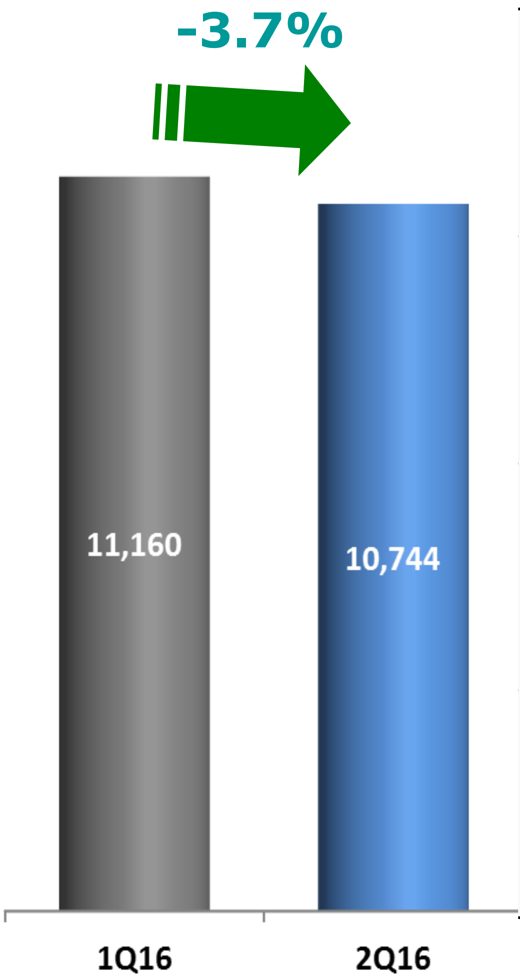
In RM'000	1Q16	2Q16	Change (%)
Sales			
Automobiles	1,448,575	1,356,362	-6.4%
Financial services	13,821	14,931	8.0%
Other operations	2,727	2,723	-0.1%
	1,465,123	**1,374,016**	**-6.2%**
EBITDA			
Automobiles	13,517	26,657	97.2%
Financial services	3,202	5,093	59.1%
Other operations	(3,003)	9,792	426.1%
	13,716^	**41,542~**	**202.9%**
EBITDA margin			
Automobiles	0.9%	2.0%	
Financial services	23.2%	34.1%	
Other operations	-110.1%	359.6%	
	0.9%	**3.0%**	

^ *include provision/write off of receivables of RM5.3mil and net unrealised forex losses of RM8.3mil.*

~ *include net realised foreign exchange gain of RM9.4mil.*

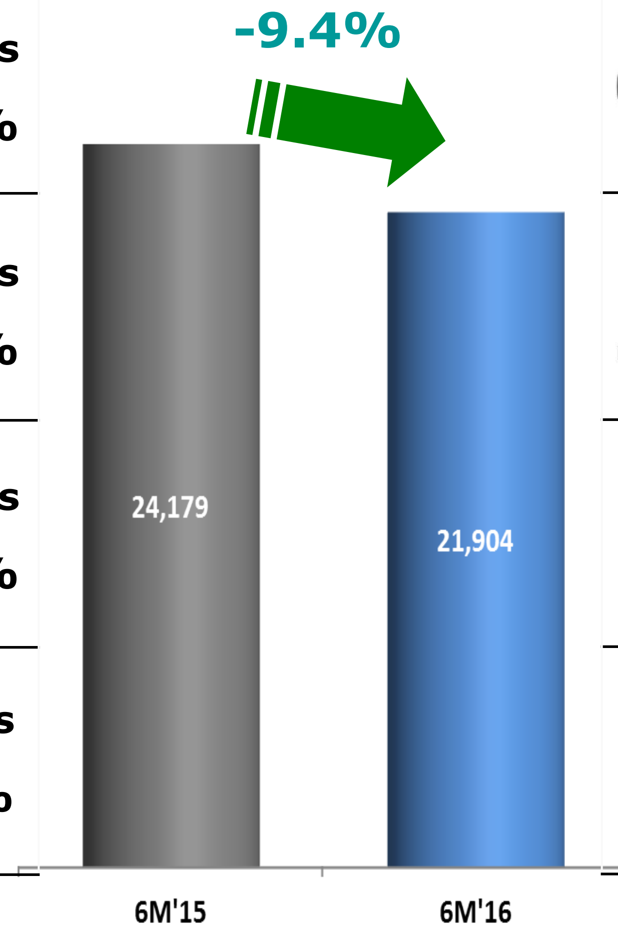
Malaysia Sales Performance

Q-o-Q



NISSAN	10,375 units	-4%
UD TRUCKS	233 units	0%
RENAULT	117 units	+7%
Infiniti	19 units	-57%

Y-o-Y



NISSAN	21,148 units	-9%
UD TRUCKS	467 units	-25%
RENAULT	226 units	+30%
Infiniti	63 units	-28%

Source: MAA

Malaysia Sales Performance *(Cont'd)*

Malaysia

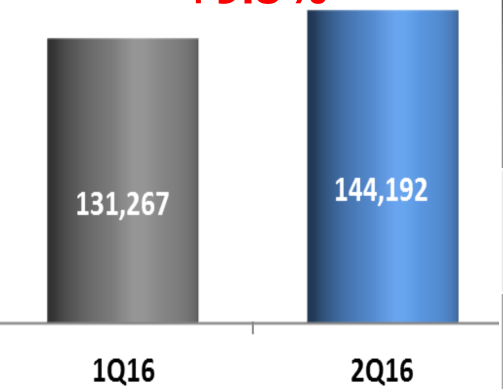
- **YoY –9.4% : Due to price increase in April 2016.**
- **QoQ -3.7% : Due to price hike but the effect was net-off by Raya season buying.**
- **Despite all the challenges, Nissan is able to maintain its market share for this quarter and even able to achieve a better market share compared to year 2015.**

Top 5 manufacturers

TIV

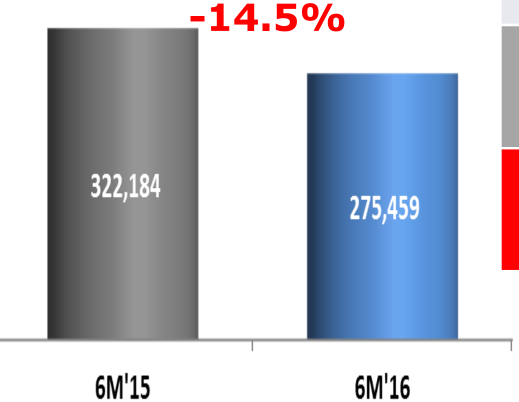
Q-o-Q

+9.8%



Y-o-Y

-14.5%

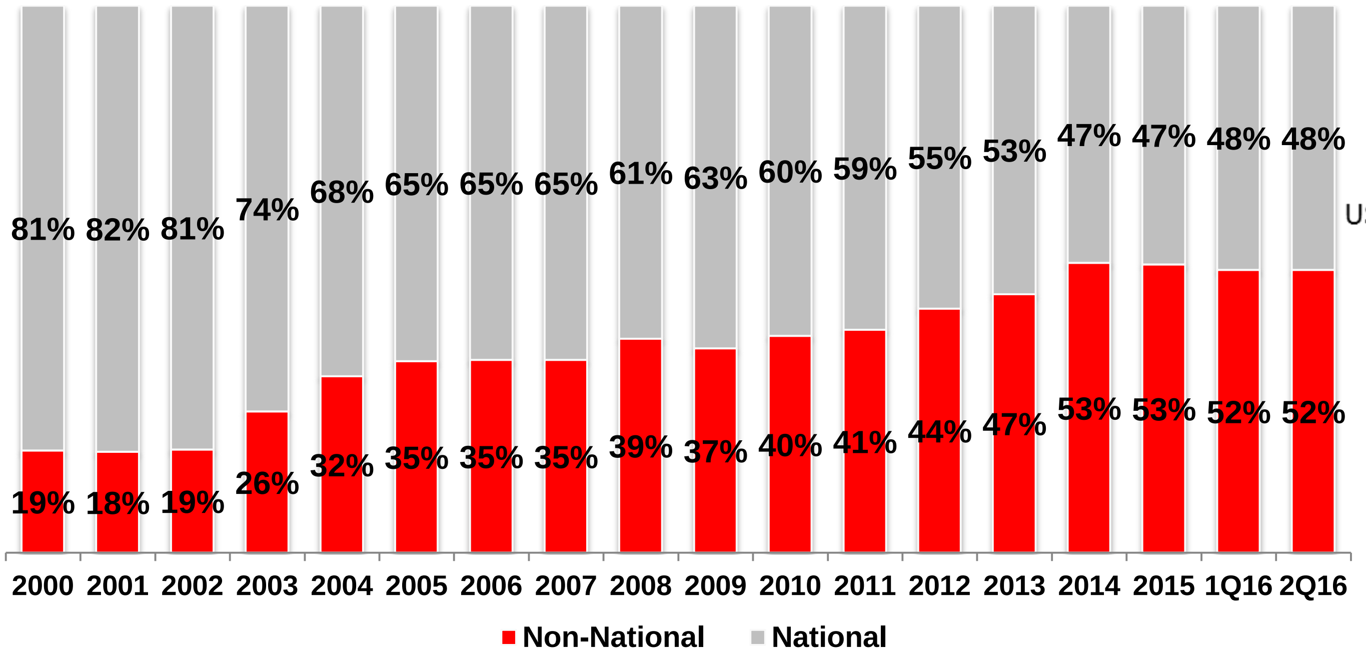


Top 5 manufacturers

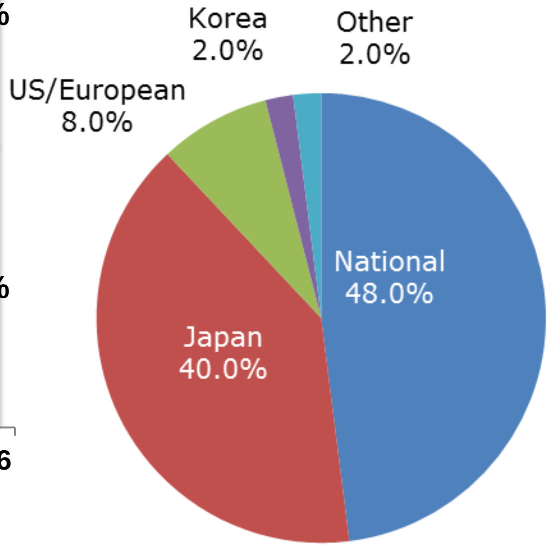
	Units			Market Share		
	2Q'16	1Q'16	Changes	2Q'16	1Q'16	FY'16
Perodua	50,189	47,181	+6.4%	34.8%	35.9%	35.4%
Proton	16,502	19,225	-14.2%	11.4%	14.6%	13.0%
Honda	20,877	18,777	+11.2%	14.5%	14.3%	14.4%
Toyota	17,033	10,216	+66.7%	11.8%	7.8%	9.9%
Nissan	10,375	10,773	-3.7%	7.2%	8.2%	7.7%

Source: MAA

Non- National brands regaining market share



2Q'16



	Q-o-Q %
Perodua	+6.4%
Proton	-14.2%

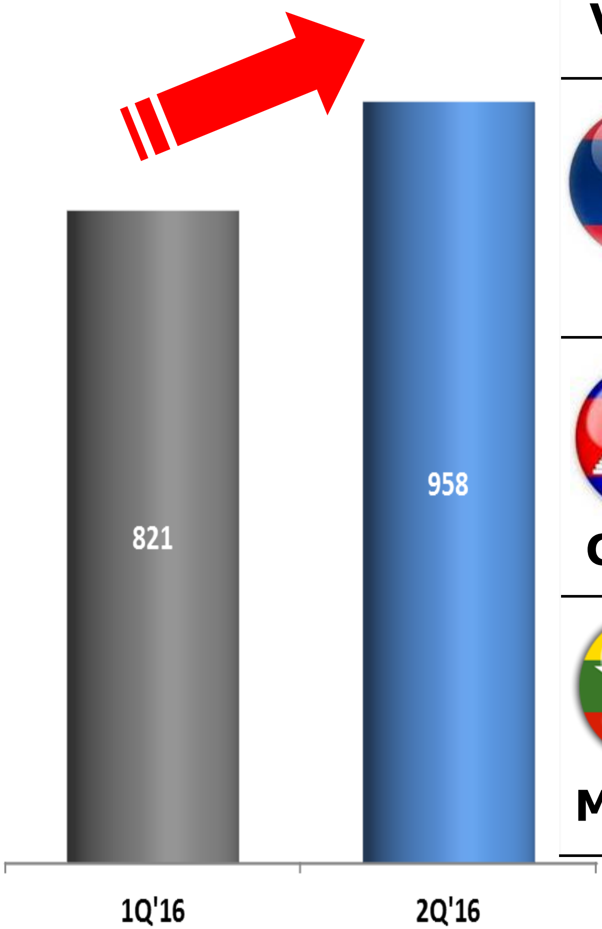
	Q-o-Q %
Toyota	+66.7%
Nissan	**-3.7%**
Honda	+11.2%
Mitsubishi	-16.4%
Isuzu	+29.8%
Mazda	+6.8%

	Q-o-Q %
Ford	+16.0%
VW	+79.3%
BMW	+18.6%
Mercedes	+26.2%

Indochina Sales Performance

Q-o-Q

+17%



Vietnam — 892 units, +25%

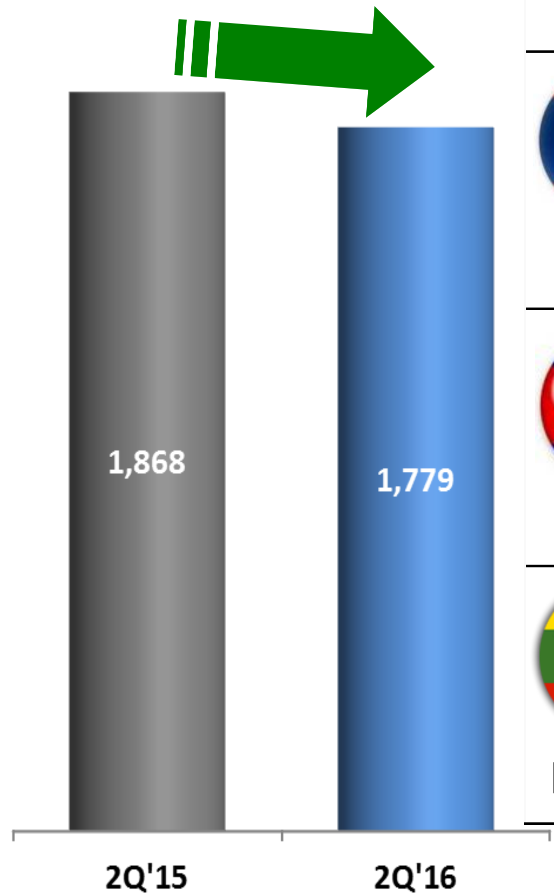
Laos — 56 units, -29%

Cambodia — 0 units, -100%

Myanmar — 10 units, -50%

Y-o-Y

-5%



Vietnam — 1,606 units, -1%

Laos — 135 units, +9%

Cambodia — 8 units, -62%

Myanmar — 30 units, -69%

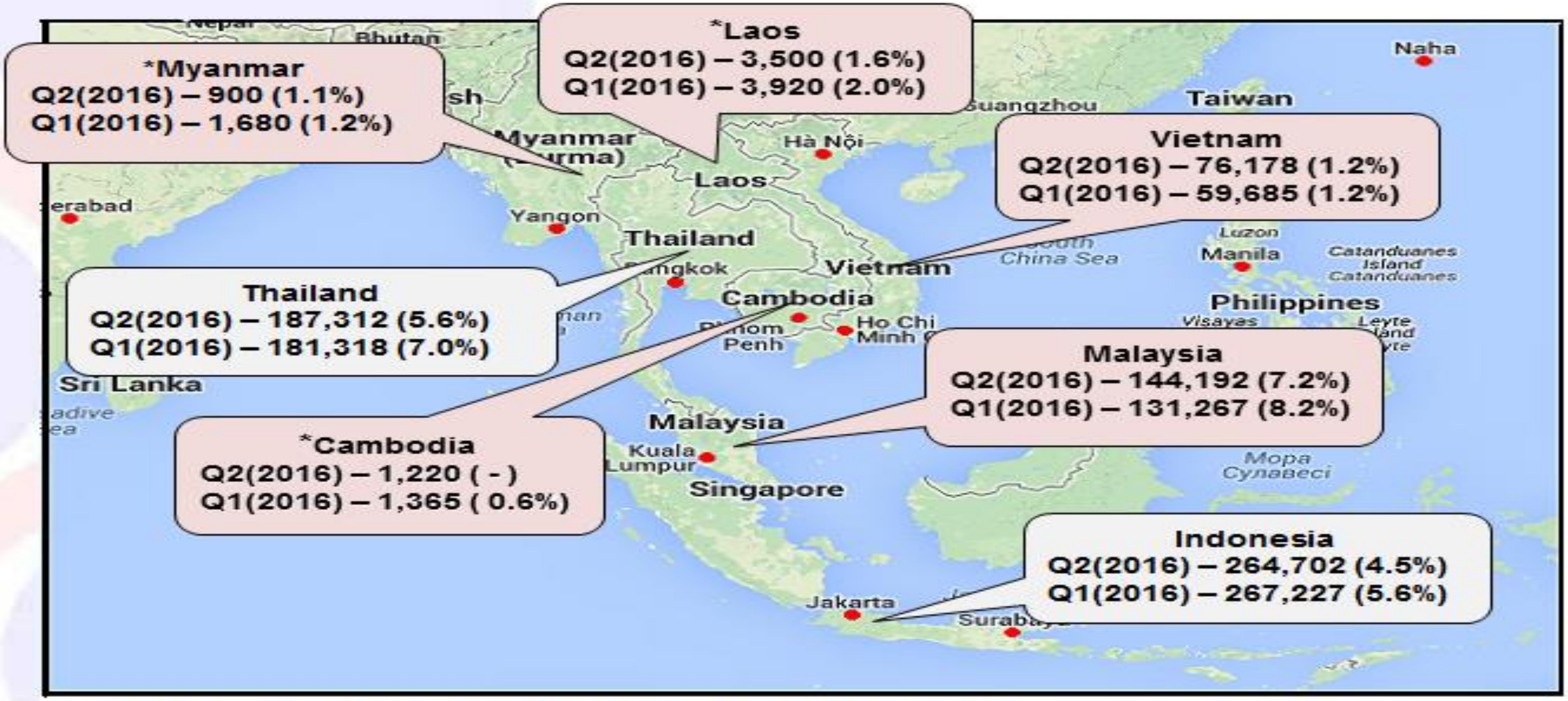
Ytd Sales

Indochina Sales Performance *(Cont'd)*

Indochina

- Y-o-Y, sales in Indochina decreased by 5% was due to the unattractive model line-up in Indochina (except Vietnam) compared to the competition.
- Higher unit sales Q-o-Q seen in Vietnam was due to the increase in demand in Navara as a result of aggressive advertising and promotion.
- The overseas assembly plant operation was impacted by negative production variances.
- However, on the motorcycle side, Kawasaki turned profitable and performing consistently in Vietnam. (Sales units: Q2 2016 – 402 units, Q1 2016 – 398 units)

Nissan Penetration in the Region



* Management best estimate, no official TIV

Tan Chong Malaysia is able to maintain its market share despite all the challenges as opposed to decreasing market shares in Thailand and Indonesia.

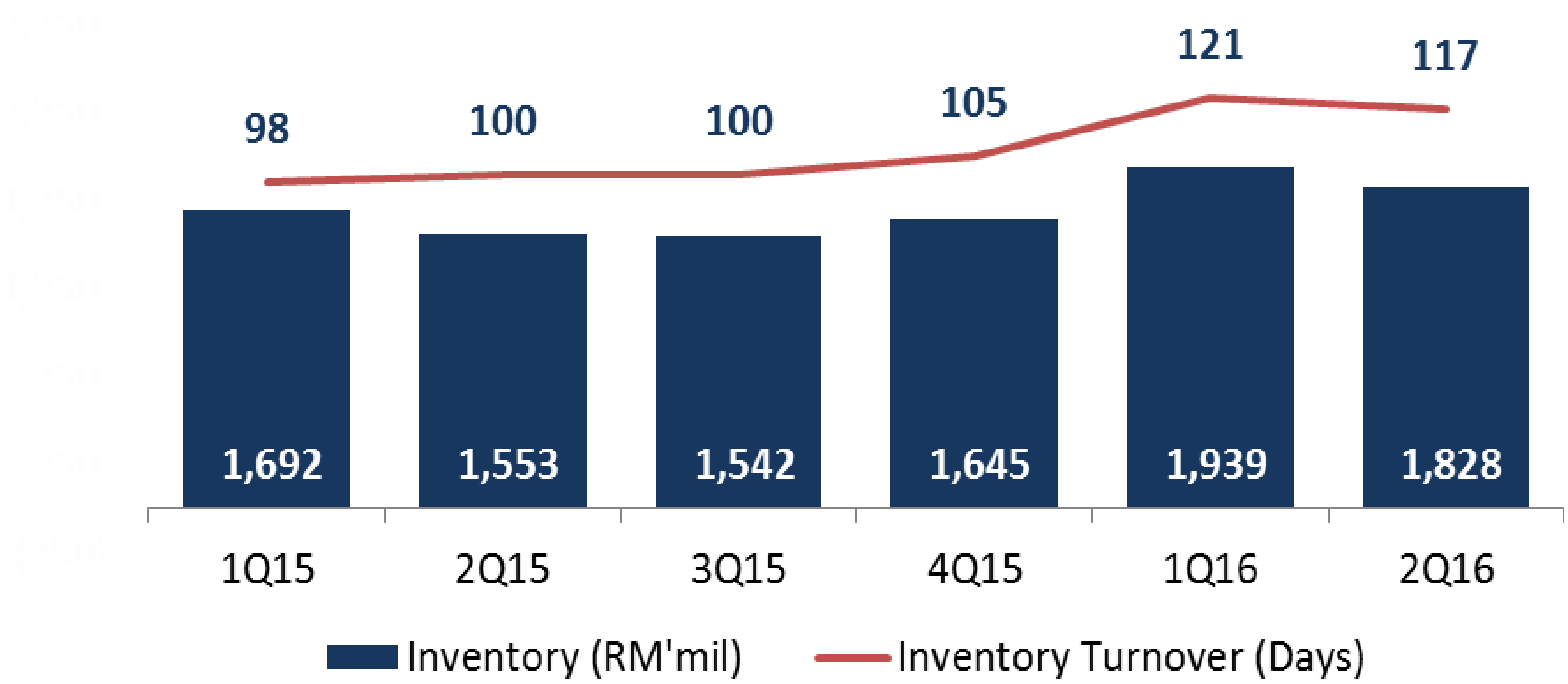
Note: Except Thailand and Indonesia, the rest of the Nissan operations are under the management of TCMH.

Business Review

2Q16 Sales Performance & Operation Review

Appendices

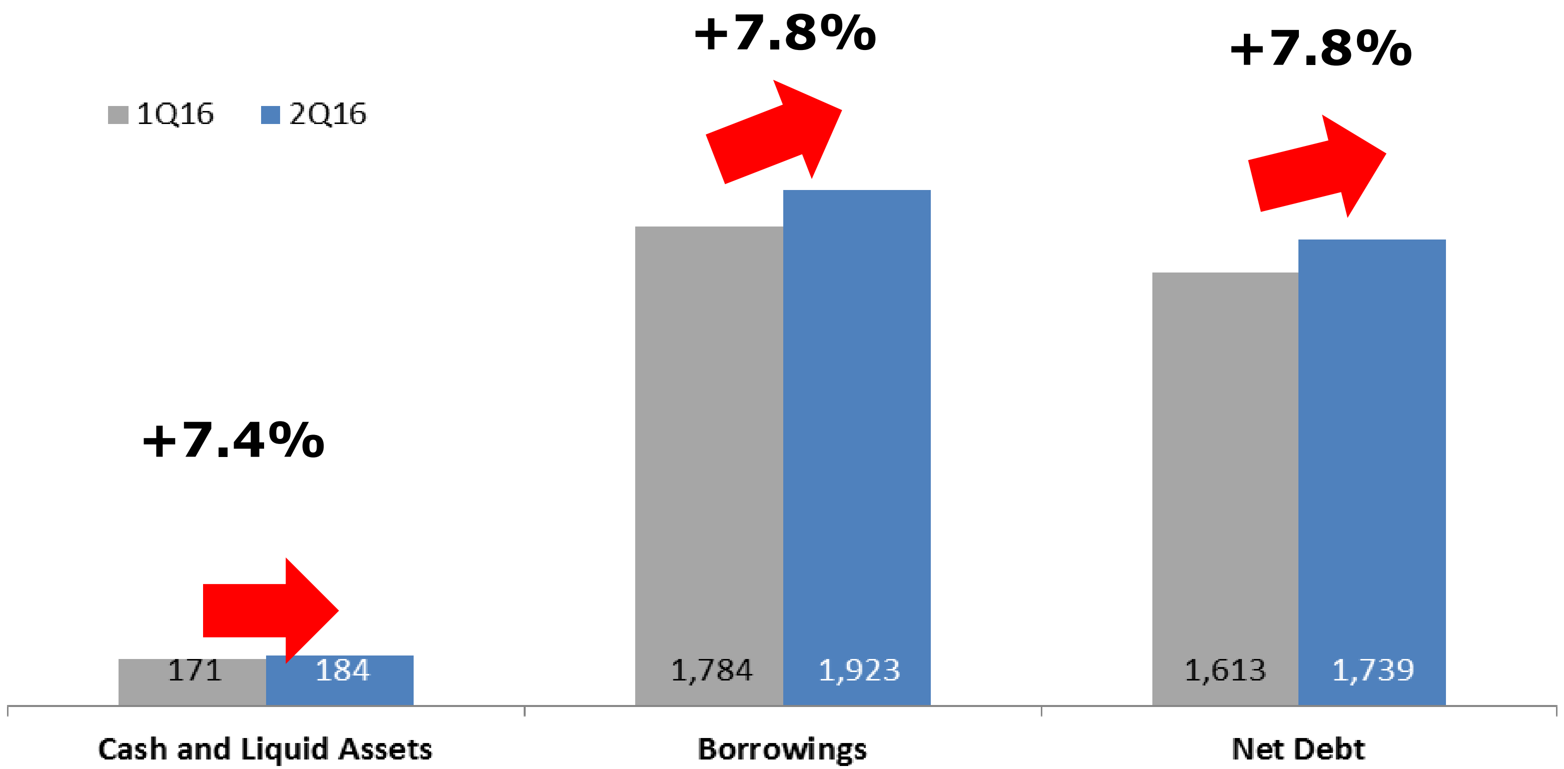
Inventory Management



- Marginal improvement with reduced purchases and clearing existing stocks.
- Decrease in turnover days was due to increase efficiency in stock clearance.

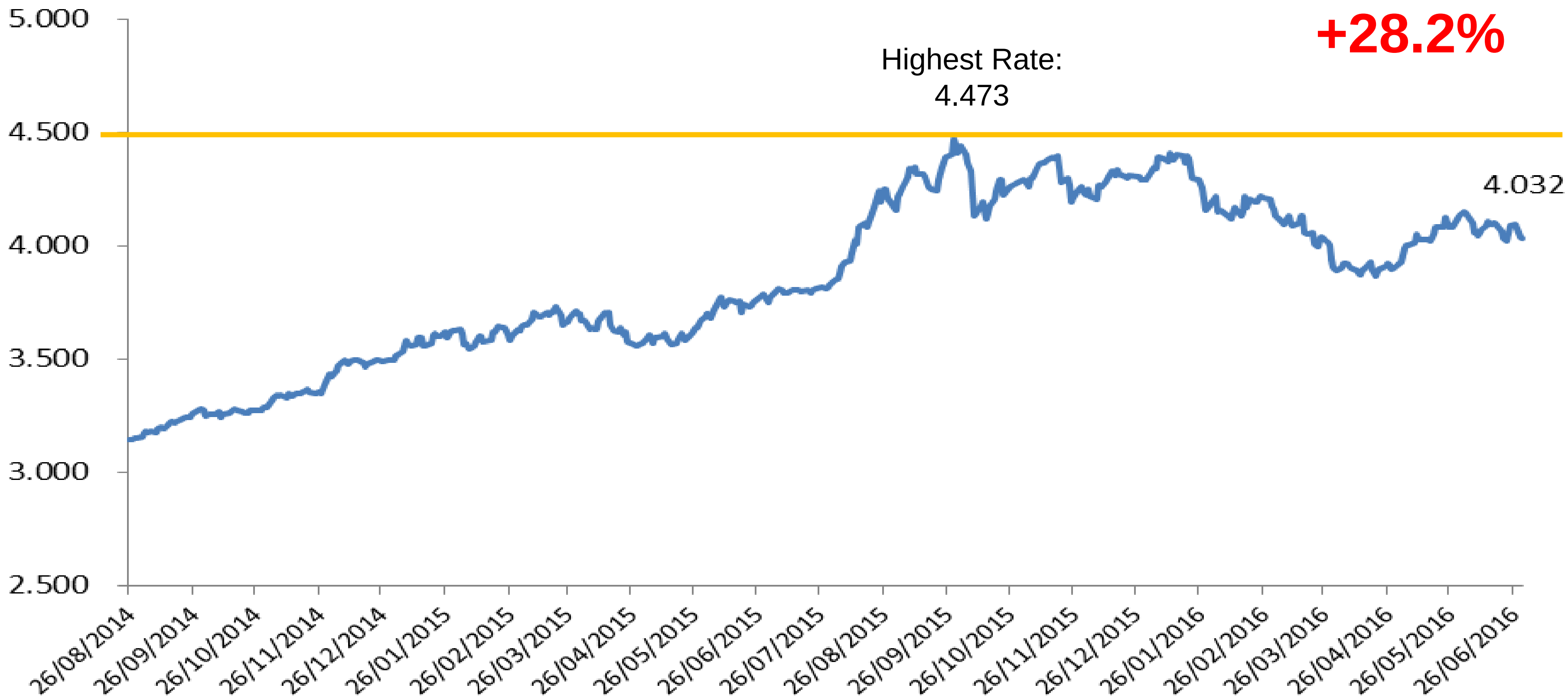
Liquidity Management

Cash Balance & Borrowings (RM'mil)



- **Borrowings level increased due to further drawdown was needed for working capital purposes.**
- **Net gearing stood at 64.0%.**

Foreign Exchange Management



Source: Bloomberg

- **Ringgit gradually recovered in March 2016 from 4.205 to 4.032 now at June.**
- **We will take diligent steps to monitor the foreign currency risk and continues to exercise our hedging activities.**

Thank you