

**Tan Chong
Motor
Holdings
Berhad**

FY2016 Third-Quarter Financial Results



Cautionary Statement with Respect to Forward-Looking Statements

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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

3Q16 Sales Performance & Operation Review

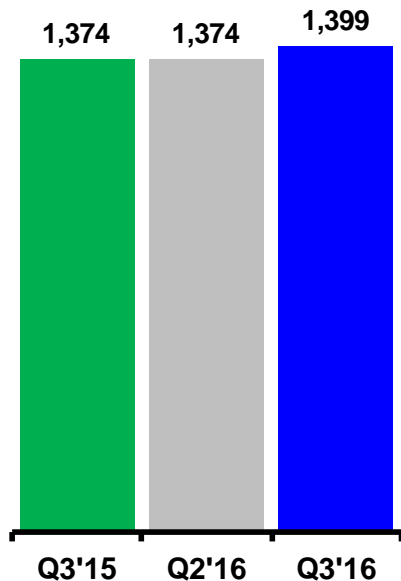
Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q

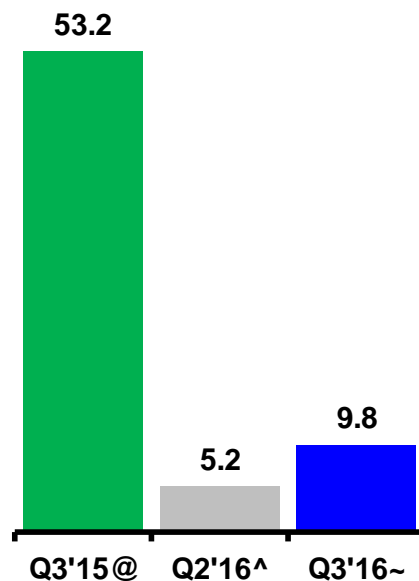
Revenue

1.8%
1.8%



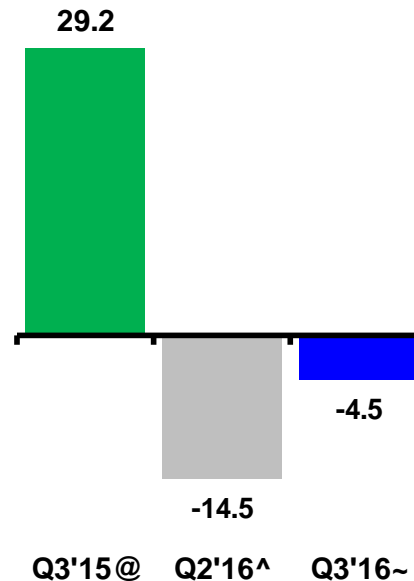
Operating Profit

-81.6%
90.1%



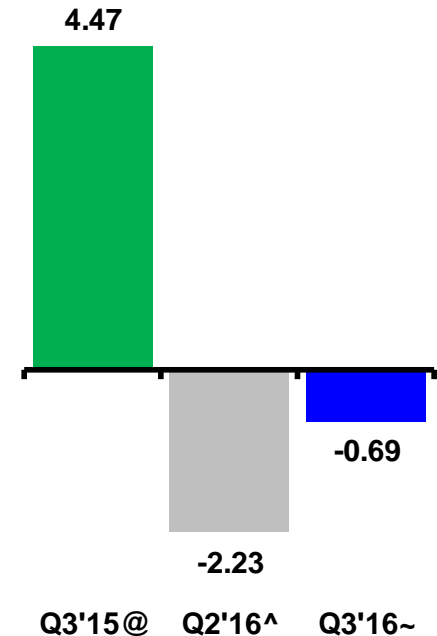
Profit/ (Loss) Attributable to Owners of the Company

-115%
69.1%



Earning/ (Loss) Per Share (Sen)

-115.4%
69.1%



@ include net foreign exchange gain of RM13.8mil.

^ include net foreign exchange gain of RM9.4mil.

~ include net foreign exchange gain of RM7.3mil.

QoQ Financials Review

<i>In RM'000, unless stated otherwise</i>	2Q16^	3Q16~	Changes
Net Revenue	1,374,016	1,398,629	1.8%
Operating Profit	5,161	9,810	90.1%
Loss Before Tax	(11,483)	(6,272)	45.4%
Loss Attributable to Owners of the Company	(14,587)	(4,501)	69.1%
Loss per Share (Sen)	(2.23)	(0.69)	69.1%
Shareholders' Fund	2,715,708	2,702,989	-0.5%
Net Asset per Share (RM)	4.16	4.14	-0.5%

- Revenue remain consistent from 2Q16 to 3Q16.
- Profitability improved with the increase in selling price during 2Q16.

^ include net foreign exchange gain of RM9.4mil.

~ include net foreign exchange gain of RM7.3mil.

YoY Financials Review

In RM'000 , unless stated otherwise

	30-Sept-15^	30-Sept-16~	Changes
Revenue	4,206,323	4,237,768	0.7%
Operating Profit/ (Loss)	142,391	(6,239)	-104.4%
Profit/ (Loss) Before Tax	104,280	(54,499)	-152.3%
Profit/ (Loss) After Tax	66,860	(58,379)	-187.3%
Profit/ (Loss) Attributable to Owners of the Company	69,688	(56,296)	-180.8%
EPS/ (LPS) (Sen)	10.68	(8.63)	-180.8%

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

^ include net foreign exchange gain of RM15.9mil.

~ include net foreign exchange gain of RM8.4mil.

Segmental Performance

<i>In RM'000</i>	2Q16	3Q16	Change (%)
Sales			
Automobiles	1,356,362	1,379,396	1.7%
Financial services	14,931	16,131	8.0%
Other operations	2,723	3,102	13.9%
	1,374,016	1,398,629	1.8%
EBITDA			
Automobiles	26,657	26,720	0.2%
Financial services	5,093	5,443	6.9%
Other operations	9,792	11,763	20.1%
	41,542~	43,926^	5.7%
EBITDA margin			
Automobiles	2.0%	1.9%	
Financial services	34.1%	33.7%	
Other operations	359.6%	379.2%	
	3.0%	3.1%	

^ include net realised foreign exchange gain of RM7.3mil.

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

Malaysia Sales Performance

Q-o-Q

-9.1%



10,744

2Q16

9,761

3Q16



9,250 units

-11%



235 units

+1%



240 units

+105%



36 units

+89%

Y-o-Y

-12.0%



35,992

9M'15

31,665

9M'16



30,398 units

-13%



702 units

-14%



466 units

+60%



99 units

-21%

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY -12.0% : Due to price increase in April 2016.**
- **QoQ -9.1% : Due to price hike and new launches by the competitors.**
- **Despite all the challenges, Nissan is able to maintain its market share at above 7% for this year.**
- **Despite the slowdown in new car sales, TCMH has been able to sell more trade-in used cars through MUV at tremendous growth rates. (Sales unit: 9M2014 – 491 units, 9M2015 – 2,193 units, 9M2016 – 5,203 units)**



Top 5 manufacturers

TIV

Q-o-Q

-0.8%

144,192

2Q16

142,974

3Q16

Y-o-Y

-13.8%

485,388

9M'15

418,433

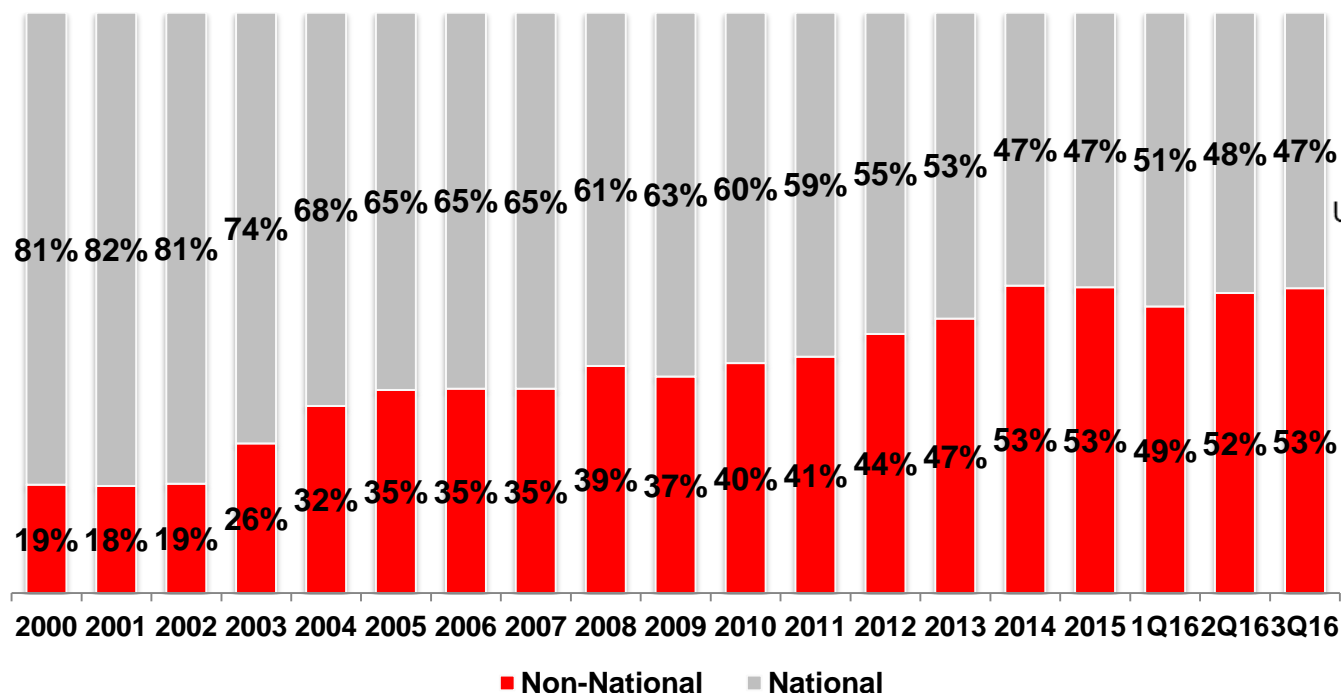
9M'16

Top 5 manufacturers

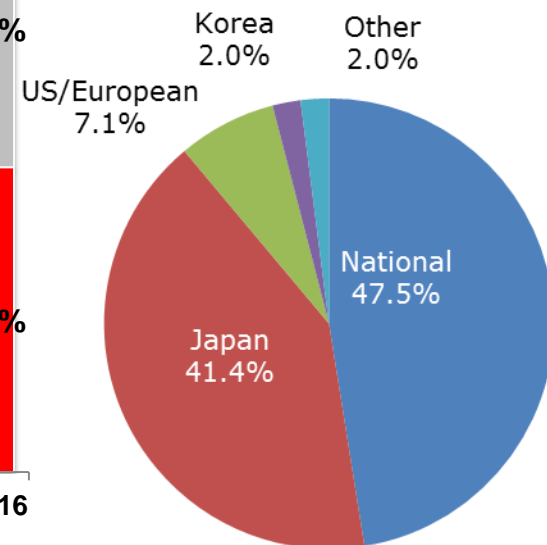
	Units			Market Share		
	3Q'16	2Q'16	Changes	3Q'16	2Q'16	9M'16
Perodua	53,519	50,189	+6.6%	37.4%	34.8%	36.1%
Proton	14,364	16,502	-13.0%	10.0%	11.4%	12.0%
Honda	23,608	20,877	+13.1%	16.5%	14.5%	15.1%
Toyota	17,271	17,033	+1.4%	12.1%	11.8%	10.6%
Nissan	9,250	10,375	-10.8%	6.5%	7.2%	7.3%

Source: MAA

Non- National brands regaining market share



3Q'16



	Q-o-Q %
Perodua	+6.6%
Proton	-13.0%

	Q-o-Q %
Toyota	+1.4%
Nissan	-10.8%
Honda	+13.1%
Mitsubishi	-13.8%
Isuzu	+10.1%
Mazda	-27.8%

	Q-o-Q %
Ford	-18.7%
VW	-66.8%
BMW	+8.4%
Mercedes	-9.6%

Indochina Sales Performance

Q-o-Q

+37%



**1,217 units
+36%**

Vietnam



**73 units
+30%**

Laos



**1 unit
+100%**

Cambodia

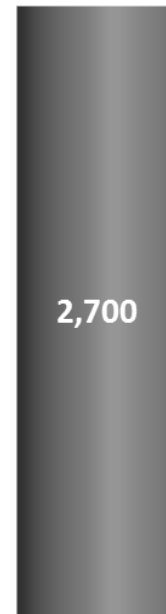


**25 units
+150%**

Myanmar

Y-o-Y

+15%



**2,823 units
+23%**

Vietnam



**208 units
-10%**

Laos



**9 units
-74%**

Cambodia



**55 units
-58%**

Myanmar

2Q'16

3Q'16

3Q'15

3Q'16

Ytd Sales

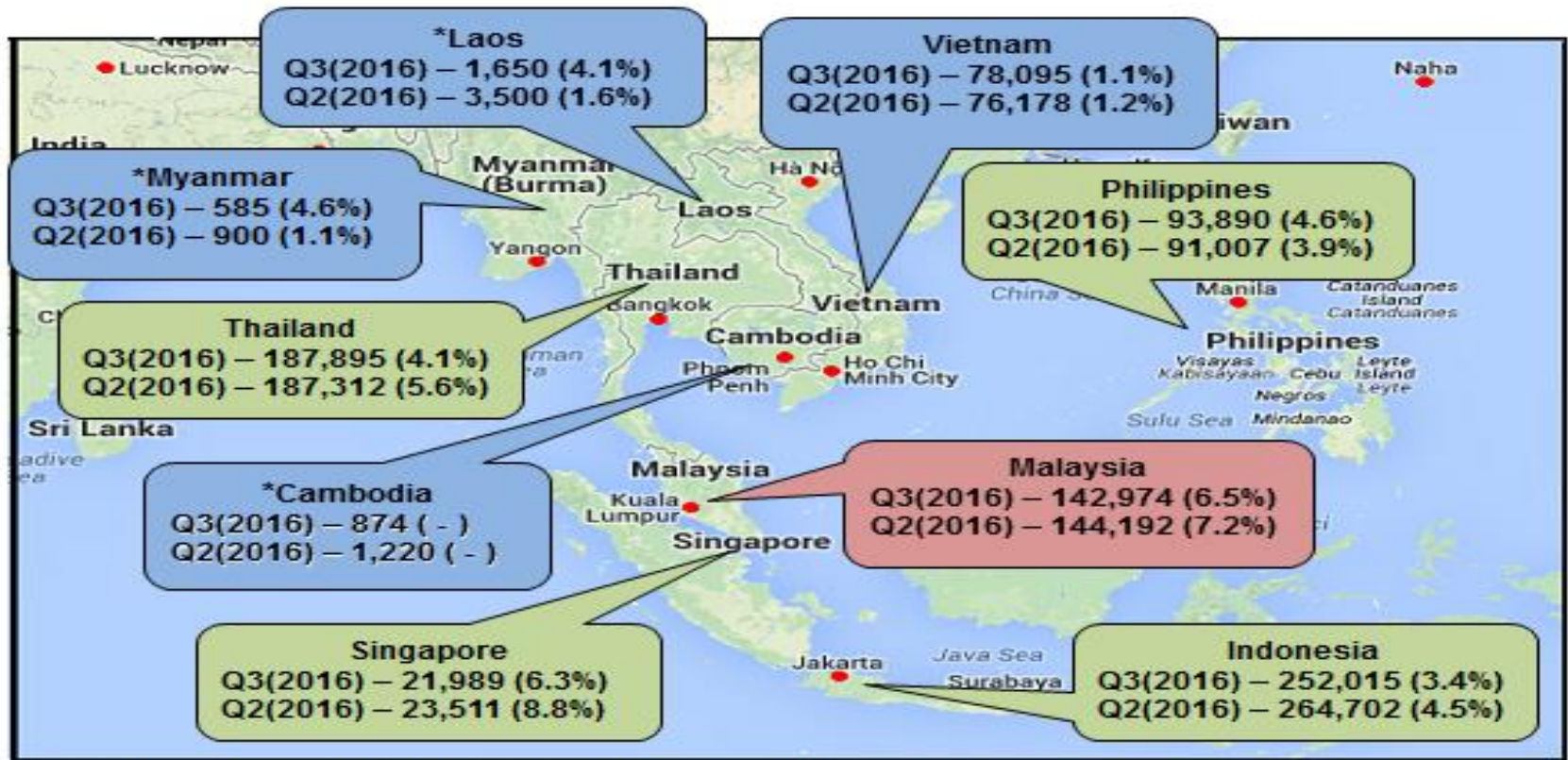
Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 15% was due to the positive sales of Navara in Vietnam.
- Higher unit sales Q-o-Q as seen in Vietnam was due to the increase in demand in Navara and also due to the launch of new X-Trail.
- The overseas assembly plant operation was still impacted by negative production variances.
- However, for the motorcycle business, TC Motorcycle Vietnam which deals with distribution of Kawasaki is profitable. (Sales units: Q3 2016 – 493 units, Q2 2016 – 402 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.

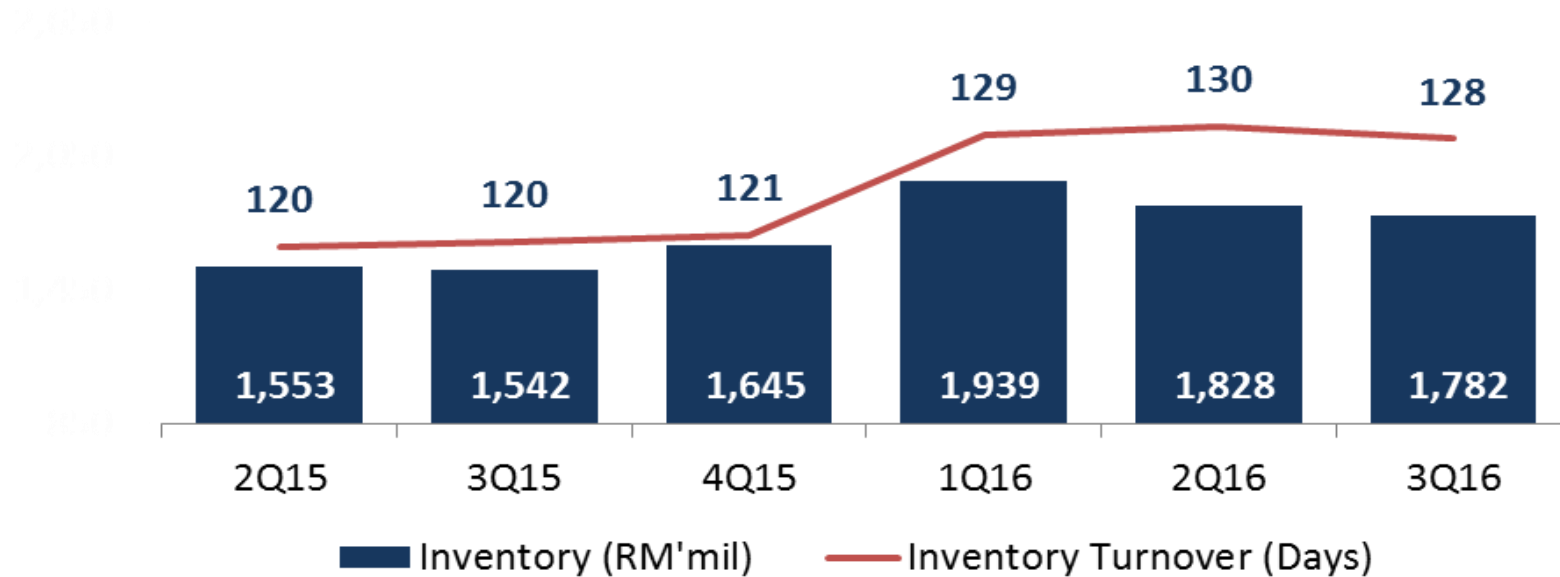
Note: Except Singapore, Philippines, Thailand and Indonesia, the rest of the Nissan operations are under the management of TCMH.

Business Review

3Q16 Sales Performance & Operation Review

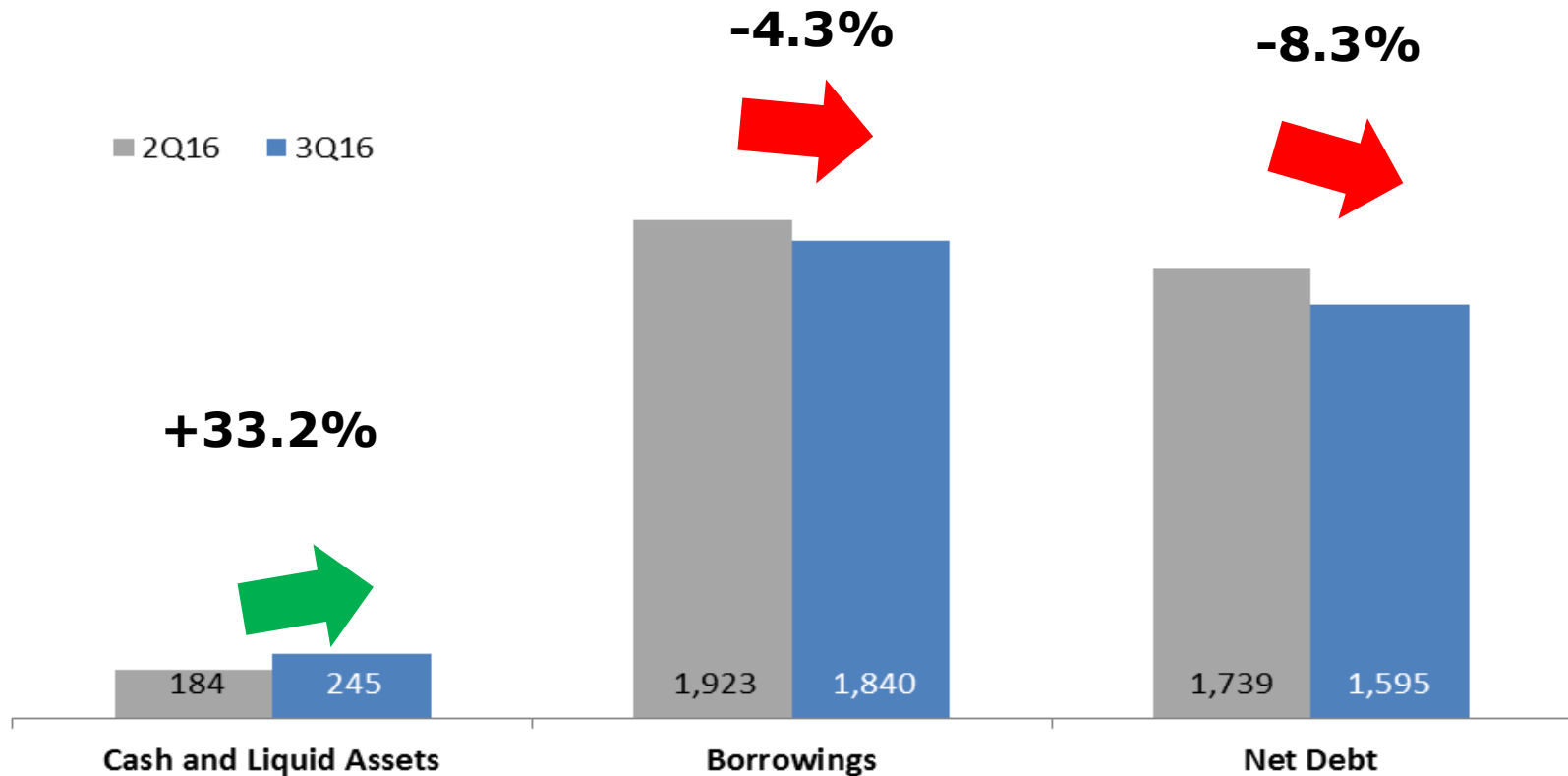
Appendices

Inventory Management



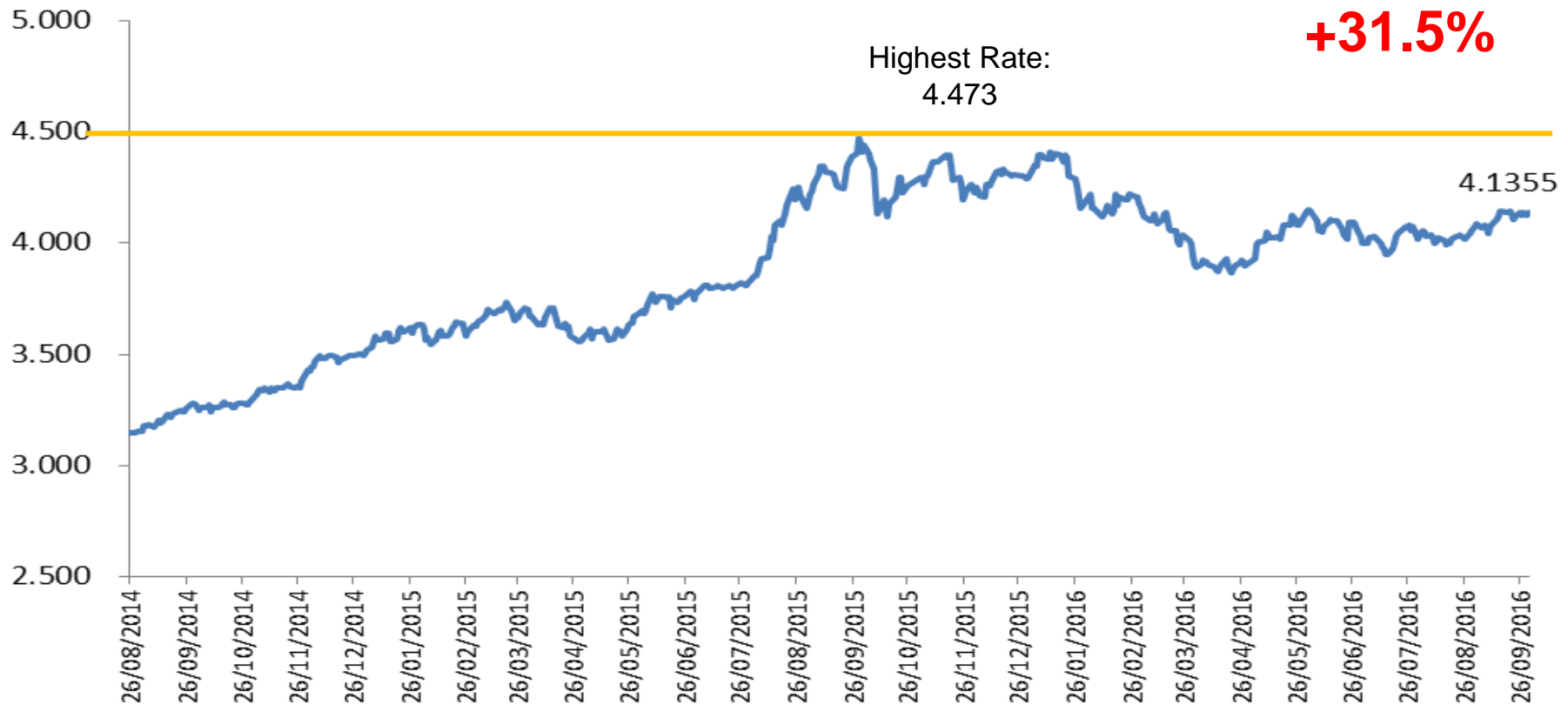
- Marginal improvement with reduction in purchases and clearing existing stocks.
- Decrease in turnover days was due to increase efficiency in stock clearance.

Cash Balance & Borrowings (RM'mil)



- Total borrowings decreased due to repayment of loan arising from cash inflow generated from stocks clearance.
- Net gearing stood at 59.0%.

Foreign Exchange Management



Source: Bloomberg

- Ringgit gradually recovered in March 2016 from 4.205 to 4.1355 now at September.
- We will take diligent steps to monitor the foreign currency risk and continues to exercise our hedging activities.

