

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

4. Cash and bank balances

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Cash at banks and on hand:				
Conventional accounts	9,907,248	9,526,272	9,636,244	9,387,005
Islamic accounts	31,068	40,958	31,068	40,958
	<u>9,938,316</u>	<u>9,567,230</u>	<u>9,667,312</u>	<u>9,427,963</u>
Short term deposits with licensed banks:				
Conventional accounts	424,138,744	429,224,744	424,138,744	426,828,744
Islamic accounts	57,086,000	29,338,000	57,086,000	29,338,000
	<u>481,224,744</u>	<u>458,562,744</u>	<u>481,224,744</u>	<u>456,166,744</u>
Total cash and bank balances	<u>491,163,060</u>	<u>468,129,974</u>	<u>490,892,056</u>	<u>465,594,707</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. The average maturity of short term deposits with licensed banks of the Group and the Company are 32 days (2015: 28 days). The weighted average interest rate as at 31 March 2016 of the Group and the Company are 3.39% (2015: 3.36%) per annum.

5. Amounts due from/(to) related companies

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Amount due from:				
- A subsidiary	-	-	24,665,858	29,666,107
- Other related companies	134,170	304,073	-	-
	<u>134,170</u>	<u>304,073</u>	<u>24,665,858</u>	<u>29,666,107</u>
Amount due to subsidiaries	<u>-</u>	<u>-</u>	<u>(36,369,861)</u>	<u>(35,123,228)</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

5. Amounts due from/(to) related companies (cont'd.)

The amounts due from/to subsidiaries are repayable on demand, non-trade in nature, unsecured and bear interest 4.5% (2015: 4.5%) per annum. Amount due from a subsidiary is neither past due nor impaired. Based on the historical payment records, the Company believes that no impairment allowance is necessary.

The amount due from other related companies are repayable on demand, non-trade in nature, unsecured and interest free.

6. Other receivables

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Al-ijarah receivables	111,655	12,563	111,655	12,563
Unamortised dealers' commission paid	32,798,838	31,627,246	32,798,838	31,627,246
Deposits	693,872	626,653	693,739	626,316
Prepayments	2,809,430	2,550,125	1,767,188	2,018,349
Sundry receivables	1,704,682	1,238,492	1,132,517	333,653
	<u>38,118,477</u>	<u>36,055,079</u>	<u>36,503,937</u>	<u>34,618,127</u>
Less: Allowance for impairment	(34,474)	-	(34,474)	-
Other receivables, net	<u>38,084,003</u>	<u>36,055,079</u>	<u>36,469,463</u>	<u>34,618,127</u>

Other receivables that are neither past due nor impaired

Al-ijarah receivables and other receivables of the Group and the Company that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

Other receivables that are impaired

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	2016	2015
	RM	RM
Group and Company		
Individually impaired		
Al-ijarah receivables - nominal amounts	111,655	12,563
Less: Allowance for impairment	(34,474)	-
	<u>77,181</u>	<u>12,563</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

6. Other receivables (cont'd.)

Movement in allowance accounts:

	2016 RM	2015 RM
Group and Company		
At 1 April 2015/2014	-	71,520
Impairment losses (Note 26)	34,474	-
Reversal of impairment losses (Note 26)	-	(71,520)
At 31 March	<u>34,474</u>	<u>-</u>

7. Financing receivables

	2016 RM	2015 RM
Group and Company		
Hire purchase receivables	4,616,635,447	4,025,231,056
AITAB receivables	1,303,213,397	1,308,000,373
Floor stocking receivables	43,452,736	10,061,834
Unearned profit - AITAB	(208,611,169)	(212,835,998)
Unearned interest - Hire purchase receivables	(710,218,632)	(581,621,809)
	<u>5,044,471,779</u>	<u>4,548,835,456</u>
Less: Allowance for impairment	(71,809,118)	(57,682,694)
Financing receivables, net	<u>4,972,662,661</u>	<u>4,491,152,762</u>

Floor stocking receivables relate to short-term credit facility granted to authorised motor vehicle dealers to finance their purchase of motor vehicles for resale.

The remaining maturities of the minimum lease payment of financing receivables at the reporting date are as follows:

	2016 RM	2015 RM
Group and Company		
Within 1 year	943,830,756	861,681,322
More than 1 year	4,100,641,023	3,687,154,134
	<u>5,044,471,779</u>	<u>4,548,835,456</u>

Ageing analysis of financing receivables

The Group and the Company do not have any financing receivables that are past due but not impaired.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

7. Financing receivables (cont'd.)

Receivables that are impaired

The Group's and the Company's financing receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Collectively impaired RM	Individually impaired RM	Total RM
2016			
Group and Company			
Financing receivables			
- nominal amounts	5,872,653,132	90,648,448	5,963,301,580
Less: Allowance for impairment	(44,463,794)	(27,345,324)	(71,809,118)
	<u>5,828,189,338</u>	<u>63,303,124</u>	<u>5,891,492,462</u>
2015			
Group and Company			
Financing receivables			
- nominal amounts	5,211,213,969	132,079,294	5,343,293,263
Less: Allowance for impairment	(36,592,230)	(21,090,464)	(57,682,694)
	<u>5,174,621,739</u>	<u>110,988,830</u>	<u>5,285,610,569</u>

Movement in allowance accounts:

	2016 RM	2015 RM
Group and Company		
At 1 April 2015/2014	57,682,694	49,104,219
Impairment losses (Note 26)	75,627,146	59,643,277
Reversal of impairment losses (Note 26)	(46,982,170)	(38,743,436)
Written off	(14,518,552)	(12,321,366)
At 31 March	<u>71,809,118</u>	<u>57,682,694</u>

Financing receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. Financing receivables are secured by collaterals with fair values amounting to RM4,310,070,638 (2015: RM3,949,215,382).

Financing receivables that are collectively determined to be impaired are computed based on the likelihood of default and the percentage of average loss derived from historical data.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

7. Financing receivables (cont'd.)

The following table analyses the financial assets classified as loans and receivables of the Group and the Company in the statements of financial position:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Hire purchase receivables	4,616,635,447	4,025,231,056	4,616,635,447	4,025,231,056
AITAB receivables	1,303,213,397	1,308,000,373	1,303,213,397	1,308,000,373
Floor stocking receivables	43,452,736	10,061,834	43,452,736	10,061,834
Unearned profit - AITAB	(208,611,169)	(212,835,998)	(208,611,169)	(212,835,998)
Unearned interest - Hire purchase receivable	(710,218,632)	(581,621,809)	(710,218,632)	(581,621,809)
Al-ljarah receivables (Note 6)	111,655	12,563	111,655	12,563
Deposits (Note 6)	693,872	626,653	693,739	626,316
Sundry receivables (Note 6)	1,704,682	1,238,492	1,132,517	333,653
Amount due from related companies (Note 5)	134,170	304,073	24,665,858	29,666,107
Cash and bank balances (Note 4)	491,163,060	468,129,974	490,892,056	465,594,707
Total loans and receivables	5,538,279,218	5,019,147,211	5,561,967,604	5,045,068,802

8. Derivatives assets

	2016	2015
	RM	RM
Group and Company		
Contract/Notional amount		
Cross currency interest rate swaps	2,696,106,180	2,036,431,180
Interest Rate Swap	100,000,000	100,000,000
	<u>2,796,106,180</u>	<u>2,136,431,180</u>
Fair value		
Cross currency interest rate swaps	350,162,377	325,589,314
Interest Rate Swap	198,752	410,778
	<u>350,361,129</u>	<u>326,000,092</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

8. Derivatives assets (cont'd.)

The Group and the Company use interest rate swaps and cross currency interest rate swaps to hedge underlying interest rate risk and at the same time mitigate foreign exchange risk that derived from cross border borrowings. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. The Group and the Company do not apply hedge accounting.

The fixed interest rates relating to interest rate swaps and cross currency interest rate swaps at the end of the reporting period vary from 2.72% to 4.49% (2015: 2.72% to 4.49%). During the financial year, the Group and the Company recognised a gain of RM24,361,037 (2015: gain of RM292,399,839) arising from fair value changes of derivative assets. The fair value change are attributable to changes in foreign exchange spot and forward rate and interest rates. The method and assumptions applied in determining the fair values of derivatives are disclosed in Note 29.

9. Investment

	2016 RM	2015 RM
Group and Company		
Club membership	43,000	43,000

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

10. Investment in subsidiaries

	2016 RM	2015 RM
Company		
Unquoted shares, at costs	15,850,246	15,850,246

The subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name	Proportion (%) of ownership interest		Principal activities
	2016	2015	
Seabanc Kredit Sdn. Bhd.	100	100	Leasing, hire purchase financing and debt factoring services
Toyota Capital Acceptance Malaysia Sdn. Bhd.	100	100	Financing for employee share option schemes ("ESOS"), hire purchase financing, debt factoring and money lending services
Toyota Lease Malaysia Sdn. Bhd.	100	100	Leasing services

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

11. Leased assets

	Motor vehicles RM	IT equipments RM	Work-in- progress RM	Total RM
Group				
Cost				
At 1 April 2015	56,934,619	11,016,857	4,075,499	72,026,975
Additions	10,363,837	1,049,468	214,500	11,627,805
Transfers	-	4,289,999	(4,289,999)	-
Disposals	(10,087,456)	(884,659)	-	(10,972,115)
At 31 March 2016	57,211,000	15,471,665	-	72,682,665
Accumulated depreciation				
At 1 April 2015	17,262,108	4,024,279	-	21,286,387
Depreciation charge for the year	8,053,165	2,369,885	-	10,423,050
Disposals	(5,869,593)	(573,901)	-	(6,443,494)
At 31 March 2016	19,445,680	5,820,263	-	25,265,943
Net carrying amount				
At 31 March 2016	37,765,320	9,651,402	-	47,416,722
Cost				
At 1 April 2014	52,706,537	5,645,565	5,807,540	64,159,642
Additions	12,825,985	1,227,259	3,973,459	18,026,703
Transfers	-	5,705,500	(5,705,500)	-
Disposals	(8,597,903)	(1,561,467)	-	(10,159,370)
At 31 March 2015	56,934,619	11,016,857	4,075,499	72,026,975
Accumulated depreciation				
At 1 April 2014	14,534,507	4,200,005	-	18,734,512
Depreciation charge for the year	7,828,702	1,023,778	-	8,852,480
Disposals	(5,101,101)	(1,199,504)	-	(6,300,605)
At 31 March 2015	17,262,108	4,024,279	-	21,286,387
Net carrying amount				
At 31 March 2015	39,672,511	6,992,578	4,075,499	50,740,588

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

11. Leased assets (cont'd.)

The future minimum lease payments receivable by the Group in relation to the above leased assets are as follows:

	2016 RM	2015 RM
Due not later than one year	14,517,868	13,995,276
Due later than one year and not later than five years	24,813,178	25,932,072
	<u>39,331,046</u>	<u>39,927,348</u>

	Motor vehicles 2016 RM	2015 RM
Company		
Cost		
At 1 April 2015/2014	30,132,748	30,128,537
Additions	5,550,389	6,640,340
Disposals	(6,703,327)	(6,636,129)
At 31 March	<u>28,979,810</u>	<u>30,132,748</u>
Accumulated depreciation		
At 1 April 2015/2014	9,372,437	9,113,285
Depreciation charge for the year	4,189,190	4,080,897
Disposals	(3,722,546)	(3,821,745)
At 31 March	<u>9,839,081</u>	<u>9,372,437</u>
Net carrying amount		
At 31 March	<u>19,140,729</u>	<u>20,760,311</u>

The future minimum lease payments receivable by the Company in relation to the above leased assets are as follows:

	2016 RM	2015 RM
Due not later than one year	4,903,252	5,445,202
Due later than one year and not later than five years	6,986,807	8,993,177
	<u>11,890,059</u>	<u>14,438,379</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

12. Plant and equipment

	Furniture and fittings, renovation and improvements, office equipment RM	Motor vehicles RM	Computer equipment RM	Total RM
Group and Company				
Cost				
At 1 April 2015	5,379,297	1,630,916	4,378,070	11,388,283
Additions	430,373	308,901	66,670	805,944
Disposals	-	(295,189)	(2,585)	(297,774)
Write off	(253,953)	-	(180,680)	(434,633)
Transfer from intangible assets	-	-	449,663	449,663
At 31 March 2016	5,555,717	1,644,628	4,711,138	11,911,483
Accumulated depreciation				
At 1 April 2015	4,582,286	466,180	2,918,877	7,967,343
Depreciation charge for the year	262,600	114,539	1,116,033	1,493,172
Disposals	-	(112,909)	(1,796)	(114,705)
Write off	(224,861)	-	(179,485)	(404,346)
At 31 March 2016	4,620,025	467,810	3,853,629	8,941,464
Net carrying amount				
At 31 March 2016	935,692	1,176,818	857,509	2,970,019
Cost				
At 1 April 2014	5,143,606	1,610,537	4,269,918	11,024,061
Additions	239,832	30,316	8,792	278,940
Disposals	-	(9,937)	-	(9,937)
Write off	(4,141)	-	(311,380)	(315,521)
Transfer from intangible assets	-	-	410,740	410,740
At 31 March 2015	5,379,297	1,630,916	4,378,070	11,388,283
Accumulated depreciation				
At 1 April 2014	4,331,827	348,142	2,111,876	6,791,845
Depreciation charge for the year	254,139	124,331	1,116,524	1,494,994
Disposals	-	(6,293)	-	(6,293)
Write off	(3,680)	-	(309,523)	(313,203)
At 31 March 2015	4,582,286	466,180	2,918,877	7,967,343
Net carrying amount				
At 31 March 2015	797,011	1,164,736	1,459,193	3,420,940

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

13. Intangible assets

	Computer Software RM	Work in progress RM	Total RM
Group and Company			
Cost			
At 1 April 2015	11,934,727	3,043,987	14,978,714
Additions	100,060	857,526	957,586
Written off	-	(281,222)	(281,222)
Reclassification	2,790,182	(2,790,182)	-
Transfer to plant and equipment	-	(449,663)	(449,663)
At 31 March 2016	14,824,969	380,446	15,205,415
Accumulated amortisation			
At 1 April 2015	7,316,195	-	7,316,195
Amortisation	2,075,086	-	2,075,086
At 31 March 2016	9,391,281	-	9,391,281
Net carrying amount			
At 31 March 2016	5,433,688	380,446	5,814,134
Cost			
At 1 April 2014	11,100,890	2,664,529	13,765,419
Additions	434,937	1,242,858	1,677,795
Written off	-	(53,760)	(53,760)
Reclassification	398,900	(398,900)	-
Transfer to plant and equipment	-	(410,740)	(410,740)
At 31 March 2015	11,934,727	3,043,987	14,978,714
Accumulated amortisation			
At 1 April 2014	5,850,075	-	5,850,075
Amortisation	1,466,120	-	1,466,120
At 31 March 2015	7,316,195	-	7,316,195
Net carrying amount			
At 31 March 2015	4,618,532	3,043,987	7,662,519

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

14. Deferred tax

Deferred income tax as at 31 March relates to the following:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Group				
At 1 April 2015/2014	424,101	(672,883)	2,616,385	891,025
Recognised in profit or loss (Note 27)	1,422,237	1,096,984	1,728,169	1,725,360
At 31 March	<u>1,846,338</u>	<u>424,101</u>	<u>4,344,554</u>	<u>2,616,385</u>

Presented in the statements of financial position:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deferred tax assets	4,344,554	2,616,385	4,344,554	2,616,385
Deferred tax liabilities	(2,498,216)	(2,192,284)	-	-
	<u>1,846,338</u>	<u>424,101</u>	<u>4,344,554</u>	<u>2,616,385</u>

Presented after appropriate offsetting as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Deferred tax assets	12,410,223	11,918,126	12,656,886	11,429,456
Deferred tax liabilities	(10,563,885)	(11,494,025)	(8,312,332)	(8,813,071)
	<u>1,846,338</u>	<u>424,101</u>	<u>4,344,554</u>	<u>2,616,385</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

14. Deferred tax (cont'd.)

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

Deferred tax liabilities of the Group:

	Leased assets and plant and equipment RM	Prepayments RM	Total RM
At 1 April 2015	3,030,547	8,463,478	11,494,025
Recognised in profit or loss	(698,881)	(231,259)	(930,140)
At 31 March 2016	<u>2,331,666</u>	<u>8,232,219</u>	<u>10,563,885</u>
At 1 April 2014	4,193,991	8,873,583	13,067,574
Recognised in profit or loss	(1,163,444)	(410,105)	(1,573,549)
At 31 March 2015	<u>3,030,547</u>	<u>8,463,478</u>	<u>11,494,025</u>

Deferred tax assets of the Group:

	Unutilised capital allowances RM	Provisions and other temporary differences RM	Total RM
At 1 April 2015	488,670	11,429,456	11,918,126
Recognised in profit or loss	(488,670)	980,767	492,097
At 31 March 2016	<u>-</u>	<u>12,410,223</u>	<u>12,410,223</u>
At 1 April 2014	581,686	11,813,005	12,394,691
Recognised in profit or loss	(93,016)	(383,549)	(476,565)
At 31 March 2015	<u>488,670</u>	<u>11,429,456</u>	<u>11,918,126</u>

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

14. Deferred tax (cont'd.)

Deferred tax liabilities of the Company:

	Leased assets and plant and equipment RM	Prepayments RM	Total RM
At 1 April 2015	349,595	8,463,476	8,813,071
Recognised in profit or loss	(269,480)	(231,259)	(500,739)
At 31 March 2016	80,115	8,232,217	8,312,332
At 1 April 2014	2,048,397	8,873,583	10,921,980
Recognised in profit or loss	(1,698,802)	(410,107)	(2,108,909)
At 31 March 2015	349,595	8,463,476	8,813,071

Deferred tax assets of the Company:

	Provisions and other temporary differences RM
At 1 April 2015	11,429,456
Recognised in profit or loss	1,227,430
At 31 March 2016	12,656,886
At 1 April 2014	11,813,005
Recognised in profit or loss	(383,549)
At 31 March 2015	11,429,456

15. Other payables

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Accruals	31,157,347	32,038,371	30,629,273	31,367,871
Sundry payables	8,623,366	9,445,567	8,582,750	9,435,274
	39,780,713	41,483,938	39,212,023	40,803,145

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

15. Other payables (cont'd.)

The following table analyses the financial liabilities carried at amortised cost of the Group and the Company in the statements of financial position:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Accruals	31,157,347	32,038,371	30,629,273	31,367,871
Sundry payables	8,623,366	9,445,567	8,582,750	9,435,274
Bank borrowings (Note 16)	4,927,030,564	4,079,359,346	4,927,030,564	4,079,359,346
Medium term notes and commercial papers (Note 17)	578,437,779	898,092,726	578,437,779	898,092,726
Amount due to subsidiaries (Note 5)	-	-	36,369,861	35,123,228
Total financial liabilities carried at amortised costs	5,545,249,056	5,018,936,010	5,581,050,227	5,053,378,445

16. Bank borrowings

	2016	2015
	RM	RM
Group and Company		
Current	1,589,887,164	955,374,528
Non-current	3,337,143,400	3,123,984,818
	<u>4,927,030,564</u>	<u>4,079,359,346</u>

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

16. Bank borrowings (cont'd.)

	2016 RM	2015 RM
Fixed rate:		
Revolving credits		
- Conventional facilities	365,185,914	88,296,731
- Islamic facilities	190,000,000	456,100,000
Term loans		
- Licensed banks	969,893,149	779,894,371
- A related company	256,136,411	242,022,760
Floating rate:		
Term loans		
- A related company	608,793,697	574,653,537
- Licensed banks	2,537,029,302	1,939,050,190
Less: Unamortised transaction costs	(7,909)	(658,243)
Total bank borrowings	<u>4,927,030,564</u>	<u>4,079,359,346</u>

The remaining undiscounted contractual maturities of the bank borrowings as at 31 March 2016 and 2015 are as follows:

	Group and Company	
	2016 RM	2015 RM
Due within one year	1,748,787,278	1,072,900,993
More than 1 year and less than 5 years	3,458,493,463	3,263,341,359
More than 5 years	177,979,071	109,199,723
	<u>5,385,259,812</u>	<u>4,445,442,075</u>

The average effective interest rates during the financial year for conventional borrowings (excluding from related company) range from 3.16% to 4.57% (2015: 3.16% to 4.57%) per annum. The average effective interest rates during the financial year for borrowings from a related company range from 2.96% to 3.85% (2015: 2.96% to 3.85%). The average effective profit rates during the financial year for Islamic borrowings range from 3.96% to 4.42% (2015: 3.96% to 4.43%) per annum.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

16. Bank borrowings (cont'd.)

The bank borrowings of the Group and the Company which are determined in foreign currencies are as follow:

	2016	2015
Group and Company		
Japanese Yen (JPY)	104,822,237	92,586,000
United States Dollar (USD)	2,967,071,457	2,274,881,710
	<u>3,071,893,694</u>	<u>2,367,467,710</u>

The Group and the Company enter into cross currency interest rate swaps to mitigate the foreign exchange and interest rate risks (see Notes 10 and 30).

17. Medium term notes and commercial papers

	2016 RM	2015 RM
Group and Company		
Current	199,683,485	399,643,475
Non-current	378,754,294	498,449,251
	<u>578,437,779</u>	<u>898,092,726</u>
Conventional:		
Medium term notes and commercial papers	499,943,702	799,941,850
Less: Unamortised transaction costs	(452,645)	(1,807,879)
	<u>499,491,057</u>	<u>798,133,971</u>
Islamic:		
Medium term notes	79,988,236	99,984,847
Less: Unamortised transaction costs	(1,041,514)	(26,092)
	<u>78,946,722</u>	<u>99,958,755</u>
Total	<u>578,437,779</u>	<u>898,092,726</u>

The remaining undiscounted contractual maturities of the medium term notes as at 31 March 2016 and 2015 are as follows:

	2016 RM	2015 RM
Group and Company		
Due within one year	221,117,000	429,151,000
More than 1 year and less than 5 years	390,252,750	524,537,750
	<u>611,369,750</u>	<u>953,688,750</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

17. Medium term notes and commercial papers (cont'd.)

In prior year, the Company has the following programmes:

- (i) Single Investor Programme ("SIMTN") with the programme size of RM200,000,000 and RM600,000,000;
- (ii) Medium Term Notes ("MTN") programme with the programme size of RM1,200,000,000;
- (iii) Islamic Medium Term Notes ("iMTN") under the Sukuk programme with the programme size of RM1,000,000,000; and
- (iv) Commercial Papers Programme ("CP programme") with the programme size of RM600,000,000.

During the current financial year, both MTN and iMTN programmes have matured. Subsequently, the Company has established a new combined Commercial Paper/Islamic Commercial Papers/Medium Term Notes/Islamic Medium Term Notes ("the combined CP/ICP/MTN/IMTN") programme with programme size of RM2,500,000,000. The combined CP/ICP/MTN/IMTN and CP programmes are unconditionally and irrevocably guaranteed by a fellow subsidiary, Toyota Motor Finance (Netherlands) B.V., a company incorporated in the Netherlands.

The following are the tranches of SIMTN and iMTN and the newly established combined CP/ICP/MTN/IMTN programme for repayment of existing borrowings and working capital purposes:

Issue date	Maturity date	Coupon rates per annum	Nominal amount RM	Proceeds RM
2016				
<u>Conventional - SIMTN programme (unsecured)</u>				
13 January 2012	12 January 2017	3.50%	200,000,000	200,000,000
15 October 2012	13 October 2017	3.57%	100,000,000	100,000,000
14 November 2012	10 November 2017	3.57%	200,000,000	200,000,000
			<u>500,000,000</u>	<u>500,000,000</u>
<u>Combined CP/ICP/MTN/IMTN</u>				
02 February 2016	02 February 2018	4.27%	80,000,000	80,000,000
			<u>80,000,000</u>	<u>80,000,000</u>

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

17. Medium term notes and commercial papers (cont'd.)

Issue date	Maturity date	Coupon rates per annum	Nominal amount RM	Proceeds RM
2015				
<u>Conventional - SIMTN programme (unsecured)</u>				
13 January 2012	12 January 2017	3.50%	200,000,000	200,000,000
15 October 2012	13 October 2017	3.57%	100,000,000	100,000,000
14 November 2012	10 November 2017	3.57%	200,000,000	200,000,000
13 February 2013	12 February 2016	3.15%	300,000,000	300,000,000
			<u>800,000,000</u>	<u>800,000,000</u>
<u>Islamic - iMTN programme (secured)</u>				
28 May 2012	28 May 2015	4.00%	100,000,000	100,000,000
			<u>100,000,000</u>	<u>100,000,000</u>

The salient terms of the various programme approved by Securities Commission ("SC") are as follows:

The combined CP/ICP/MTN/MTN

- (i) The tenure of the CP programme and ICP programme shall be seven years from the date of the first issuance under these programmes, provided the first issuance shall not be later than two years from the date of the SC's approval, i.e. 13 May 2017.
- (ii) The tenure of the MTN programme and iMTN programme shall be fifteen years from the date of the first issuance under these programmes, provided the first issuance shall not be later than two years from the date of the SC's approval, i.e. 13 May 2017.
- (iii) The CP and ICP shall be issued for maturities between one to twelve months provided the maturity date is within the tenure of the CP and ICP Programme.
- (iv) The MTN and iMTN shall be issued for maturities ranging from one to fifteen years provided the maturity date is within the tenure of the MTN and iMTN Programmes.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

17. Medium term notes and commercial papers (cont'd.)

CP programme

- (i) The total nominal value of CP programme is RM600,000,000 with tenure of five years from the date of first issuance made within two years from the date of the SC's approval, i.e. 18 November 2013.
- (ii) The CP shall be issued for maturities between one to twelve months, denominated in monthly intervals and calculated from the date of issue provided the maturity date is within the tenure of the CP Programme.

IMTN programme

Salient terms of the Sukuk programme approved by the Securities Commission ("SC") include:

- (i) The Sukuk shall have a tenure of fifteen years from the date of the first issuance made within two years from the date of the SC's approval, i.e. 13 May 2017.
- (ii) The Sukuk shall be issued under the Islamic principle of Musyarakah. The Company shall make a declaration that it holds on trust the Identified Assets (the Company's Shariah-compliant assets) for the benefit of the investors of the Sukuk ("Sukukholders") and itself. The Sukukholders shall from time to time form a partnership ("Musyarakah") amongst themselves to invest in the Identified Assets ("Musyarakah Venture") via subscription of the investment certificates (Sukuk) to be issued by the Company amounted to RM1,000,000;
- (iii) The Sukuk may be issued by way of competitive tender by the tender panel members or direct placement on a best effort basis or a bought deal basis or, in the case of IMTN only, book running on a best effort basis and in accordance with the Fully Automated System for Issuing/Tendering ("FAST") Rules issued by Bank Negara Malaysia;
- (iv) The Sukuk may not be offered or sold directly or indirectly in Malaysia other than to categories of persons specified in Section 4(6) of the Companies Act, 1965 of Malaysia, subject to any law, order, regulation or official directive of Bank Negara Malaysia, the SC and/or any other regulatory authority from time to time; and
- (v) The Sukuk shall constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the transaction documents.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

17. Medium term notes and commercial papers (cont'd.)

Other than the specific salient terms mentioned above, the following salient terms are approved by SC on the issuance of medium term notes and commercial papers:

- (i) The medium term notes may be issued by way of tender, book-build or private placement without a prospectus whereas the commercial papers may be issued by way of tender or private placement without a prospectus, and both instruments to be in accordance with the Fully Automated System for Issuing/Tendering ("FAST") Rules issued by Bank Negara Malaysia.
- (ii) The medium term notes and commercial papers may not be offered or sold directly or indirectly in Malaysia other than to categories of persons specified in Section 4(6) of the Companies Act, 1965 of Malaysia, subject to any law, order, regulation or official directive of Bank Negara Malaysia, the SC and/or any other regulatory authority from time to time.
- (iii) The medium term notes and commercial papers will constitute direct, unconditional, unsecured and unsubordinated obligations of the Company and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Company, subject to those preferred by law.

18. Share capital

	Number of ordinary shares of RM1 each		Amount	
	2016	2015	2016 RM	2015 RM
Authorised:				
Ordinary shares of RM1 each				
At 1 April 2015/2014	300,000,000	100,000,000	300,000,000	100,000,000
Created during the year	-	200,000,000	-	200,000,000
At 31 March	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>	<u>300,000,000</u>
Issued and fully paid:				
Ordinary shares of RM1 each				
At 1 April 2015/2014	187,000,000	87,000,000	187,000,000	87,000,000
Issued during the year	-	100,000,000	-	100,000,000
At 31 March	<u>187,000,000</u>	<u>187,000,000</u>	<u>187,000,000</u>	<u>187,000,000</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

18. Share capital (cont'd.)

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

In prior year, the Company increased its:

- (a) authorised share capital from RM100,000,000 divided into 100,000,000 ordinary shares of RM1 each to RM300,000,000 divided into 300,000,000 ordinary shares of RM1 each.
- (b) issued and paid up capital by 100,000,000 ordinary shares of RM1 each for a cash consideration of RM100,000,000 for capital expenditure and working capital purposes.

19. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 March 2016 under the single tier system.

20. Revenue

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest income from				
loans and receivables:				
Financing				
receivables	212,954,232	186,163,961	212,954,232	186,163,961
Late payment	1,749,095	1,451,660	1,749,095	1,451,660
Profit income from				
Islamic receivables	65,012,505	64,244,548	65,012,505	64,244,548
Rental from leased				
assets	15,936,021	13,916,527	5,872,033	5,824,158
	<u>295,651,853</u>	<u>265,776,696</u>	<u>285,587,865</u>	<u>257,684,327</u>

011547-M

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

21. Other income

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest income from:				
- short term				
placements	9,916,064	10,370,930	9,886,443	10,353,163
- subsidiaries	-	-	1,427,511	1,429,983
Bad debts recovered	2,814,473	2,254,115	2,743,973	2,254,115
Others	2,156,581	2,893,152	2,103,979	2,620,537
	<u>14,887,118</u>	<u>15,518,197</u>	<u>16,161,906</u>	<u>16,657,798</u>

22. Finance costs

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Interest expense on:				
- term loans	64,036,046	39,989,709	64,036,046	39,989,709
- revolving credits	8,194,055	5,925,725	8,194,055	5,925,725
- advances from				
subsidiaries	-	-	1,602,444	1,552,741
- medium term				
notes	25,946,844	27,705,387	25,946,844	27,705,387
- cross currency				
swap	49,991,443	46,995,758	49,991,443	46,995,758
Profit charges on Islamic				
revolving credit	16,093,988	12,861,364	16,093,988	12,861,364
Profit charges on Islamic				
term loans	16,433,751	17,379,804	16,433,751	17,379,804
Profit charges on				
Islamic medium				
term notes	1,190,478	10,350,100	1,190,478	10,350,100
Amortisation of expenses				
on term loans	652,384	1,457,523	652,384	1,457,523
Amortisation of				
discounts on:				
- commercial				
papers	-	1,934,967	-	1,934,967
- medium term				
notes	-	8,029	-	8,029
Amortisation of expenses				
on commercial papers				
and medium term				
notes	1,866,163	2,613,430	1,866,163	2,613,430
Commitment fees	126,112	9,239	126,112	9,239
	<u>184,531,264</u>	<u>167,231,035</u>	<u>186,133,708</u>	<u>168,783,776</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

23. Staff costs

Included in staff costs are:

	Group and Company	
	2016	2015
	RM	RM
Salaries and bonus	16,883,067	15,416,080
Social security contributions	135,524	131,140
Defined contribution plan	2,620,375	2,394,286
Staff allowance and welfare	2,590,456	2,251,602
	<u>22,229,422</u>	<u>20,193,108</u>

Included in staff costs of the Group and the Company are executive directors' remuneration amounting to RM1,783,262 (2015: RM1,696,926).

The estimated monetary value of other benefits not included in the above received by the directors of the Company was RM61,216 (2015: RM57,616).

24. Directors' remuneration

The details of the remuneration receivable by directors of the Group and the Company during the year are as follows:

	Group and Company	
	2016	2015
	RM	RM
Salaries and other emoluments	1,252,340	1,188,009
Bonus	385,178	404,692
Defined contribution plan	145,744	104,225
	<u>1,783,262</u>	<u>1,696,926</u>

The directors of the Group and the Company are also regarded as the key management personnel of the Group and the Company.

25. Foreign exchange loss (unrealised)
Valuation gain on derivatives (unrealised)

The Group and the Company enter into interest rate swap and cross currency interest rate swaps (see Note 8) with onshore banks for all of their foreign currency loans (see Note 16) to hedge foreign exchange risk and interest rate risk. As the Group and the Company do not apply hedge accounting, movements in derivatives are recognised in profit or loss. Correspondingly, foreign exchange differences arising from retranslation of foreign currency loans were also recognised directly in profit or loss.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

26. Profit before tax

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Auditors' remuneration	96,000	96,000	72,500	72,500
Unrealised foreign exchange loss	44,357,696	306,818,327	44,357,696	306,818,327
Valuation gain on derivatives	(24,361,037)	(292,399,839)	(24,361,037)	(292,399,839)
Net loss/(gain) on disposal of leased asset	40,018	(250,036)	90,420	(103,211)
Plant and equipment written off	30,287	2,318	30,287	2,318
Net loss on disposal of plant and equipment	59,649	1,488	59,649	1,488
Intangible assets written off	-	53,760	-	53,760
Rental of premises	2,021,673	1,941,130	2,021,673	1,941,130
Rental of office equipment	69,288	61,704	69,288	61,704
Impairment lossess on financing receivables, net (Note 7)	28,644,976	20,899,841	28,644,976	20,899,841
Financing receivables written off (Note 7)	(14,518,552)	(12,321,366)	(14,518,552)	(12,321,366)
Provision/(Reversal) for impairment loss on others receivables (Note 6)	(34,474)	(71,520)	(34,474)	(71,520)
Amortisation of dealers' commission	11,194,718	10,869,306	11,194,718	10,869,306
Amortisation of intangible assets (Note 13)	2,075,086	1,466,120	2,075,086	1,466,120
Depreciation of plant and equipment (Note 12)	1,493,172	1,494,994	1,493,172	1,494,994
Depreciation of leased assets (Note 11)	10,423,050	8,852,480	4,189,190	4,080,897

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

27. Income tax expense

The major components of income tax expense for the years ended 31 March 2016 and 2015 are:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current income tax:				
- Malaysian income tax	9,738,836	9,367,662	9,332,478	8,977,292
- Under provision in prior years	181,535	1,408,215	181,651	1,405,113
	<u>9,920,371</u>	<u>10,775,877</u>	<u>9,514,129</u>	<u>10,382,405</u>
Deferred income tax (Note 14):				
- Origination and reversal of temporary differences	(1,284,731)	74,863	(1,849,657)	(331,643)
- Reduction/increase in Malaysian/foreign income tax rate	23,400	-	103,954	-
- (Over)/under provision in prior years	(160,906)	(1,171,847)	17,534	(1,393,717)
	<u>(1,422,237)</u>	<u>(1,096,984)</u>	<u>(1,728,169)</u>	<u>(1,725,360)</u>
Income tax expense recognised in profit or loss	<u>8,498,134</u>	<u>9,678,893</u>	<u>7,785,960</u>	<u>8,657,045</u>

Domestic current income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

27. Income tax expense (cont'd.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2016 and 2015 are as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit before tax	13,833,412	22,245,747	10,922,831	19,907,958
Tax at Malaysian statutory tax rate of 24 % (2015: 25%)	3,320,019	5,561,437	2,621,479	4,976,990
Reduction/increase in Malaysian/ foreign income tax rate	23,400	-	103,954	-
Expenses not deductible for tax purposes	10,992,549	77,006,851	10,719,805	76,794,422
Income not subject to tax	(5,858,463)	(73,125,763)	(5,858,463)	(73,125,763)
Under provision of income tax in prior years	181,535	1,408,215	181,651	1,405,113
(Over)/under provision of deferred tax in prior years	(160,906)	(1,171,847)	17,534	(1,393,717)
Income tax expense recognised in profit or loss	8,498,134	9,678,893	7,785,960	8,657,045

28. Dividends

	Amount		Net dividend per share	
	2016	2015	2016	2015
	RM	RM	Sen	Sen
Recognised during the year:				
First and final single-tier dividend of 0.02 sen per ordinary share	4,398,000	-	-	-

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

30. Fair value of financial instruments (cont'd.)

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current:				
Other receivables				
(Note 6):				
- Al-Ijarah				
receivables	111,655	12,563	111,655	12,563
- Deposit	693,872	626,653	693,739	626,316
- Sundry				
receivables	1,704,682	1,238,492	1,132,517	333,653
Financing				
receivables				
(within one year)				
(Note 7)	943,830,756	861,681,322	943,830,756	861,681,322
Other payables				
(Note 15)	(39,780,713)	(41,483,938)	(39,212,023)	(40,803,145)

The carrying amounts of financial assets and liabilities classified as current, are reasonable approximation of fair values due to their short-term nature.

B. Fair value hierarchy

The Group's and the Company's financial instruments carried at fair value are analysed as follows:

- (a) Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2 Input other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (c) Level 3 Input for the asset or liability that are not based on observable market data (unobservable input).

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

30. Fair value of financial instruments (cont'd.)

B. Fair value hierarchy (cont'd.)

The table below analyses financial instruments carried at fair value.

	Group and Company	
	2016	2015
	RM	RM
Derivatives*	350,361,129	326,000,092
Financing receivables	4,100,641,023	3,687,154,134
Bank borrowings		
- Floating rate	<u>(3,145,815,090)</u>	<u>(251,305,484)</u>

- * The fair values of cross currency interest rate swaps are the amount that would be payable or receivable upon termination of the position at the reporting date, and are calculated as the differences between present value of the estimated future cash flows at the contracted rate compared to that calculated at the market rate at the reporting date. The fair values of derivatives are determined based on Level 2 fair value hierarchy as discussed in Note 2.21.

The table below analyses financial instruments not carried at fair value, and whose carrying amounts are not reasonable approximations of fair value:

	Group and Company	
	Fair value	Carrying amount
	RM	RM
As at 31 March 2016		
Level 2		
Financial liability		
Bank borrowings		
- Fixed rate	<u>1,822,848,910</u>	<u>1,781,215,474</u>
As at 31 March 2015		
Level 2		
Financial liability		
Bank borrowings		
- Fixed rate	<u>1,582,005,319</u>	<u>1,565,888,315</u>

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

30. Fair value of financial instruments (cont'd.)

B. Fair value hierarchy (cont'd.)

Level 2 fair value measurement

The fair value of bank borrowings which is determined for disclosure purposes is calculated by discounting expected future cash flows at the market rate of interest at the end of the reporting period.

31. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The main objective of managing credit risk is to minimise potential losses in the form of specific provisions as a result of partial or total default of a loan by the borrower. The Group's credit division is constantly reviewing credit policies and procedures, setting single customer exposure limit and analysing portfolio risk based on customer profiles. All businesses that meet the Group's credit approval guidelines and approved within the authority of a credit manager are selectively reviewed by a higher authority level. A Credit Approval Committee has also been established to approve loan applications which are not within the authority of the credit personnel.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive fair values.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

31. Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date is solely from Malaysia.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The main objective of liquidity risk management is to address the need to maintain sufficient liquid assets to meet the Group's and the Company's financial commitments and obligations when they fall due. The Group and the Company ensure that a certain level of unutilised limit of short term borrowings is maintained to ensure availability of funds at all times. Optional funding plans are made to ensure back-up funds are available. Capital resources are allocated by the Group and the Company centrally to ensure that all companies within the Group and the Company maintain the required levels of capital and prudent levels of liquidity at all times.

Analysis of financial instruments by remaining contractual maturities

The maturity profile of the Group's and the Company's bank borrowings, medium term notes and commercial papers at the reporting date based on contractual undiscounted repayment obligations are disclosed in Notes 16 and 17 respectively.

The maturity profile of other payables of the Group and the Company is on demand or within one year.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The main objective of managing interest rate risk is to minimise exposure to fluctuations in interest rate that can result in higher cost of funds, hence reducing profit margins. Interest rate risk management is performed on a group basis.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

31. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk (cont'd.)

The Group's and Company's treasury division adopts a policy of restricting floating rate borrowings to a certain percentage of total borrowings to reduce exposure to interest rate fluctuations. This policy and the level of exposure is reviewed regularly. The Group and the Company also use hedging instruments, including interest rate swaps, to minimise its exposure to interest rate volatility.

Interest rate swaps and cross currency interest rate swaps are also used to hedge underlying interest rate risk and at the same time to mitigate foreign exchange risk that derived from cross border borrowings.

Sensitivity analysis for interest rate risk

As at reporting date, the following table demonstrates the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Group's and the Company's profit before taxation:

	Change in interest rate %	Effect on profit before taxation increase/ (decrease) RM
Group and Company		
At 31 March 2016		
USD - 3 months LIBOR	+1%	(1,199,595)
USD - 3 months LIBOR	-1%	1,199,595
Group and Company		
At 31 March 2015		
USD - 3 months LIBOR	+1%	(864,240)
USD - 3 months LIBOR	-1%	864,240

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company have currency exposures arising from its term loans from a related company and offshore banks denominated in Japanese Yen ("JPY") and United States Dollar ("USD") as disclosed in Note 16.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

31. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk (cont'd.)

The Group and the Company use cross currency interest rate swaps to hedge the foreign exchange risk that is derived from cross border borrowings.

Sensitivity analysis for foreign currency risk

As at reporting date, the following table demonstrates the sensitivity to a reasonably possible change in foreign currency, with all other variables held constant, of the Group's and the Company's profit before taxation:

	Change in currency rate %	Effect on profit before taxation increase/ (decrease) RM
Group and Company		
At 31 March 2016		
USD/RM	+1%	(29,666,984)
USD/RM	-1%	29,666,984
JPY/RM	+1%	(1,048,020)
JPY/RM	-1%	1,048,020
Group and Company		
At 31 March 2015		
USD/RM	+1%	(30,648,817)
USD/RM	-1%	30,648,817
JPY/RM	+1%	(925,860)
JPY/RM	-1%	925,860

31. Capital management

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group and Company manage its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies or processes during the years ended 31 March 2016 and 31 March 2015.

Toyota Capital Malaysia Sdn. Bhd.
(Incorporated in Malaysia)

31. Capital management (cont'd.)

The Group and the Company monitor capital using current ratio, which is current assets divided by current liabilities. The nature of the Group's and the Company's business involves the provision of lease and hire purchase financing. As such, the Group and the Company have significant financing receivables which requires the Group and the Company to obtain financing from its related company and third parties to support its operations. The management of current ratio is essential to the Group to manage its liquidity risk.

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Current assets	1,460,472,550	1,355,413,748	1,482,820,025	1,380,633,488
Current liabilities	1,850,807,255	1,426,193,944	1,886,586,048	1,460,636,379
Current ratio	0.79	0.95	0.79	0.95
	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Total borrowings	5,505,468,343	4,977,452,072	5,505,468,343	4,977,452,072
Equity attributable to owners of the parent				
Share capital	187,000,000	187,000,000	187,000,000	187,000,000
Retained earnings	178,919,993	177,982,715	155,561,144	156,822,273
	365,919,993	364,982,715	342,561,144	343,822,273
Gearing ratio	15.05	13.64	16.07	14.48

32. Capital commitments

Capital expenditure as at the reporting date is as follows:

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
<u>Capital expenditure</u>				
Approved but not contracted for:				
- Leased assets				
Motor vehicles	44,540,600	113,798,158	20,540,000	45,275,680