

**Tan Chong
Motor
Holdings
Berhad**

FY2016 Fourth-Quarter Financial Results



Cautionary Statement with Respect to Forward-Looking Statements

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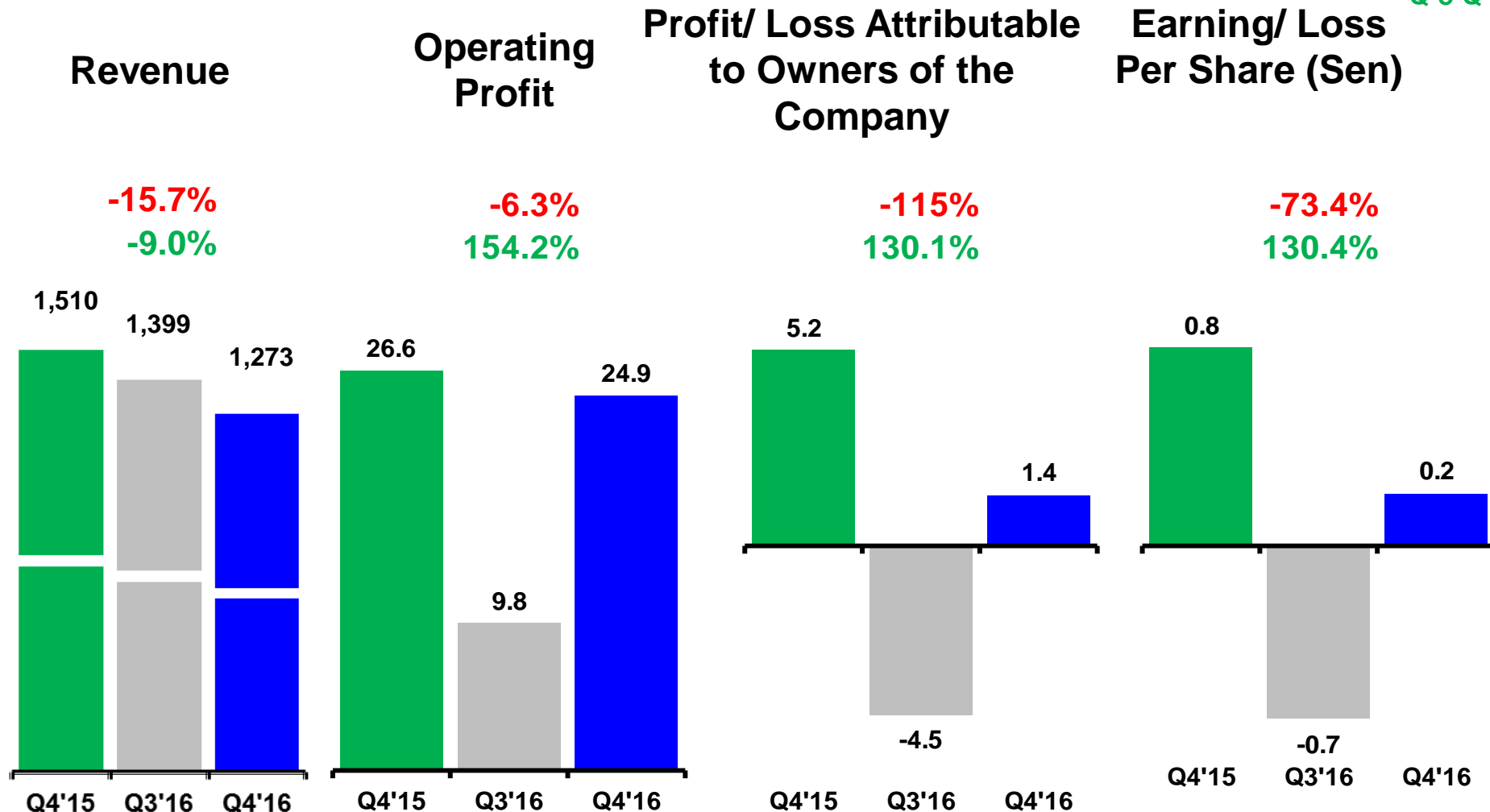
Business Review

4Q16 Sales Performance & Operation Review

Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y
Q-o-Q



QoQ Financials Review

In RM'000, unless stated otherwise

	3Q16	4Q16	Changes
Net Revenue	1,398,629	1,272,972	-9.0%
Operating Profit	9,810	24,934	154.2%
(Loss)/ Profit Before Tax	(6,272)	11,419	282.1%
(Loss)/ Profit Attributable to Owners of the Company	(4,501)	1,353	130.1%
(Loss)/ Earnings per Share (Sen)	(0.69)	0.21	130.4%
Shareholders' Fund	2,702,989	2,873,242	6.3%
Net Asset per Share (RM)	4.14	4.40	6.3%

- Revenue reduced due to weaker consumers' demand and competitive trading environment.
- Profitability improved with better sales mix during the final quarter.

YoY Financials Review

In RM'000 , unless stated otherwise

	31-Dec-15	31-Dec-16	Changes
Revenue	5,716,654	5,510,740	-3.6%
Operating Profit	169,008	18,695	-88.9%
Profit/ (Loss) Before Tax	115,252	(43,080)	-137.4%
Profit/ (Loss) After Tax	69,902	(59,034)	-184.5%
Profit/ (Loss) Attributable to Owners of the Company	74,865	(54,943)	-173.4%
EPS/ (LPS) (Sen)	11.47	(8.42)	-173.4%

- Revenue steady YoY.
- Profitability is largely a function of forex direction.

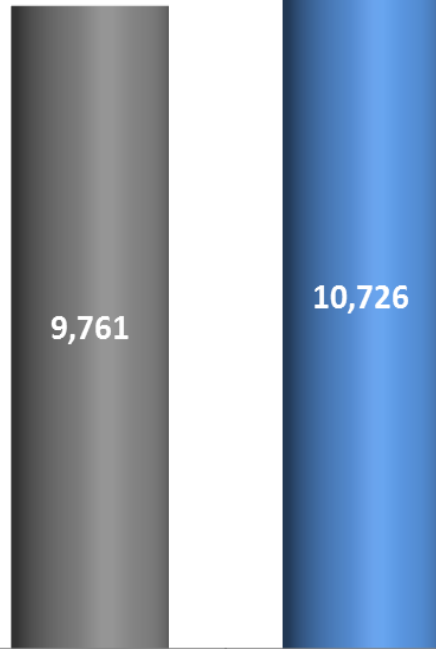
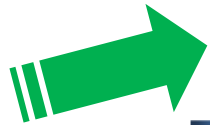
Segmental Performance

<i>In RM'000</i>	3Q16	4Q16	Change (%)
Sales			
Automobiles	1,379,396	1,249,142	-9.4%
Financial services	16,131	20,997	30.2%
Other operations	3,102	2,833	-8.7%
	1,398,629	1,272,972	-9.0%
EBITDA			
Automobiles	26,720	34,555	29.3%
Financial services	5,443	9,610	76.6%
Other operations	11,763	15,462	31.4%
	43,926	59,627	35.7%
EBITDA margin			
Automobiles	1.9%	2.8%	
Financial services	33.7%	45.8%	
Other operations	379.2%	545.8%	
	3.1%	4.7%	

Malaysia Sales Performance

Q-o-Q

+9.9%



3Q16

4Q16



10,308 units

+11%



UD TRUCKS

268 units

+14%



RENAULT

133 units

-53%

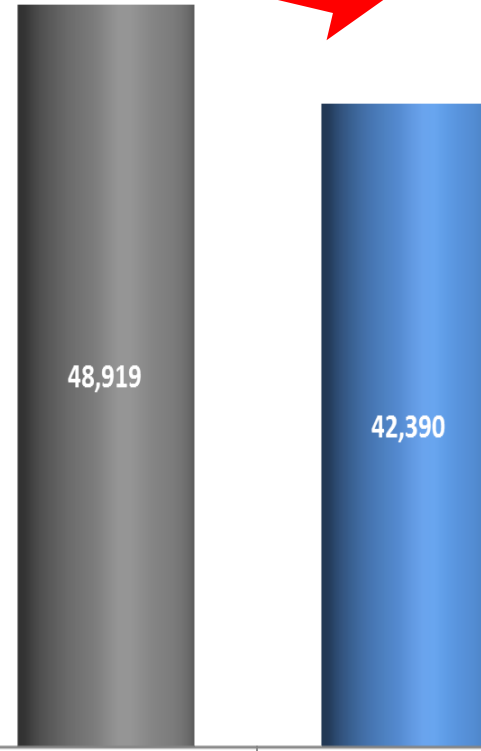


17 units

-53%

Y-o-Y

-13.3%



2015

2016



40,706 units

-14%



UD TRUCKS

970 units

-5%



RENAULT

599 units

+26%



115 units

-34%

Malaysia Sales Performance (Cont'd)

Malaysia

- **YoY -13.3% : Due to price increase hike and general reduced in demand.**
- **QoQ +9.1% : Due to aggressive year-end promotion campaign.**
- **Despite all the challenges, Nissan is able to maintain its market share at 7% throughout FY2016.**
- **To compensate for new car sales, TCMH has been able to sell more trade-in used cars through MUV. (Sales unit: 12M2014 – 767 units, 12M2015 – 3,528 units, 12M2016 – 6,531 units)**

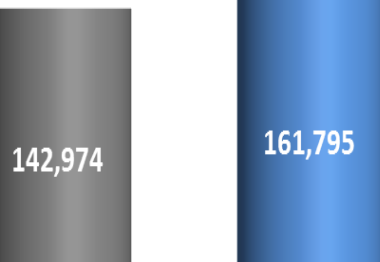


Top 5 manufacturers

TIV

Q-o-Q

+13.2%

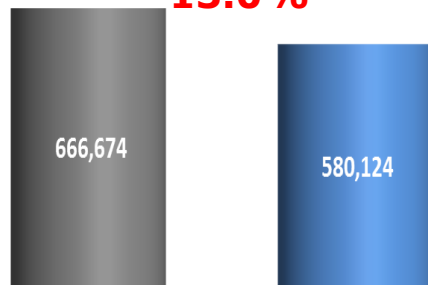


3Q16

4Q16

Y-o-Y

-13.0%



12M'15

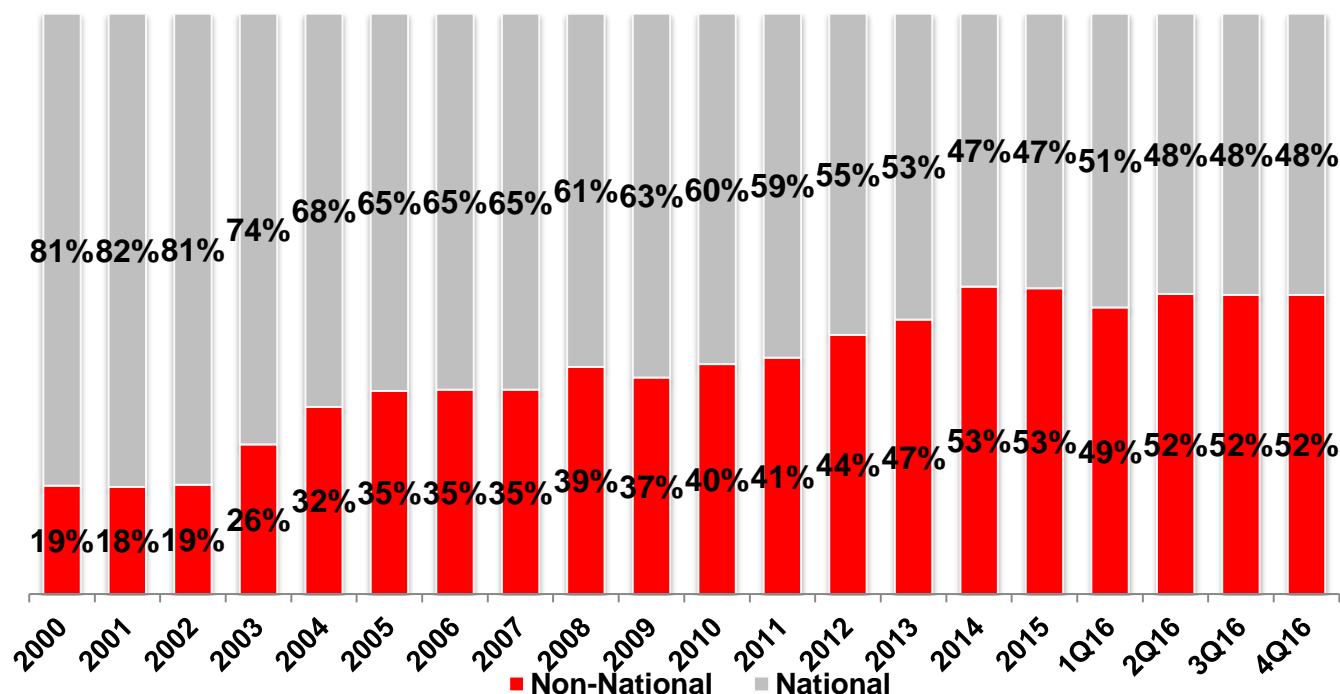
12M'16

Top 5 manufacturers

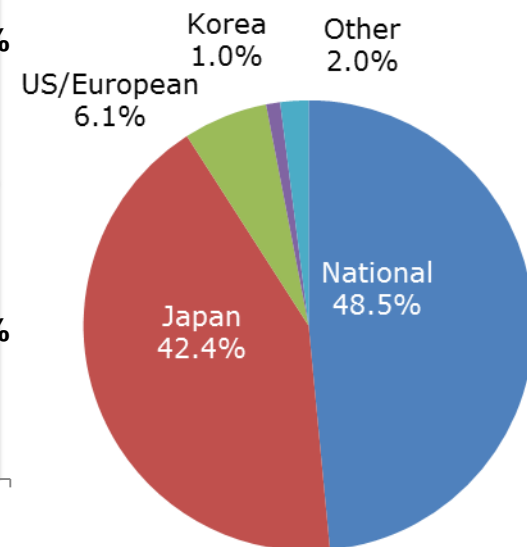
	Units			Market Share		
	4Q'16	3Q'16	Changes	4Q'16	3Q'16	2016
Perodua	56,221	53,519	+5.0%	34.7%	37.4%	35.7%
Proton	22,199	14,364	+54.5%	13.7%	10.0%	12.5%
Honda	28,568	23,608	+21.0%	17.7%	16.5%	15.8%
Toyota	19,237	17,271	+11.4%	11.9%	12.1%	10.1%
Nissan	10,308	9,250	+11.4%	6.4%	6.5%	7.0%

Source: MAA

Non- National brands regaining market share



4Q'16



	Q-o-Q %
Perodua	+5.0%
Proton	+54.5%

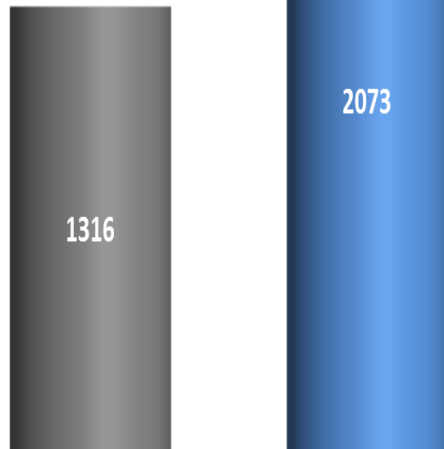
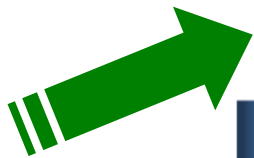
	Q-o-Q %
Toyota	+11.4%
Nissan	+11.4%
Honda	+21.0%
Mitsubishi	+30.0%
Isuzu	+16.1%
Mazda	-12.0%

	Q-o-Q %
Ford	+2.4%
VW	-36.0%
BMW	+26.3%
Mercedes	-7.1%

Indochina Sales Performance

Q-o-Q

+58%



3Q'16

4Q'16



**1,990 units
+64%**

Vietnam



**54 units
+30%**

Laos



**19 unit
+1800%**

Cambodia

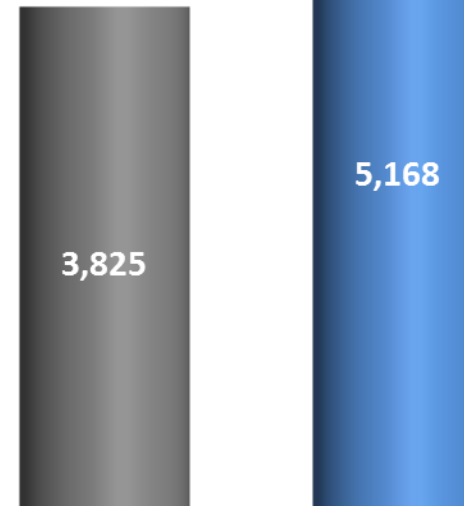
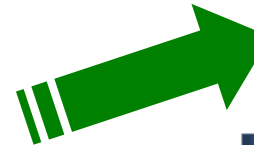


**10 units
-60%**

Myanmar

Y-o-Y

+35%



2015

2016



**4,813 units
+43%**

Vietnam



**262 units
+10%**

Laos



**28 units
-28%**

Cambodia



**65 units
-65%**

Myanmar

Ytd Sales

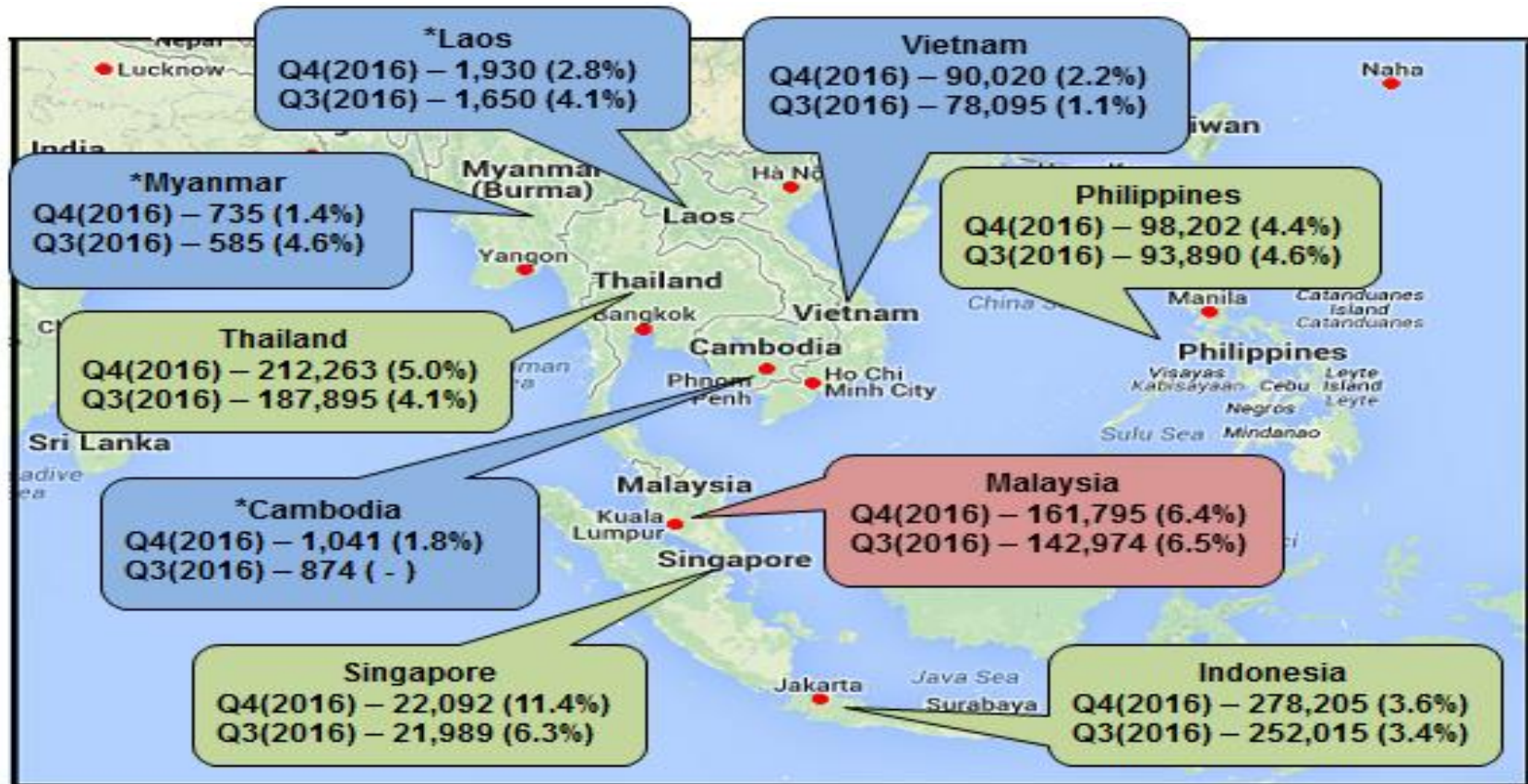
Indochina Sales Performance (Cont'd)

Indochina

- Y-o-Y, sales in Indochina increased by 35% due to higher Navara sales and launch of new X-trail in Vietnam.
- Higher unit sales Q-o-Q in Vietnam was due to higher Navara and X-trail volume consistently every month since launching.
- Danang assembly plant still impacted by negative production variances.
- TC Motorcycle Vietnam which has exclusive distribution of Kawasaki is profitable with scalable potential. (Sales units: Q4 2016 – 385 units, Q3 2016 – 493 units)



Nissan Penetration in the Region



Tan Chong Malaysia is able to sustain Nissan market share (YoY) compared to Thailand and Indonesia.

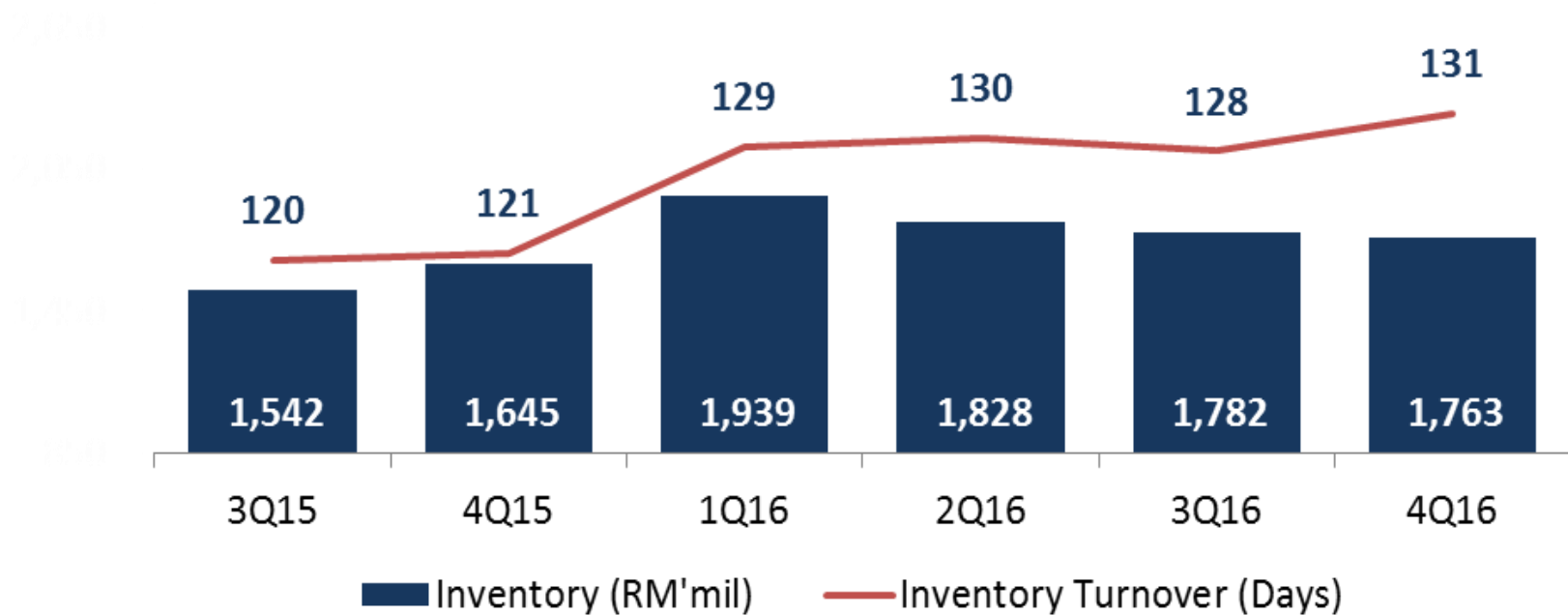
Note: Except Singapore, Philippines, Thailand and Indonesia, the rest of the Nissan operations are under the management of TCMH.

Business Review

4Q16 Sales Performance & Operation Review

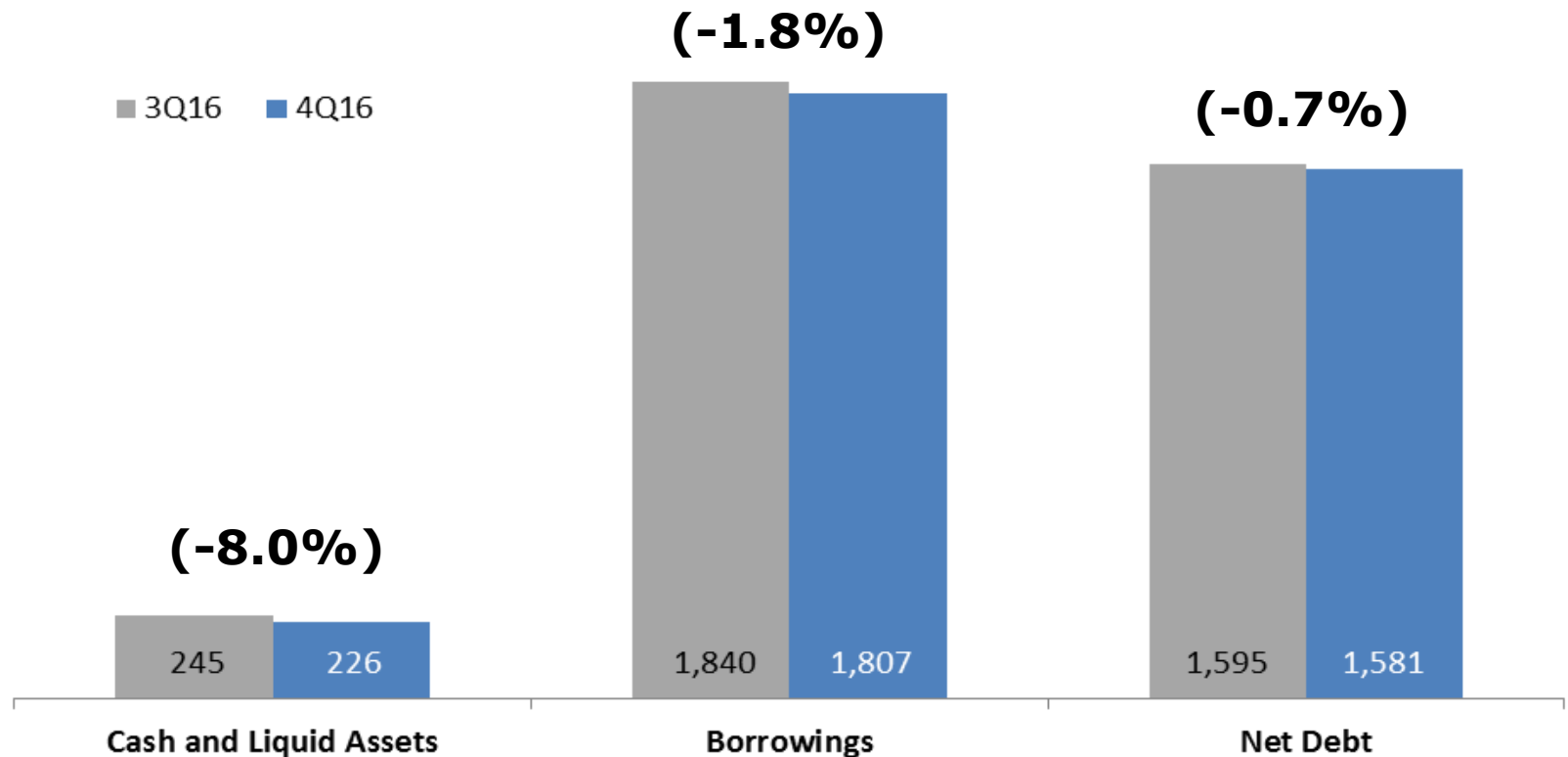
Appendices

Inventory Management



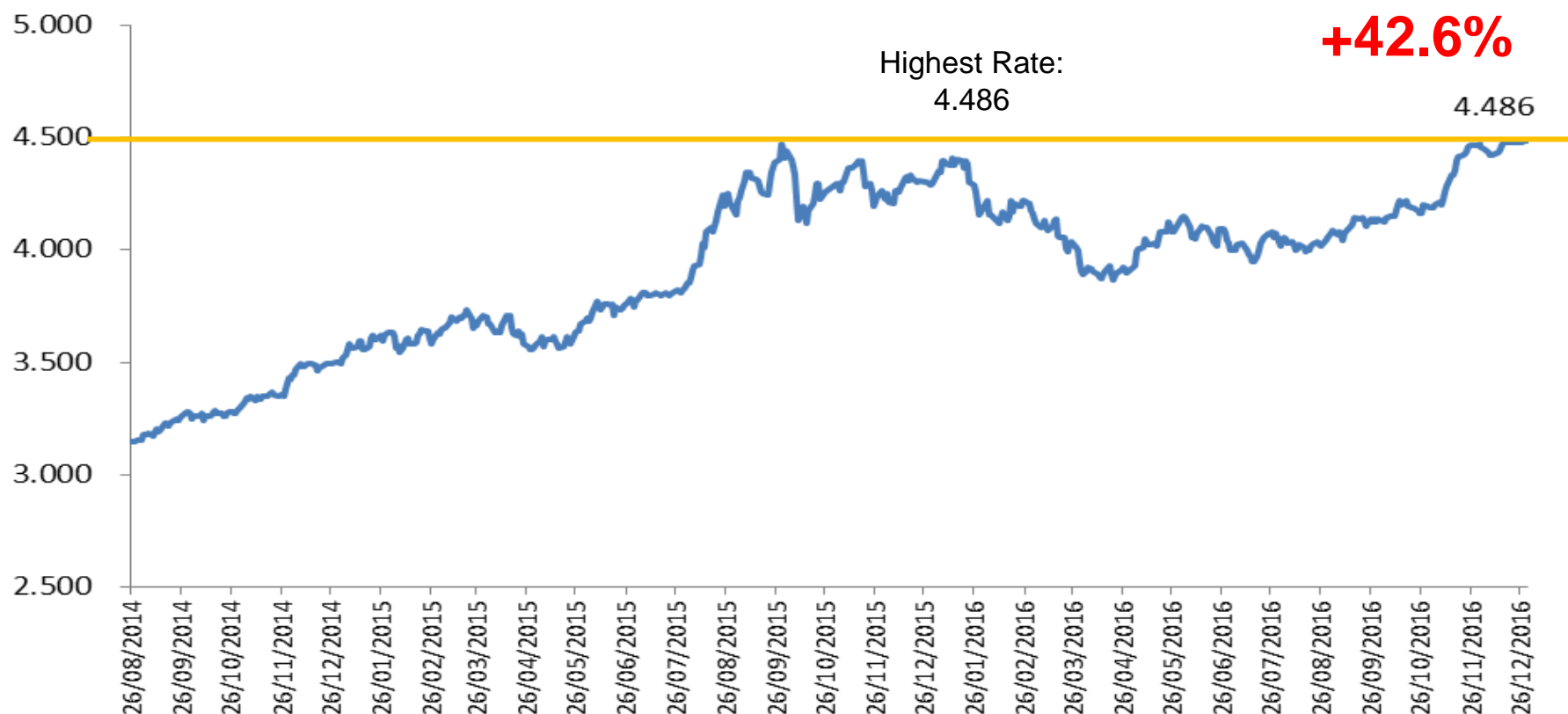
- Marginal increase in turnover days was due to lower efficiency in clearing stocks during the year end.
- Holding lower imported CKD cost and restocking at prevailing dates would likely incur losses.

Cash Balance & Borrowings (RM'mil)



- Total borrowings slightly decreased due to repayment of loan arising from cash inflow generated from stocks clearance.
- Net gearing stood at 55.1%.

Foreign Exchange Management



Source: Bloomberg

- Ringgit fluctuated and devalue towards the year end mainly due to Trump's presidential victory.
- We will take diligent steps to monitor the foreign currency risk and continues to exercise our hedging activities.

Thank you

