BERJAYA

BERJAYA AUTO BERHAD

(Company No. 900557-M)

ANNUAL REPORT 2014

BERJAYA

BERJAYA AUTO BERHAD

(Company No. 900557-M)

CONTENTS

Mazda CX-9

Mazda3 SKYACTIV

CORPORATE
PROFILE

Berjaya Auto Berhad ("BAuto") was incorporated in Malaysia on 11 May 2010 as a private limited company under the name Fiscal Start Sdn Bhd. It assumed the name Berjaya Auto Sdn Bhd on 14 February 2011 and was subsequently converted into a public company on 11 July 2011. BAuto was listed on the Main Market of Bursa Malaysia Securities Berhad on 18 November 2013.

The Group is principally involved in the distribution and retailing of Mazda vehicles as well as provision of after-sales services for Mazda vehicles in Malaysia via Bermaz Motor Sdn Bhd and Bermaz Motor Trading Sdn Bhd (collectively "Bermaz"). In the Philippines, the distribution of Mazda vehicles and spare parts is undertaken by Berjaya Auto Philippines Inc ("BAP") through appointed dealers.

Bermaz Motor Sdn Bhd commenced operations on 1 April 2008 after it entered into a Distribution Agreement with Mazda Motor Corporation ("Mazda Japan") on 28 February 2008 and was awarded the distributorship of specific models of Mazda CBU ("Completely Built-Up") vehicles, spare parts, accessories and tools in Malaysia. As at 31 July 2014, Bermaz has 4 branches in Malaysia, all of which are 3S ("sales, spare parts and after-sales services") centres and 70 dealers nationwide.

BAuto Chairman Dato' Syed Ariff Fadzillah Syed Awalluddin hitting the gong to mark the Company's listing on Bursa Malaysia. Looking on are (from right) Dato' Lee Kok Chuan, Dato' Sri Yeoh Choon San, Dato' Abdul Manap Abdul Wahab and Mr Loh Chen Peng.

Mazda CX-5

BAP commenced operations on 2 January 2013. As at 31 July 2014, it has 14 appointed dealers, all of which are 3S centres.

Mazda Malaysia Sdn Bhd ("MMSB") is a 30%-associated company of Bermaz Motor Sdn Bhd, with the remaining 70% equity interest held by Mazda Japan. MMSB is principally involved in the local assembly of Mazda vehicles by a third party contract assembler using local parts and imported Mazda supplied parts.

CORPORATE
INFORMATION

BOARD OF DIRECTORS

Chairman/Independent Non-Executive Director
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin

Chief Executive Officer
Dato' Sri Yeoh Choon San

Non-Independent Non-Executive Director
Dato' Lee Kok Chuan

Independent Non-Executive Directors
Dato' Abdul Manap Bin Abd Wahab
Loh Chen Peng

AUDIT COMMITTEE

Loh Chen Peng
Chairman/Independent Non-Executive Director

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin
Independent Non-Executive Director

Dato' Abdul Manap Bin Abd Wahab
Independent Non-Executive Director

SECRETARIES

Su Swee Hong
(MAICSA No. 0776729)

Gan Swee Peng
(MAICSA No. 7001222)

SHARE REGISTRAR

Berjaya Registration Services Sdn Bhd
Lot 06-03, Level 6, East Wing
Berjaya Times Square
No.1, Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2145 0533
Fax : 03-2145 9702

AUDITORS

Ernst & Young (AF: 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Tel: 03-7495 8000
Fax: 03-2095 5332

REGISTERED OFFICE

Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur
Tel : 03-2149 1999
Fax : 03-2143 1685

PRINCIPAL BANKERS

AmBank (M) Berhad
Bangkok Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

STOCK SHORT NAME

BJAUTO (5248)

PLACE OF INCORPORATION AND DOMICILE

Malaysia

Mazda6 SKYACTIV

Mazda SKYACTIV Engine

Mazda MX-5

DATO' SYED ARIFF FADZILLAH BIN SYED AWALLUDDIN

70 years of age, Malaysian
Chairman/Independent Non-Executive Director

He was appointed as the Chairman/Independent Non-Executive Director of the Company on 27 July 2011. He is the Chairman of the Nomination Committee and Employees' Share Option Committee. He is also a member of the Audit Committee.

He obtained a Bachelor of Arts Degree in History from Universiti Malaya in 1967, a Diploma in International Relations from University of Oslo in 1973, a Diploma in Development Administration from London School of Economics (now known as London School of Economics and Political Science) in 1974 and a Master of Arts in International Relations from New York University in 1984.

He started his career as an assistant district officer of Kulim, Kedah in 1967. Thereafter, he joined the Public Service Commission, Kuala Lumpur as an Assistant Secretary in 1970 before he was transferred to the Ministry of Foreign Affairs in 1972. He was appointed as the First Secretary in the High Commission of Malaysia in Ottawa, Canada in 1973, the Charge' de Affaires of Malaysia in Tripoli, Libya in 1976, the Principal Assistance of Secretary, Ministry of Foreign Affairs in 1979 and subsequently, the Deputy Permanent Representative of the Permanent Mission of Malaysia to the United Nations in 1982. In 1986, he was appointed as the Deputy Chief of Mission in the Malaysian Embassy in Jakarta, Indonesia and from 1989 to 1991, he served as the Ambassador of Malaysia to Fiji with concurrent accreditations to Tuvalu, Tonga, Western Samoa, Kiribati and Nauru. He also served as the Undersecretary at the Ministry of Foreign Affairs in charge of Southeast Asia and South Pacific from 1991 to 1992. Prior to retiring in November 2001, he served as the Ambassador of Malaysia to the Republic of Korea with joint accreditation to Mongolia from 1992 to 1995 and Ambassador of Malaysia to Thailand from 1996 to 2001.

He is currently the Chairman/Independent Non-Executive Director of Ecofirst Consolidated Berhad. He also sits on the boards of MNRB Holdings Berhad, MNRB Retakaful Berhad and Malaysian Reinsurance Berhad.

PROFILE OF DIRECTORS

DATO' SRI YEOH CHOON SAN

63 years of age, Malaysian
Chief Executive Officer

He was appointed as an Executive Director of the Company on 27 July 2011 and subsequently as the Chief Executive Officer of the Company on 15 November 2011. He has been a Director of Bermaz Motor Sdn Bhd and Bermaz Motor Trading Sdn Bhd since 2008. He is also a member of the Employees' Share Option Committee and Risk Management Committee. He became a Fellow of the Institute of Motor Industry, United Kingdom on 22 May 2007.

He graduated with a Higher National diploma in Automotive Engineering and started his career with Cycle & Carriage Bintang Berhad, a distributor of Mercedes Benz vehicles in Malaysia ("CCB") in 1972 as a technical executive. He left CCB and joined Borneo Motors Sdn Bhd as a Divisional Manager (Technical Services) in 1979. Subsequently, in 1983, he joined Daihatsu Malaysia Sdn Bhd as Divisional Manager until 1986. Between 1986 and 1987, he was the Management Consultant at United Segawa Automotive Industries, a 24-hour operation workshop owned by UEM Group Berhad. In 1987, he joined Perusahaan Otomobil Nasional Berhad ("Proton") as the General Manager Business Operation and International Export. During his tenure with the Proton group, he was involved in technical services, manufacturing, sales and marketing including international business development, primarily the export of Proton products to the United Kingdom, Europe, Australia and Oceania markets. He left Proton in 1996 as Executive Director/Chief Operating Officer of Proton Corporation Sdn Bhd (a wholly-owned subsidiary of Proton).

From 1996 to 2002, he was the Executive Director of Atlan Industries Bhd. In 2000, he was appointed as the Managing Director of Hyumal Motor Sdn Bhd and has been associated in Hyundai motor business operated under Hyundai-Berjaya Corporation Berhad and subsequently Hyundai-Sime Darby Corporation Berhad from 2000 to 2007. With the Hyundai franchise, he revived and modernised the Inokom plant in 2000, taking over the responsibility of managing the Inokom plant for the production of quality passenger cars. During his tenure with the Hyundai group of companies in Malaysia, he served as Chief Executive Officer/Executive Director/Managing Director/Advisor. Overall, he has over 40 years of experience in the automotive industry, encompassing the various fields of retail, distribution and manufacturing.

DATO' LEE KOK CHUAN

55 years of age, Malaysian
Non-Independent Non-Executive Director

He was appointed to the Board on 27 July 2011 and is now the Non-Independent Non-Executive Director of the Company. He is a member of the Remuneration Committee, Employees' Share Option Committee and Risk Management Committee.

He graduated with a Bachelor of Economics (Accounting Major) from Monash University, Melbourne, in 1983 and is a Fellow Member of the Institute of Chartered Accountants in Australia. He has over 10 years of working experience in the fields of accounting, auditing and corporate services with major international accounting firms including Messrs Ernst & Whinney (Kuala Lumpur) (now known as Ernst & Young), Messrs Arthur Young (Melbourne) and subsequently Messrs Ernst & Young (Melbourne). He joined Berjaya Land Berhad as Senior Manager, Internal Audit in 1994 and was responsible for its internal audit functions. He was an Executive Director of Berjaya Group Berhad from January 2000 to September 2001.

He is currently the Chief Executive Officer of Berjaya Food Berhad and a Director of High 5 Conglomerate Berhad (Formerly known as Silver Bird Group Berhad), Berjaya Capital Berhad, Bermaz Motor Sdn Bhd, Bermaz Motor Trading Sdn Bhd and Mazda Malaysia Sdn Bhd. He also holds directorships in several other private limited companies in the Berjaya Corporation group of companies.

DATO' ABDUL MANAP BIN ABD WAHAB

56 years of age, Malaysian
Independent Non-Executive Director

He was appointed as an Independent Non-Executive Director of the Company on 27 July 2011. He is the Chairman of the Remuneration Committee. He is also a member of the Audit Committee and Nomination Committee.

He graduated with a Diploma in Accountancy from Universiti Teknologi MARA (UiTM) in 1978. In 1980, he obtained his Bachelor in Business Administration from Ohio University, United States of America. In 1993, he graduated with a Masters in Business Administration (Finance) from the University of Hull, UK.

He started his career in 1980 with Malayan Banking Berhad ("Maybank") and served in various capacities throughout his tenure. He was the Head of Group Retail Marketing of Maybank before he left in 2002. From 2003 to 2004, he was providing lecturing, training and development services as an independent consultant. In 2005, he joined Bank Muamalat Malaysia Berhad as the Chief Executive Officer and left the bank in 2008. During that same period, he was also the President of the Association of Islamic Banks Malaysia. Throughout his banking tenure, he also served as a Director in Malaysian Electronic Payment System Sdn Bhd ("MEPS") and MEPS Currency Management Sdn Bhd. He also sat on the audit committee of MEPS and served as a member of Program Development Panel in the International Centre for Education in Islamic Finance (INCEIF).

He is currently the Chief Executive Officer of WSJ International Sdn Bhd, an investment holding and trading company with diverse activities such as hospitality, shipping, plantation as well as overseas investments in Agritrade Resources Limited, a listed company in the Hong Kong Stock Exchange. He also sits on the board of Opensys (M) Berhad, a company listed on the ACE Market of Bursa Malaysia Securities Berhad.

LOH CHEN PENG

60 years of age, Malaysian
Independent Non-Executive Director

He was appointed as an Independent Non-Executive Director of the Company on 27 July 2011. He is the Chairman of the Audit Committee and Risk Management Committee. He is also a member of the Remuneration Committee and Nomination Committee.

He started his career in 1975 when he joined Deloitte (formerly known as Deloitte KassimChan) and articled to complete the professional examinations of the Malaysian Institute of Certified Public Accountants ("MICPA"). He completed his professional examinations in 1980 and was admitted as a member of the MICPA in 1981.

He left Deloitte in 1980 and joined Arab-Malaysian Merchant Bank Berhad, a merchant banking group during which he held several senior management positions in the areas of corporate advisory and corporate banking. He left the bank in September 1993 and thereafter served as the Chief Operating Officer in the stockbroking firm of Inter-Pacific Securities Sdn Bhd for 4 months. In April 1994, he was involved in establishing Phileo Allied Bank Berhad, a commercial bank and served as an Executive Director until 2001. He was a Director of Major Team Holdings Berhad up to May 2010 and Berjaya Retail Berhad until July 2011. He was also a Director of Tropicana Corporation Berhad (formerly known as Dijaya Corporation Berhad) until his resignation in February 2013. He had also served on the boards of AmBank (M) Berhad, AmInvestment Bank Berhad and AmIslamic Bank Berhad and resigned from the boards of these banks in July 2014.

He is now involved in some private ventures and is an Independent Non-Executive Director of Berjaya Media Berhad.

Save as disclosed, none of the Directors have:-

1. any family relationship with any Director and/or major shareholder of the Company;
2. any conflict of interest with the Company; and
3. any convictions for offences within the past 10 years other than traffic offences.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Berjaya Auto Berhad ("BAuto"), I am pleased to present the Annual Report and Financial Statements for the financial year ended 30 April 2014.

Mazda CX-9

FINANCIAL RESULTS

For the financial year ended 30 April 2014, the Group registered an increase in revenue to RM1.45 billion compared to RM1.06 billion last year, mainly due to higher sales volume in Malaysia and a full year's sales contribution from Berjaya Auto Philippines Inc ("BAP") which commenced operations in January 2013.

The Group's pre-tax profit also increased to RM179.8 million from RM69.2 million in the previous year, largely due to higher revenue, better gross profit margin from certain popular models in Malaysia as well as a full year's profit contribution from Mazda Malaysia Sdn Bhd ("MMSB") and BAP.

DIVIDEND

For the financial year ended 30 April 2014, the Board recommended and paid a total dividend amounting to 5.25 sen single-tier dividend per share.

SIGNIFICANT CORPORATE DEVELOPMENTS

(a) On 26 September 2013, the Company completed the acquisition of the entire issued and paid-up share capital of Bermaz Motor Sdn Bhd comprising 80 million ordinary shares of RM1.00 each for a purchase consideration of about RM504 million which was settled by the issuance of about 720 million new ordinary shares of RM0.50 each in the Company at the issue price of RM0.70 per ordinary share to Berjaya Group Berhad ("BGroup") and other shareholders of Bermaz Motor Sdn Bhd.

(b) The Company issued its Prospectus on 18 October 2013 in conjunction with the listing and quotation of its entire issued and paid-up share capital on the Main Market of Bursa Malaysia Securities Berhad pursuant to the IPO by BGroup. The IPO involved a public issue of 82,763,000 new ordinary shares of RM0.50 each in the Company at an issue price of RM0.70 per ordinary share ("Issue Shares") comprising:-

i. 41,449,000 Issue Shares allocated by way of private placement to Malaysian institutional and selected investors;

ii. 10,157,000 Issue Shares allocated to Bumiputera Investors approved by the Ministry of International Trade and Industry;

iii. 19,157,000 Issue Shares reserved for application by the entitled shareholders of Berjaya Corporation Berhad; and

iv. 12,000,000 Issue Shares reserved for application by the eligible directors and employees of BAuto and its subsidiaries ("BAuto Group"), and the eligible business associates who have contributed to the success of the BAuto Group.

The IPO closed on 1 November 2013 and the Company's entire issued and fully paid-up share capital comprising 802,763,000 ordinary shares of RM0.50 each were listed on the Main Market of Bursa Malaysia Securities Berhad on 18 November 2013.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year under review, BAuto Group carried out various CSR initiatives reaching out to different segments of the community.

WORKPLACE

Recognising that human capital is an important asset contributing to the organisational development and performance, BAuto Group invested resources in its employees to help build an engaged and effective workforce.

Group picture with the residents of Pusat Jagaan OKU Nur.

Graduates of MAP 2013

Various training and development programmes were conducted to ensure employees' knowledge and skills were aligned to meet the business needs and to prepare them for career progression.

In an effort to provide a more qualified and skilled workforce for the Malaysian automotive industry, Bermaz initiated the Mazda Apprenticeship Programme ("MAP") and Retail Management Trainee programme to develop the next generation for an increasingly competitive workplace.

The MAP which focuses on a motor vehicle mechanic syllabus provides trainees with extensive exposure in vehicle maintenance at the Mazda Training Centre in Petaling Jaya, Selangor. The programme which also includes other elements such as character-building and self-development is also endorsed by the Department of Skill Development under the Ministry of Human Resources and the Institute of Motor Industry, United Kingdom. Since April 2010, 40 trainees have graduated from the programme.

Mazda raised RM100,000 for Mount Miriam Cancer Hospital.

From left: Hideyuki Takesue (Deputy General Manager, Global Sales & Marketing Division of Mazda Motor Corporation), Dato' Sri Yeoh Choon San, Masahiro Moro (Managing Executive Officer, Mazda Motor Corporation), Dato' Amer Hamzah, Ms Tham Wei Wei (Chief Executive Officer of Mount Miriam Cancer Hospital) and Dato' Lee Kok Chuan.

The Retail Management Trainee programme provides trainees with the fundamentals of retail management business in the automotive industry. Upon completion, the trainees will be awarded with an Advanced Diploma in Automotive Retail Management from the Institute of Motor Industry, United Kingdom.

At the vehicle assembly plant of Inokom Corporation Sdn Bhd ("Inokom") in Kulim, Kedah, MMSB works closely with Mazda Motor Corporation to ensure assembly workers receive regular trainings and vehicles assembled comply with the assembly standards. Since the establishment of the plant which carries out build processes such as assembly, paint and final inspection of Mazda3 and CX-5 models, it has provided employment opportunities to more than 300 people living around the area.

BAuto Group also strives to promote work life balance at the workplace by organising activities such as festive gatherings to enhance teamwork, camaraderie and sense of belonging to the Group.

COMMUNITY IN NEED

During the year under review, Bermaz Motor Sdn Bhd and Bermaz Motor Trading Sdn Bhd (collectively "Bermaz") organized the Mazda Charity Golf Tournament which raised RM100,000 in aid of Mount Miriam Cancer Hospital's Tomo Fund for the purchase of the TomoTherapy high definition radiation machine for cancer treatment.

In an effort to promote and inculcate the spirit of caring and giving, Bermaz also carried out various goodwill visits during the year to spread cheer to the needy and less fortunate. Among those were the visit to Pusat Jagaan OKU Nur at Titiwangsa, Kuala Lumpur and breaking-of-fast with the children of Rumah Anak Yatim Pondok Penyayang Raudhah located at Gombak, Kuala Lumpur.

CHAIRMAN'S STATEMENT

Bermaz together with Mazda Club Malaysia in the northern region also organised goodwill visits to the Penang Shan Children's Home and Ru Yi Children's Home that provide shelter to the less fortunate children.

ENVIRONMENT

Bermaz supports the Malaysian Government's National Automotive Policy ("NAP") in terms of reducing the carbon footprint in automobiles by offering more fuel-efficient vehicles at affordable prices.

To this end, Bermaz is proud to establish a long-term partnership with Mazda Motor Corporation which shares the same value of delivering vehicles that harmonise driving pleasure with outstanding environmental and safety performance through its SKYACTIV Technology.

GROUP SYNERGY

Bermaz organised synergy meetings to foster closer interaction and engagement between representatives from various operating companies within the Berjaya Corporation group of companies.

Apart from that, Bermaz has always been supportive of the CSR initiatives driven at the Berjaya Corporation group level.

During the 4th Berjaya Founder's Day which was celebrated on 22 February 2014 at Berjaya Times Square, Kuala Lumpur, Bermaz sponsored the grand lucky draw prize of a Mazda2 car and set up a game stall at the family day carnival meant for all Berjaya staff and their family members. The highlight of the event was the contribution of RM25.6 million to 90 charitable organisations by Berjaya's founder, Tan Sri Dato' Seri Vincent Tan Chee Yioun, Better Malaysia Foundation and Berjaya Cares Foundation.

Wong Siew Kuan jumps for joy with her Mazda2 Grand Prize

Bermaz's management CRM Team visited Ru Yi Children's Home.

FUTURE PROSPECTS

The Malaysian economy recorded a robust growth of 6.3% in the first half of 2014 and is expected to maintain a stable growth trend as the global economy continues to recover in the remaining months of 2014. Projects related to the Government's Economic Transformation Programme will also continue to contribute to the overall economic growth and sustain a healthy business environment.

The robust economic environment is a contributing factor to the growth of the automotive industry in Malaysia. Automotive sales are expected to remain resilient, and the introduction of the National Automotive Policy ("NAP") is expected to expand domestic demand and increase desirability for new foreign investments. The total industry volume ("TIV") for year-to-date ("YTD") June 2014 was 333,142 units which was an increase of 6.3% compared to last year's YTD June 2013 at 313,488 units. With Malaysian consumers being able to afford new cars instead of second hand cars and Malaysian families are commonly known to own more than a single car, the demand for cars in Malaysia is on an increase every year. This provides Bermaz with the opportunity to build up their market share in Malaysia.

To support the increasing sales volume of Mazda vehicles, Bermaz will continue to expand its after-sales service network through the opening of company-owned 3S centres and the appointment of new 3S dealers, as well as improve its standard of after-sales services. In July 2014, Bermaz was certified QMS ISO 9001:9008 compliant by SIRIM QAS International. This certification recognises that Bermaz's policies, practices and procedures ensure consistent quality in the products and services that it provides to its customers.

Bermaz will also be putting in place various plans and strategies in line with the NAP to address the reduction of the carbon footprint in Mazda cars and improve the

Mazda car being assembled at the Inokom plant in Kulim, Kedah

Mazda2 SKYACTIV

socio-economic benefits of owning a Mazda vehicle. Mazda's SKYACTIV Technology, which is well-recognised for its engine performance, safety and fuel economy, will be further developed to exceed the existing environmental requirements. The current Mazda models that come equipped with SKYACTIV Technology are the Mazda CX-5, Mazda3, Mazda5, Mazda6 and Mazda Biante.

Mazda Biante SKYACTIV

Bermaz has plans to introduce two new competitively priced CKD ("Completely Knocked-Down") models and two new CBU ("Completely Built-Up") models over the next 12 to 18 months to ensure that it can achieve a sustainable growth rate. One of the CBU models is the all-new Mazda2, which is expected to be launched by the end of 2014. Bermaz is confident this new model will be well-received by the public and will leverage on this opportunity to increase its market share in the B-Segment car category.

MMSB will continue to focus on the local assembly of Mazda CKD vehicles as a way to drive cost down and compete in the local market. MMSB will invest in its manufacturing facilities and equipment to increase production capacity and improve quality. In May 2014, MMBS completed its vehicle assembly facility expansion within Inokom's plant in Kulim, Kedah. With this, MMSB expects to double its annual production to 20,000 units in the financial year 2015, from 10,000 units currently.

In the Philippines, the GDP growth forecast is 6.4% in 2014 and 6.7% in 2015 with improved business confidence and rising inflow of foreign direct investment supporting private investment. At the same time, private consumption will continue from remittance inflow from overseas foreign workers. BAP, the sole distributor of Mazda cars in the Philippines, has also contributed to the increase in the Group's revenue, registering motor vehicle sales volume of 2,283 units in the financial year under review, an increase from 659 units in the previous financial year (4 months in operation in 2013). Mazda's range of cars equipped with the SKYACTIV Technology is expected to further boost BAP's revenue and sales volume growth in the financial year 2015.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to extend our appreciation to all our customers, business associates, financiers, shareholders, retailers and regulatory authorities for their continuous support and cooperation throughout the year.

To my fellow colleagues on the board, management team and the front line staff, my gratitude goes out to everyone for their hard work and commitment in bringing the growth of the Group to what it is today.

I look forward to another fruitful year and believe that we will be able to achieve further successes in the expansion of our brand.

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin
Chairman

28 August 2014

MANAGEMENT DISCUSSION
& ANALYSIS

MAZDA OPERATIONS IN MALAYSIA

Bermaz Motor Sdn Bhd and Bermaz Motor Trading Sdn Bhd (collectively "Bermaz") is primarily engaged in the distribution and retailing of new and used Mazda vehicles and the provision of after-sales services in Malaysia. Through its associate company, Mazda Malaysia Sdn Bhd ("MMSB"), Bermaz is also involved in the assembly of Mazda CKD ("Completely Knocked-Down") vehicles for distribution in the domestic market and export to Thailand. Except for the Mazda3 1.6L and CX-5 2.0L models which are locally assembled or CKD models, all other models distributed in Malaysia are CBU ("Completely Built-Up") models imported from either Japan or Thailand. As at the financial year ended 30 April 2014, Bermaz operates four 3S ("sales, spare parts and after-sales services") centres and has 70 third party appointed dealers nationwide, of which 31 are 1S ("sales") centres, 14 are 2S ("spare parts and after-sales services") centres and 25 are 3S centres.

Mazda6 SKYACTIV

The total industry volume ("TIV") for year-to-date ("YTD") June 2014 was 333,142 units which was an increase of 6.3% compared to last year's YTD June 2013 at 313,488 units. The TIV growth was primarily due to the country's steady pace of economic growth, positive consumer sentiments as a result of a stable employment market and car distributors introducing many new models with attractive specifications, designs and pricing. Despite facing stiff competition, Bermaz continued to register an increase in its market share.

For the financial year under review, Bermaz recorded revenue of RM1.27 billion which represented a 25.7% improvement over the RM1.01 billion revenue registered in the previous financial year. The higher revenue was largely due to an increase in motor vehicle sales volume from 8,142 units in the previous financial year to 9,497 units for the financial year under review as a result of good demand for the CX-5 and new Mazda6 models.

Mazda6 SKYACTIV Interior

In line with the higher revenue and on the back of a healthy gross profit margin that was mainly attributed to favourable exchange rates, product cost improvement and better sales mix, Bermaz's pre-tax profit increased 131.6% from RM68.1 million in the previous financial year to RM157.7 million in the financial year under review.

Mazda has now grown to be a recognisable car brand in Malaysia since Bermaz took over the distributorship in 2008 as evidenced by the increase of sales volume in the past few financial years. To support the increasing sales volume of Mazda vehicles and the units in operation, Bermaz will continue to expand its after-sales service network coverage and establish new programmes to support the improvement of Mazda's customer satisfaction index. To maintain and improve the standard of after-sales services, Bermaz continuously emphasises on human resource development by having in-house training programmes in collaboration with external professional industrial institutes.

On the local assembly of Mazda CKD vehicles, a long term sustainability programme for domestic automotive activities is being undertaken by MMSB, a joint venture company with Mazda Motor Corporation ("Mazda Japan"). A local vendor development programme is in place to increase local cost content to meet AFTA (ASEAN Free Trade Area) requirements for export activities. MMSB will continue to increase its CKD programmes for domestic and ASEAN markets as it is one of the ways to drive cost down and contribute towards the local automotive industry. Investment in manufacturing facilities and equipment are being carried out by MMSB to increase production capacity and improve quality. MMSB's CKD operation is very critical to Bermaz as the level of localization would influence price competitiveness and profit margin.

Mazda3 SKYACTIV

The outlook for Bermaz is promising as its partnership with Mazda Japan has grown stronger over the years. Mazda is well-known for its strong branding image, appealing car designs and new innovative technology. The present SKYACTIV Technology is well-recognised for its engine performance, safety features and fuel economy. Bermaz has plans to introduce four new car models in financial year 2015 and 2016 in order to achieve a sustainable growth rate.

MAZDA OPERATIONS IN THE PHILIPPINES

Berjaya Auto Philippines Inc ("BAP") is principally involved in the distribution of Mazda vehicles and spare parts through appointed dealers in the Philippines. As at the financial year ended 30 April 2014, BAP has 14 appointed dealers, all of which are 3S centres.

The Philippines' automotive industry has grown for the past 5 years at an average of 10% per annum. In 2013, the automotive industry grew by 15% compared to 2012, driven by new model introductions and emerging new segments in the market. The current sales pace of the automotive industry in 2014 is estimated to reach 250,000 vehicles, representing an increase of 11% over last year.

For the financial year ended 30 April 2014, BAP's revenue increased 218.9% to Php2.395 billion compared to Php751 million recorded in the previous financial year. The higher revenue was mainly due to increase in motor vehicle sales volume from 659 units in the previous financial year to 2,283 units for the financial year under review. BAP began distributing Mazda vehicles in February 2013 and only experienced 3 months of sales for the previous financial year. In line with higher revenue, profit before tax increased substantially from Php55.62 million in the previous financial year to Php164.12 million for the financial year under review.

With increasing interest in the market for fuel efficient vehicles, Mazda is positioned well with its line of cars equipped with SKYACTIV Technology and BAP expects to benefit from additional models due for launch soon. These developments will ensure that BAP enjoys a healthy sales volume growth for the financial year ending April 2015.

Mazda8

CORPORATE STRUCTURE
AS AT 31 JULY 2014

BERJAYA

BERJAYA CORPORATION BERHAD

50.48%

BERJAYA AUTO BERHAD

100%

Bermaz Motor Sdn Bhd

100%

Bermaz Motor Trading Sdn Bhd

100%

Bermaz Motor International Limited

60%

Berjaya Auto Philippines Inc

30%

Mazda Malaysia Sdn Bhd

GROUP FINANCIAL SUMMARY

DESCRIPTION	2014 USD'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	445,028	1,450,790	1,064,349	663,581	592,603	286,829
Profit Before Tax	55,146	179,775	69,224	55,201	48,843	19,899
Profit For The Year	41,058	133,848	52,013	40,683	36,146	14,145
Profit Attributable To Shareholders	40,068	130,622	50,861	40,683	36,146	14,145
Share Capital #	123,802	403,595	360,000	360,000	360,000	360,000
Reserves #	(18,314)	(59,703)	(201,100)	(251,840)	(292,523)	(328,670)
Net Equity Funds	**105,488**	**343,892**	**158,900**	**108,160**	**67,477**	**31,330**
Non-controlling Interests	3,221	10,502	7,299	–	–	–
Total Equity	**108,709**	**354,394**	**166,199**	**108,160**	**67,477**	**31,330**
Long Term Liabilities	19,897	64,864	34,675	28,702	22,994	10,346
Current Liabilities	59,797	194,939	284,621	130,480	212,041	75,970
Total Equity and Liabilities	**188,403**	**614,197**	**485,495**	**267,342**	**302,512**	**117,646**
Property, Plant & Equipment	6,249	20,372	20,338	16,975	19,370	12,048
Deferred Tax Assets	9,569	31,196	18,613	9,242	7,491	3,039
Associated Company	10,453	34,077	23,188	–	–	–
Goodwill	153	500	500	500	500	500
Current Assets	161,979	528,052	422,856	240,625	275,151	102,059
Total Assets	**188,403**	**614,197**	**485,495**	**267,342**	**302,512**	**117,646**
Net Assets Per Share (USD/RM)	0.13	0.43	0.22	0.15	0.09	0.04
Net Earnings Per Share (Cents/Sen)	5.28	17.21	7.06	5.65	5.02	1.96
Dividend Rate (%)	3.50	3.50	–	–	–	–
Net Dividend Amount (USD'000/RM'000)	4,320	14,083	–	–	–	–

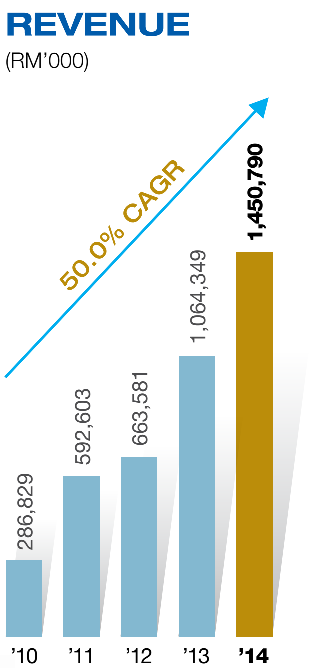
Notes:

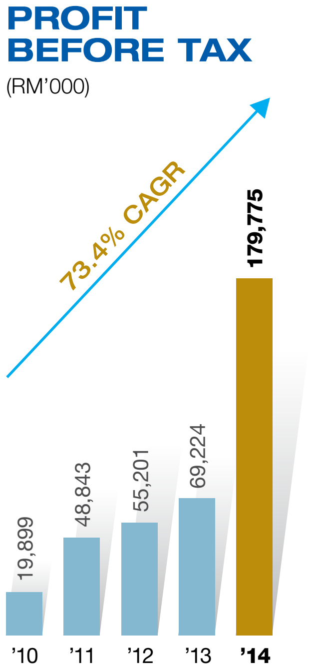
Figures for 2010-2014 are for 12 months ended 30 April. Where additional shares are issued, the earnings per share are calculated based on a weighted number of shares.

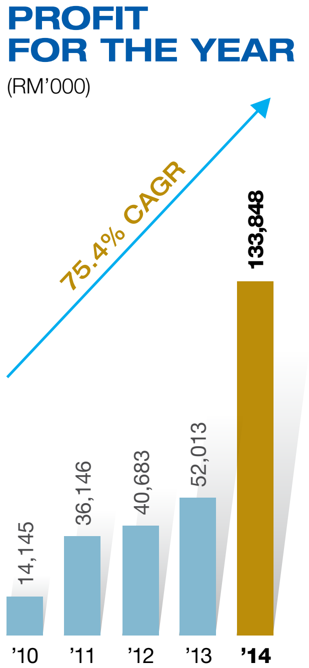
In applying the merger method of accounting, comparative figures in the consolidated financial statements are stated as if the issue of shares for the acquisition of Bermaz Motor Sdn Bhd had taken place at the earliest date presented.

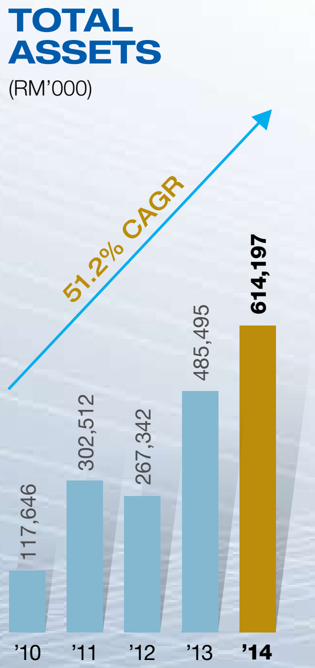
Exchange rate: USD1.00=RM3.2600

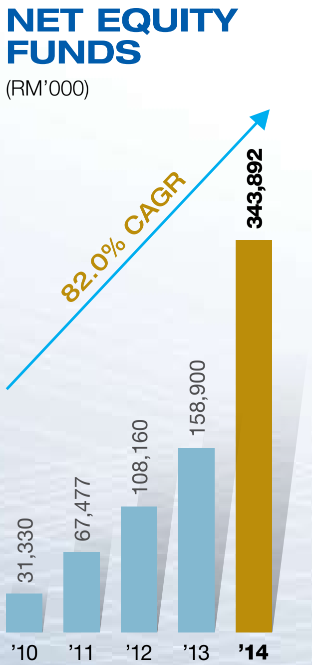
GROUP FINANCIAL HIGHLIGHTS

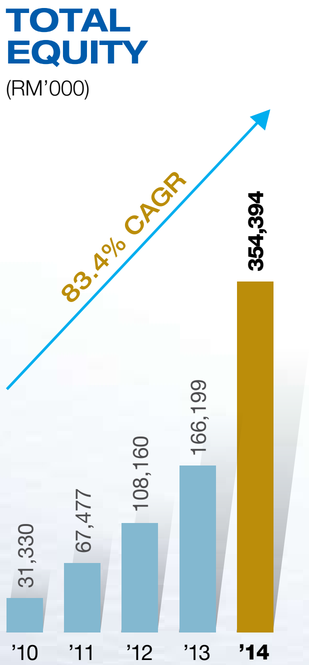












Note: CAGR - Compounded Annual Growth Rate

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of Berjaya Auto Berhad recognises the importance of corporate governance in ensuring that the interest of the Company and shareholders are protected. The Board is committed in ensuring that the Group carries out its business operations within the required standards of corporate governance as set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012").

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year unless otherwise stated.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Clear Functions of the Board and Management

The Board's role is to control and provide stewardship of the Group's business and affairs on behalf of shareholders.

The Board has delegated to the Chief Executive Officer ("CEO") the day-to-day management of the Group. He leads the senior management of the subsidiary companies in making and implementing the day-to-day decisions on the business operations, managing the resources and risks in order to achieve the corporate objectives of the Group.

Non-Executive Directors are not involved in the day-to-day management of the Group but contribute their particular expertise and experience to formulate and develop the business strategy. Their various roles in the Board Committees have contributed towards the enhancement of the corporate governance and controls of the Group.

Board Roles and Responsibilities

The Board assumes the following principal roles and responsibilities in discharging its fiduciary and leadership function:-.

(1) Review, evaluate, adopt and approve the strategic plans and policies for the Company and the Group;

(2) Oversee and monitor the conduct of the businesses and financial performance and major capital commitments of the Company and the Group;

(3) Review and adopt budgets and financial results of the Company and the Group, monitor compliance with applicable accounting standards and the integrity and adequacy of financial information disclosure;

(4) Review and approve any major corporate proposals, new business ventures or joint ventures of the Group;

(5) Review, evaluate and approve any material acquisitions and disposals of undertakings and assets in the Group;

(6) Identify principal risks and assess the appropriate risk management systems to be implemented to manage these risks;

(7) Establish and oversee a succession planning programme for the Company and the Group including the remuneration and compensation policy thereof;

(8) Establish, review and implement corporate communication policies with the shareholders and investors, other key stakeholders and the public;

(9) Review and determine the adequacy and integrity of the internal control systems and management information of the Company and the Group; and

(10) Develop a corporate code of conduct to address, amongst others, any conflicts of interest relating to directors, major shareholders and/or management.

The Board is supported by the committees that provide independent oversights of management and to ensure that there are appropriate checks and balances. These Board Committees are:-

i. Audit Committee

ii. Nomination Committee

iii. Remuneration Committee

iv. Risk Management Committee

v. Employees' Share Option Committee

The Board Committees have their roles and functions, written terms of reference and authorities clearly defined. The Board reviews the terms of reference of the Board Committees periodically to ensure their relevance.

Other committees may be formed from time to time as dictated by business imperatives and/or to promote operational efficiency.

Formalise ethical standards through Code of Ethics

The Board has adopted a Code of Ethics for Directors ("Code"). The Code was formulated to enhance the standard of corporate governance and promote ethical conduct of the Directors.

The Group also has in place a Code of Conduct covering Business Ethics, workplace safety and employee personal conduct. This is to ensure a high standard of ethical and professional conduct is upheld by all its employees in the performance of their duties and responsibilities. All employees are required to declare that they have received, read and understood the provisions of the Code of Conduct.

Strategies promoting sustainability

The Board is mindful of the importance of business sustainability. While developing the corporate strategy of the Group, the Board has taken into consideration its impact on the environmental, social and governance aspects. The Company's activities on corporate responsibilities for the year under review are disclosed on pages 6 to 8 of this Annual Report.

Access to information and advice

The Directors have full and timely access to information concerning the Company and the Group. The Directors are provided with the relevant agenda and Board papers in sufficient time prior to Board meetings to enable them to have an overview of matters to be discussed or reviewed at the meetings and to seek further clarifications, if any. The Board papers include, amongst others, reports on the Group's financial performance, operations and business proposals.

The Board is supported by suitably qualified, experienced and competent Company Secretaries who are also members of a professional body. The Company Secretary plays an advisory role to the Board in relation to the Company's constitution and advises the Board on any updates relating to new statutory and relevant regulatory requirements pertaining to the duties and responsibilities of Directors as and when necessary.

The Directors have access to the advice and services of the Senior Management staff in the Group and they may also obtain independent professional advice at the Company's expense in furtherance of their duties.

Board Charter

The Board has adopted a Board Charter to promote the standards of corporate governance and clarifies, amongst others, the roles and responsibilities of the Board.

The Board Charter is subject to review by the Board annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board Charter is also available on the Company's website at www.bauto.com.my.

2. STRENGTHEN COMPOSITION

Nomination Committee

The role of the Nomination Committee is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, experience and personal characteristics.

The Nomination Committee makes independent recommendations to the Board on suitable candidates for appointment to the Board. The Nomination Committee comprises exclusively of Non-Executive Directors, with a majority of them being independent. Currently, the members are as follows:-

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	–	Chairman/Independent Non-Executive Director
Dato' Abdul Manap Bin Abd Wahab	–	Independent Non-Executive Director
Loh Chen Peng	–	Independent Non-Executive Director

The Nomination Committee also conducts annual review of the structure, size and composition of the Board, including the balance mix of skills, knowledge, experience and independence of the Non-Executive Directors.

Develop, maintain and review criteria for recruitment and annual assessment of Directors

Appointment to the Board and Re-election of Directors

The Board delegates to the Nomination Committee the responsibility of recommending the appointment of any new Director. The Nomination Committee is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous and also appointments are made on merit. In evaluating the suitability of candidates to the Board, the Nomination Committee shall ensure that the candidates selected possess the necessary background, skills, knowledge, experience and personal characteristics.

The Company's Articles of Association provides that at least one-third of the Directors are subject to retirement by rotation at each Annual General Meeting ("AGM") and that all Directors shall retire once in every three years, and are eligible to offer themselves for re-election. The Articles of Association also provides that a Director who is appointed during the year shall be subject to re-election at the next AGM to be held following his appointment.

Pursuant to Section 129(6) of the Companies Act, 1965, a Director who is over seventy (70) years of age shall retire at the AGM of the Company, and may offer himself/herself for re-appointment to hold office until the next AGM.

The Nomination Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

Annual Assessment

The Nomination Committee reviews annually, the effectiveness of the Board and Board Committees as well as the performance of individual Directors. The evaluation involves individual Directors and Committee members completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their Fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination Committee meeting which were then reported to the Board at the Board Meeting held thereafter. All assessments and evaluations carried out by the Nomination Committee in the discharge of its duties are properly documented.

During the meeting held in June 2014, the Nomination Committee reviewed and assessed the mix of skills, expertise, composition, size and experience of the Board; the performance of each individual Director; independence of the Independent Directors; effectiveness of the Board and the Board Committees; and also the review of the Directors who are retiring and who are eligible for re-appointment and/or re-election.

Boardroom Gender Diversity

The Board acknowledges the recommendation of MCCG 2012 pertaining to the establishment of board gender diversity policy and will take the necessary measures to comply with the recommendation should the need arises. The Board currently has no female Director.

Remuneration policies and procedures

The Remuneration Committee currently comprises the following members:-

Dato' Abdul Manap Bin Abd Wahab	–	Chairman/Independent Non-Executive Director
Loh Chen Peng	–	Independent Non-Executive Director
Dato' Lee Kok Chuan	–	Non-Independent Non-Executive Director

The primary function of the Remuneration Committee is to set up the policy framework and to recommend to the Board on remuneration packages and other terms of employment of the executive directors. The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively.

The determination of the remuneration for the Non-Executive Directors will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting on decision in respect of his individual remuneration package. The Board recommends the Directors' fees payable to Non-Executive Directors on a yearly basis to the shareholders for approval at the AGM.

Details of Directors' remuneration paid or payable to all Directors of the Company by the Group and categorised into appropriate components for the financial year ended 30 April 2014 are as follows:-

	RM				
	Fees	Salaries and Other Emoluments	Incentive	Benefits In-Kind	Total
Executive	-	742,730.00	1,500,000.00	24,600.00	2,267,330.00
Non-Executive	105,000.00	5,200.00	-	-	110,200.00
	105,000.00	**747,930.00**	**1,500,000.00**	**24,600.00**	**2,377,530.00**

The number of Directors of the Company in office at the end of the financial year who received remuneration from the Group and their remuneration falling within the respective bands are as follows:-

	Number of Directors	
	Executive	Non-Executive
RM1 – RM50,000	–	3
RM2,250,001 – RM2,300,000	1	–
	1	**3**

3. REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Board recognises the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, assesses the Independence of its Independent Non-Executive Directors based on criteria set out in the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

The current Independent Directors of the Company namely, Dato' Syed Ariff Fadzillah Bin Syed Awalluddin, Dato' Abdul Manap Bin Abd Wahab and Mr Loh Chen Peng have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the Listing Requirements of Bursa Securities. The Company also fulfills the requirement to have at least one-third of its Board members being Independent Non-Executive Directors.

Tenure of Independent Directors

The Board does not have term limits for its Independent Directors and is of the view that the Independence of the Independent Directors should not be determined solely or arbitrary by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole especially their invaluable knowledge of the Group and its operations gained through the years. The calibre, qualification, experience and personal qualities, particularly of the Director's integrity and objectivity in discharging his responsibilities in the best interest of the Company predominantly determines the ability of a Director to serve effectively as an Independent Director. Currently, none of the Independent Directors had served the Company for a cumulative term of nine (9) years.

Separation of positions of the Chairman and Chief Executive Officer

The positions of Chairman and Chief Executive Officer respectively are held by different individuals with distinct and separate roles to enhance governance and transparency, so that no individual has unfettered powers of decision making.

The Chairman is elected by the Board and will preside at all Board meetings and general meetings of the Company. The Chairman will ensure that procedural rules are followed in the conduct of meetings and that decisions made are formally recorded and adopted.

The CEO has overall responsibilities over the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. The CEO also functions as the intermediary between the Board and Management.

Board Composition and Balances

The Board composition represents a mix of knowledge, skills, and expertise which will enable the Board to discharge its duties and responsibilities effectively. The Board currently has five (5) members comprising three (3) Independent Non-Executive Directors including the Chairman, the Chief Executive Officer and one (1) Non-Executive Non-Independent Director. The profiles of the Directors are set out on pages 3 to 5 of this Annual Report.

The present composition of the Board is in compliance with Chapter 15.02 of the Listing Requirements of Bursa Securities of at least 1/3 of its members being Independent Directors.

It also reflects the interests of its shareholders to provide the effective leadership, strategic direction and necessary governance to the Group at optimum level.

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin has been identified as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed.

4. FOSTER COMMITMENT

Time Commitment

The Board meets regularly on a quarterly basis with additional meetings being convened as necessary. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

During the financial year ended 30 April 2014, the Board met two (2) times after its official listing on the Main Market of Bursa Securities on 18 November 2013. The attendances of the Directors at the Board meetings are as follows:-

Directors	Attendance
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin #	2/2
Dato' Sri Yeoh Choon San	2/2
Dato' Lee Kok Chuan	2/2
Dato' Abdul Manap Bin Abd Wahab #	2/2
Loh Chen Peng #	2/2

#denotes Independent Non-Executive Director

All Board members are required to notify the Chairman of the Board before accepting new directorships outside the Group and indicating the time that will be spent on the new directorship. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships.

Directors' Training

All the Directors have completed the Mandatory Accreditation Programme as required by Bursa Securities.

The Board believes that continuous training for Directors is vital for the Board members to enhance their skills and knowledge and to enable them to discharge their duties effectively. As such, the Directors will continuously attend the necessary training programmes, conferences, seminars and/or forums so as to keep abreast with the current developments in the automotive and related industries as well as the current changes in laws and regulatory requirements.

During the year, the seminars and conferences attended by the Directors are as follows:-

Directors	Seminars/Conferences/Forums
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	• Risk Management Forum - Embracing Risks for Long-term Corporate Success-Boosting Your Risk Governance • MNRB Group Directors' Training on Risk Appetite and Risk Tolerance
Dato' Sri Yeoh Choon San	• Business Times Insight Forum about National Automotive Policy and Car Price Reduction • Aquilas Mira Investor Relations Day : "IPO Highlights of 2013" • Advocacy Sessions on Corporate Disclosure for Directors • National Economic Summit and Dialogue with the Prime Minister of Malaysia (Moving the Economy Forward: Getting to the Heart of the Matter) • Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) - An Update
Dato' Lee Kok Chuan	• Advocacy Sessions on Corporate Disclosure for Directors • Corporate Compliance: Focussing on Directors' Duties, Liabilities and Expectations • Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) - An Update
Dato' Abdul Manap Bin Abdul Wahab	• Risk Management & Internal Control Workshops for Audit Committee
Loh Chen Peng	• Financial Institutions Directors' Education Programme: Governance and Risk Management Practices for the Financial Markets in the 21st Century • Financial Institutions Directors' Education Programme: Roles of the Board & Committee in Financial Reporting and Strategy • In-house workshop organized by AmBank Group: Operational Risk Management

The Board will, on a continuous basis, evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board strives to provide a clear, balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, through the annual audited financial statements and quarterly financial reports, and corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements of Bursa Securities.

The Board is also responsible for ensuring the annual financial statements are prepared in accordance with the provisions of the Companies Act, 1965 and the applicable financial reporting standards in Malaysia.

The Board is also assisted by the Audit Committee in the discharge of its duties on financial reporting and ensuring that the Group maintains a proper financial reporting process and a high quality financial reporting. A full Audit Committee Report detailing its composition, terms of reference and a summary of activities during the financial year is set out on pages 25 to 28 of this Annual Report.

Statement of Directors' Responsibility in respect of the Financial Statements

The Companies Act 1965 ("the Act") requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the Group and of the results and cash flows of the Company and of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable financial reporting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and of the Group and to enable them to ensure that the financial statements comply with the Act and applicable financial reporting standards in Malaysia. The Directors are also responsible for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Assessment of external auditors

The Audit Committee is responsible for the annual assessment of the competency and independence of the external auditors. Having assessed their performance, the Audit Committee will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The external auditors are required to declare their independence annually to the Audit Committee as specified by the By-Laws issued by the Malaysian Institute of Accountants. The external auditors have provided the declaration in their annual audit plan presented to the Audit Committee of the Company.

6. RECOGNISE AND MANAGE RISKS

Sound framework to manage risks

The Board has ultimate responsibility for establishing a sound framework to manage risks.

A Risk Management Committee comprising members with risk and business management knowledge and experience has been established by the Company to regularly review and monitor risk management activities of the Group and to approve appropriate risk management procedures and measurement methodologies. The Audit Committee Chairman is also the Chairman of the Risk Management Committee.

The Company will continually review its internal control procedures and processes to ensure, as far as possible, the protection of its assets and its shareholders' investments.

Internal Audit Function

The Board acknowledges its overall responsibility for the Group's system of internal control and its effectiveness as well as reviewing its adequacy and integrity to safeguard shareholders' investments and the Group's assets.

The internal audit function of the Company is provided by the Internal Audit Division of the ultimate holding company, Berjaya Corporation Berhad, based on the plan approved by the Audit Committee, to assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets.

The Statement on Risk Management and Internal Control set out on pages 23 and 24 of this Annual Report provides an overview of the state of internal controls within the Group.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board will ensure that it adheres to and comply with the disclosure requirements of the Main Market Listing Requirements of Bursa Securities as well as the Corporate Disclosure Guide issued by Bursa Securities.

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. As such, the Group accords a high priority in ensuring that information is made available and disseminated as early as possible.

The Group maintains a website at www.bauto.com.my where shareholders as well as members of the public can access the latest information on the Group. Alternatively, they may obtain the Group's latest announcements via the website of Bursa Securities at www.bursamalaysia.com.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders' Meetings

The Company regards the AGM as the principal forum for dialogue with private and institutional shareholders and aims to ensure that the AGM provides an important opportunity for effective communication with and constructive feedback from the Company's shareholders. The forthcoming AGM will be the Company's first AGM as a listed company and this will provide an opportunity for shareholders to raise questions pertaining to issues in the Annual Report, audited financial statements and the businesses of the Group.

The Chairman as well as the CEO will respond to shareholders' questions at the AGM. The Notice and agenda of AGM together with Form of Proxy are given to shareholders at least twenty-one days before the AGM, which gives sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Each item of special business included in the Notice of AGM is accompanied by an explanatory statement for the proposed resolution to facilitate the full understanding and evaluation of issues involved.

Poll voting

All members present at each meeting shall have the right to demand for a poll in accordance with the provisions of the Articles of Association of the Company on the voting for any resolutions. The voting process at each meeting shall be by way of show of hands unless a poll is demanded or specifically required. The Chairman of the meeting may demand for a poll for any resolutions put forward for voting at the shareholders' meetings, if so required.

Dialogue between the Company and shareholders

The Company strives to maintain an open transparent channel of communication with its shareholders, institutional investors and the public at large with the objective of providing as clear and complete picture of the Group's performance and financial position as possible. The provision of timely information is principally important to the shareholders and investors for informed decision making. However, whilst the Company endeavours to provide as much information as possible to its shareholders, it is mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

The various channels of communications are through the quarterly announcements on financial results to Bursa Securities, relevant announcements and circulars, when necessary, AGM and also the Group's website.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY

The Board of Directors of Berjaya Auto Berhad ("BAuto" or "the Group") recognises that it is responsible for the Group's system of internal control and for reviewing its adequacy and integrity. Notwithstanding that, in view of the limitations that are inherent in any system of internal control, the Group's system can only provide reasonable but not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Board's primary objective and direction in managing the Group's principal business risks are to enhance the Group's ability to achieve its business objectives. In order to achieve these objectives, the Board has identified, evaluated and managed the significant risks being faced by the Group by monitoring the Group's performance and profitability at its Board meetings. The management of the Group as a whole is assigned to the Chief Executive Officer ("CEO").

A Risk Management Committee ("RMC") has been established by the Company with the intention to further enhance the Group's system of internal control and be in line with the Malaysian Code of Corporate Governance. The RMC together with the audit committee are entrusted with the responsibility to ensure more effective and efficient identification, evaluation, management and reporting of the Group's risk. During the financial year ended 30 April 2014 and since its listing on Bursa Malaysia Securities Berhad on 18 November 2013, the RMC held 1 meeting to review the reports tabled. The RMC had evaluated and monitored the progress of any risk factors and internal control matters relating to the operations raised. The current members of the RMC are Loh Chen Peng (Chairman), Dato' Sri Yeoh Choon San, Dato' Lee Kok Chuan, Tan Lay Hian and Tan Say Chye (secretary).

The RMC terms of reference include, inter alia:

- To determine the overall risk management processes;
- To establish effectiveness of risk management process;
- To ensure that strategic context of the risk management strategy is complete;
- To ensure that risk management processes are integrated into all core business processes;
- To establish risk reporting mechanism;
- To establish business benefits;
- To ensure that the short and long term risk management strategy, framework and methodology are implemented and consistently applied by all business units;
- To ensure alignment and coordination of assurance activity across the organisation; and
- To act as steering committee for the group wide risk management programme.

The Board has received assurance from its CEO that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects.

ASSURANCE MECHANISM

The Board has assigned the Audit Committee with the duty of reviewing and monitoring the effectiveness of the Group's system of internal control. The Audit Committee receives assurance reports from the internal auditors on findings from their visits to the operating units, as well as from the external auditors on areas for improvement identified during the course of their statutory audit. The Board reviews the minutes of the Audit Committee's meetings. The Report of the Audit Committee is set out on pages 25 to 28 of the Annual Report.

MANAGEMENT STYLE AND CONTROL CONSCIOUSNESS

The CEO and management practised "close to operations' policy and have various scheduled management meetings as well as carry out regular review of financial and operations reports. These provide the platform for timely identification of the Group's risks and systems to manage risks. The CEO updates the Board on any significant matters which require the latter's attention.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The management of the Group's individual operating units is assigned to local management who are accountable for the conduct and performance of their businesses within the agreed business strategy. At Bermaz Motor Sdn Bhd ("Bermaz") and Bermaz Motor Trading Sdn Bhd ("BMT"), the Group's principal subsidiary companies, operations are centrally managed from its Glenmarie Head Office. In Malaysia, BMT has a Northern Regional office in Penang island and this office is staffed by experienced personnel to ensure that the operations in Penang and its surrounding states are well controlled and in line with the operating procedures. Similarly, the overseas operations in the Philippines is being managed by its Chief Executive Officer ("Philippines CEO")/Director and ably assisted by a core team of experienced personnel. Regular reporting on performance of the Philippines business is provided by the Philippines CEO to BAuto's CEO who also monitors the Philippines operations. In addition, BAuto's CEO also makes regular field visits to both the Malaysian Northern Region and the Philippines operations as well as conduct periodic performance review meetings with the Philippines CEO and management personnel, thus ensuring the business plans and targets are met.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the internal auditors provide the Audit Committee with independent and objective reports on the state of internal controls of the operating units within the Group to assist the Audit Committee in monitoring and assessing the effectiveness of the internal control system. Observations from internal audits are presented to the Audit Committee together with management's responses and proposed action plans for its review. The action plans are then followed up during subsequent internal audits with implementation status reported to the Audit Committee.

The internal audit function is outsourced to Group Internal Audit Division of Berjaya Corporation Berhad, which reports directly to the Audit Committee. The scope of work covered by the internal audit function is determined by the Audit Committee after careful consideration and discussion of the audit plan with the Board.

KEY FEATURES OF THE INTERNAL CONTROL SYSTEM

Some key features of BAuto's system of internal control include:

- Clear organisation structure with defined reporting lines;
- Capable workforce with clear job descriptions, and continuous training efforts;
- Monitoring mechanisms in the form of financial and operations reports, and scheduled management meetings;
- Formal employee appraisal system which enables appraisal of employees and rewarding employees based on performance;
- Formal operating procedures which set out the expected standards for its operations;
- Surprise checks on branch and overseas operations to ensure compliance with the Group's policies and procedures;
- Independent assurance on the system of internal control from regular internal audit visits;
- Business continuity planning; and
- Succession planning to ensure that key positions in the Group are always being held by capable employees who are well aware of the Group's risks, and operating policies and procedures.

The Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the type of business and size of operations of the Group. As such, the Board, in striving for continuous improvement will put in place appropriate action plan, when necessary, to further enhance the Group's system of internal control.

The system of internal control was satisfactory and has not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

AUDIT COMMITTEE REPORT

The Board of Directors of Berjaya Auto Berhad is pleased to present the report of the Audit Committee for the financial year ended 30 April 2014.

MEMBERS AND MEETING ATTENDANCES

The members of the Audit Committee are as follows:-

Loh Chen Peng
- Chairman/Independent Non-Executive Director

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin
- Independent Non-Executive Director

Dato' Abdul Manap Bin Abd Wahab
- Independent Non-Executive Director

The Company was listed on the Main Market of Bursa Malaysia Securities Berhad on 18 November 2013 and only two (2) meetings were held during the financial year ended 30 April 2014. The details of attendance of the Audit Committee members are as follows:-

Name	Attendance
Loh Chen Peng	2/2
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	2/2
Dato' Abdul Manap Bin Abd Wahab	2/2

The General Manager of Group Internal Audit and the General Manager of Group Accounts and Budgets were also invited to attend the Audit Committee meetings. The External Auditors were invited to attend one (1) of these meetings.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

The activities undertaken by the Audit Committee during the financial year ended 30 April 2014 included the following:-

(a) Reviewed the quarterly and year-to-date unaudited financial results before submission to the Board for consideration and approval;

(b) Reviewed the External Auditors' scope of work and audit plan for the financial year ended 30 April 2014; and

(c) Reviewed the Internal Audit Plan for financial year 2015.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Audit Committee has reviewed and verified that the allocation of options granted during the financial year under the ESOS of the Company were made in accordance with the criteria as set out in the ESOS By-Laws.

AUDIT COMMITTEE
REPORT

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The Internal Audit Division of the holding company, Berjaya Corporation Berhad was engaged to undertake the internal audit function that would enable the Audit Committee to discharge its duties and responsibilities. Their role is to provide the Audit Committee with independent and objective reports on the state of internal controls of the operating unit within the Group and the extent of compliance with the Group's established policies, procedures and statutory requirements.

For the financial year under review, the Internal Audit Division conducted audit assignments on operating units of the Group involved in distribution of Mazda vehicles, sales of spare parts and workshop services.

The activities undertaken by the Internal Audit Division during the financial year ended 30 April 2014 included the following:

(1) Tabled Internal Audit Plan for the Audit Committee's review and endorsement.

(2) Reviewed the existing systems, controls and governance processes of the operating unit within the Group.

(3) Conducted audit reviews and evaluated risk exposures relating to the Group's governance process and system of internal controls on reliability and integrity of financial and operational information, safeguarding of assets, efficiency of operations, compliance with established policies and procedures and statutory requirements.

(4) Provided recommendations to assist the operating unit and the Group in accomplishing its internal control requirements by suggesting improvements to the control processes.

(5) Issued draft internal audit reports incorporating audit recommendations in relation to audit findings on weaknesses in the systems and controls to the operations management for comments.

The cost incurred for the Internal Audit function in respect of the financial year ended 30 April 2014 was approximately RM75,800.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1. MEMBERSHIP

The Audit Committee ("the Committee") shall be appointed by the Board from amongst the Directors and shall consist of not less than three members and all the Committee must be Non-Executive Directors, with majority of them being Independent Directors and at least one member of the Committee must be a member of the Malaysian Institute of Accountants or such other qualifications and experience as approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three, the Board of Directors shall, within three months of that event, appoint such number of new members as may be required to make up the minimum number of three members.

2. QUORUM

A quorum for the Committee shall consist of two members and a majority of the members present must be Independent Directors.

3. CHAIRMAN

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

4. SECRETARY

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it, supported by explanatory documentation to the Committee members prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board of Directors.

5. FREQUENCY OF MEETINGS

Meetings shall be held not less than four times a year and will normally be attended by the Director charged with the responsibilities of the Group's finance and Head of Internal Audit. The presence of external auditors will be requested if required and the external auditors may also request a meeting if they consider it necessary.

6. AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

7. DUTIES

The duties of the Committee shall be:-

(a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as external auditors;

(b) To discuss with the external auditors where necessary, on the nature and scope of audit and to ensure coordination of audit where more than one audit firm is involved;

(c) To review the quarterly results and year-end financial statements prior to the approval by the Board, focusing on:

- going concern assumption
- compliance with applicable financial reporting standards and regulatory requirements
- any changes in accounting policies and practices
- significant issues arising from the audit
- major judgemental areas

(d) To prepare Audit Committee Report at the end of each financial year;

(e) To discuss problems and reservations arising from the interim and final external audits, and any matters the external auditors may wish to discuss (in the absence of management, where necessary);

(f) To review the external auditors' management letter and management's response;

(g) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(h) To do the following in relation to internal audit function:-

- review the adequacy of scope, functions, competency and resources of the internal audit department and that it has the necessary authority to carry out its work;
- review internal audit programme;
- ensure coordination of external audit with internal audit;
- consider the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;
- to monitor related party transactions entered into by the Company and its subsidiaries, and to ensure that the Directors report such transactions annually to shareholders via the annual report;
- to review and monitor the effectiveness of internal control systems and to evaluate the systems with the external auditors;

(i) To carry out such other responsibilities, functions or assignments as may be defined jointly by the Committee and the Board of Directors from time to time;

(j) In compliance with Paragraph 15.16 of the Bursa Securities Listing Requirements, where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee must promptly report such matter to Bursa Securities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 April 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are distribution of Mazda vehicles in Malaysia and the Philippines and investment holding.

There were no significant changes in the Group's activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	133,848	47,086
Attributable to:		
– Owners of the parent	130,622	47,086
– Non-controlling interests	3,226	–
	133,848	47,086

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The dividends paid by the Company since 30 April 2013 were as follows:

	RM'000
<u>In respect of the financial year ended 30 April 2014</u>	
First interim dividend of 1.75 sen per share single-tier dividend, paid on 28 January 2014	14,083
The directors declared and approved on 11 June 2014:	
Second interim dividend of 3.50 sen per share single-tier dividend, paid on 16 July 2014 in respect of financial year ended 30 April 2014	28,280*

Note:

* The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2015.

The directors do not recommend the payment of final dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Syed Ariff Fadzillah Bin Syed Awalluddin
Dato' Sri Yeoh Choon San
Dato' Lee Kok Chuan
Dato' Abdul Manap Bin Abd Wahab
Loh Chen Peng

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employees' Share Option Scheme.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 22 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, warrants, options and debentures of the Company and its related corporations during the financial year were as follows:

		Number of ordinary shares of RM0.50 each			
		At 1.5.13	**Acquired**	**Disposed**	**At 30.4.14**
The Company					
Dato' Abdul Manap Bin Abd Wahab		–	120,000	120,000	–
Dato' Lee Kok Chuan		–	260,200	–	260,200
Dato' Sri Yeoh Choon San		–	440,000	–	440,000
	*	–	57,191,700	–	57,191,700
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin		–	120,000	–	120,000
Loh Chen Peng		–	120,000	–	120,000
	(a)	–	100	–	100

	Number of ordinary shares of RM0.50 each under employees' share option scheme			
	At 1.5.13	**Granted**	**Exercised**	**At 30.4.14**
The Company				
Dato' Abdul Manap Bin Abd Wahab	–	300,000	–	300,000
Dato' Lee Kok Chuan	–	1,000,000	100,000	900,000
Dato' Sri Yeoh Choon San	–	1,200,000	240,000	960,000
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	–	300,000	–	300,000
Loh Chen Peng	–	300,000	–	300,000

Ultimate holding company:

		Number of ordinary shares of RM1.00 each			
		At 26.9.13#	**Acquired**	**Disposed**	**At 30.4.14**
Berjaya Corporation Berhad ("BCorp")					
Dato' Lee Kok Chuan		24,000	–	–	24,000
Dato' Sri Yeoh Choon San		50,000	–	–	50,000
Loh Chen Peng	(a)	–	100	100	–

		Number of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal value each			
		At 26.9.13#	**Acquired**	**Disposed**	**At 30.4.14**
BCorp					
Dato' Lee Kok Chuan		22	–	–	22
	(a)	17	–	–	17

DIRECTORS' INTERESTS (cont'd)

Ultimate holding company: (cont'd)

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	At 26.9.13#	Acquired	Disposed	At 30.4.14
BCorp				
Dato' Lee Kok Chuan	50,000	–	–	50,000
Dato' Sri Yeoh Choon San	8,333	–	–	8,333

	Number of warrants			
	At 26.9.13#	Acquired	Disposed	At 30.4.14
BCorp				
Dato' Sri Yeoh Choon San	8,333	–	–	8,333

Related companies:

	Number of ordinary shares of RM0.10 each			
	At 26.9.13#	Acquired	Disposed	At 30.4.14
Berjaya Sports Toto Berhad ("BToto")				
Dato' Lee Kok Chuan	56,333	5,062^	–	61,395

	Number of ordinary shares of RM0.50 each			
	At 26.9.13#	Acquired	Disposed	At 30.4.14
Berjaya Food Berhad ("BFood")				
Dato' Lee Kok Chuan	756,300	122,000	–	878,300

	Number of ordinary shares of RM0.50 each under employees' share option scheme			
	At 26.9.13#	Granted	Exercised	At 30.4.14
BFood				
Dato' Lee Kok Chuan	650,000	63,600	100,000	613,600

	Number of warrants			
	At 26.9.13#	Acquired	Disposed	At 30.4.14
BFood				
Dato' Lee Kok Chuan	356,300	–	–	356,300

Notes:

* Indirect interest pursuant to Section 6(A) of the Companies Act, 1965.

(a) Indirect interests pursuant to Section 134(12)(c) of the Companies Act, 1965.

^ Inclusive of share dividend distribution by BToto on the basis of one (1) BToto treasury share for every forty three (43) existing BToto ordinary shares on 28 April 2014.

On 26 September 2013, the Company became a subsidiary company of Berjaya Group Berhad ("BGroup"), for which its ultimate holding company is BCorp. Hence, the subsidiary companies of BCorp, namely BToto and BFood are regarded as related companies of the Company.

DIRECTORS' REPORT

EMPLOYEES' SHARE OPTION SCHEME

At an Extraordinary General Meeting held on 26 September 2013, shareholders approved the Employees' Share Option Scheme ("ESOS") for the grant of options that are settled by physical delivery of the ordinary shares of the Company, to eligible directors and employees of the Group.

The committee administering the ESOS comprises Dato' Syed Ariff Fadzillah Bin Syed Awalluddin, Dato' Lee Kok Chuan, Dato' Sri Yeoh Choon San and Tan Say Chye.

The salient features and terms of the ESOS, details of ESOS exercised during the financial year and outstanding at the end of the financial year are disclosed in Note 27 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia via their letter dated 8 April 2014 from having to disclose the names of option holders, other than directors of the Company, who have been granted options to subscribe for less than 500,000 ordinary shares of RM0.50 each. The names of option holders granted options to subscribe for 500,000 or more ordinary shares of RM0.50 each during the financial year are as follows:

			Exercise	Number of share options		
Name	**Offer date**	**Expiry date**	**price**	**Granted**	**Exercised**	**30.04.2014**
Dato' Robin Tan Yeong Ching	18.11.2013	17.11.2018	RM0.70	1,000,000	–	1,000,000
Tan Teck Wah	18.11.2013	17.11.2018	RM0.70	800,000	160,000	640,000
Tan Eng Hwa	18.11.2013	17.11.2018	RM0.70	500,000	–	500,000
Paulino Sy Soo	18.11.2013	17.11.2018	RM0.70	500,000	100,000	400,000
Tan Say Chye	18.11.2013	17.11.2018	RM0.70	500,000	100,000	400,000
Tan Lay Hian	18.11.2013	17.11.2018	RM0.70	500,000	–	500,000
Lee Ai Hoon	18.11.2013	17.11.2018	RM0.70	500,000	100,000	400,000
Hiew Hock Ngan	18.11.2013	17.11.2018	RM0.70	500,000	100,000	400,000

Details of options granted to directors are disclosed in the section on the directors' interest in this report.

ISSUE OF SHARES

During the financial year, the Company increased its issued and fully paid up share capital from RM2 to RM403,595,000 by way of the issuance of:

(i) 719,999,996 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share pursuant to the acquisition of 100% equity interest in Bermaz Motor Sdn Bhd ("Bermaz");

(ii) 82,763,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share payable in full upon application pursuant to a public issue (refer to Note 12(b) to the financial statements); and

(iii) 4,427,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share pursuant to the exercise of the share options that was granted under the ESOS.

OTHER STATUTORY INFORMATION

(a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:

  (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

  (ii) to ensure that any current asset which was unlikely to realise its value as shown in the accounting records in the ordinary course of business had been written down to an amount which it might be expected so to realise.

OTHER STATUTORY INFORMATION (cont'd)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Group and the Company; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 August 2014

DATO' SRI YEOH CHOON SAN **DATO' LEE KOK CHUAN**

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965

We, DATO' SRI YEOH CHOON SAN and DATO' LEE KOK CHUAN, being two of the directors of BERJAYA AUTO BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 38 to 92 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 April 2014 and of the results and the cash flows of the Group and of the Company for the year then ended.

The supplementary information set out in Note 37 to the financial statements on page 93 have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 18 August 2014

DATO' SRI YEOH CHOON SAN **DATO' LEE KOK CHUAN**

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965

I, TAN LAY HIAN, being the officer primarily responsible for the financial management of BERJAYA AUTO BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 38 to 93 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
TAN LAY HIAN at Kuala Lumpur in the)
Federal Territory on 18 August 2014) **TAN LAY HIAN**

Before me:

KAPT (B) AFFANDI BIN AHMAD (W 602)
Commissioner for Oaths

Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

To the Members of Berjaya Auto Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Berjaya Auto Berhad, which comprise the statements of financial position as at 30 April 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 38 to 92.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 April 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, as indicated in Note 4 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
To the Members of Berjaya Auto Berhad

OTHER REPORTING RESPONSIBLITIES

The supplementary information set out in Note 37 on page 93 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ERNST & YOUNG
AF: 0039
Chartered Accountants

KUA CHOO KAI
No. 2030/03/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
18 August 2014

STATEMENTS OF FINANCIAL POSITION

As at 30 April 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 (Unaudited)	Company 2014 RM'000	Company 2013 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	3	**20,372**	20,338	**5**	–
Subsidiary company	4	**–**	–	**512,549**	–
Associated company	5	**34,077**	23,188	**–**	–
Deferred tax assets	6	**31,196**	18,613	**–**	–
Goodwill	7	**500**	500	**–**	–
		86,145	62,639	**512,554**	–
Current assets					
Inventories	8	**288,057**	193,780	**–**	–
Trade and other receivables	9	**53,771**	47,041	**46,241**	–
Deposits with financial institutions	10	**137,013**	136,500	**37,281**	–
Cash and bank balances	11	**49,211**	45,535	**8,165**	–
		528,052	422,856	**91,687**	–
TOTAL ASSETS		**614,197**	485,495	**604,241**	–
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	12	**403,595**	360,000	**403,595**	#
Reserves	13	**(59,703)**	(201,100)	**200,429**	(1,469)
		343,892	158,900	**604,024**	(1,469)
Non-controlling interests		**10,502**	7,299	**–**	–
Total equity		**354,394**	166,199	**604,024**	(1,469)
Non-current liabilities					
Long term borrowings	14	**–**	2,441	**–**	–
Deferred tax liability	6	**1**	–	**1**	–
Deferred revenue	15	**57,813**	27,654	**–**	–
Provisions	16	**7,050**	4,580	**–**	–
		64,864	34,675	**1**	–
Current liabilities					
Short term borrowings	14	**–**	126,567	**–**	–
Trade and other payables	17	**134,386**	124,081	**131**	1,469
Deferred revenue	15	**28,851**	17,516	**–**	–
Provisions	16	**4,759**	6,250	**–**	–
Derivative liability	18	**500**	1,125	**–**	–
Taxation		**26,443**	9,082	**85**	–
		194,939	284,621	**216**	1,469
Total liabilities		**259,803**	319,296	**217**	1,469
TOTAL EQUITY AND LIABILITIES		**614,197**	485,495	**604,241**	–

Note:

Representing RM2.00

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 April 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 (Unaudited)	Company 2014 RM'000	Company 2013 RM'000
Revenue	19	**1,450,790**	1,064,349	**48,000**	–
Cost of sales		**(1,184,649)**	(925,299)	**–**	–
Gross profit		**266,141**	139,050	**48,000**	–
Other income		**9,586**	3,949	**581**	–
Selling and distribution expenses		**(53,567)**	(28,314)	**(28)**	–
Administrative expenses		**(52,187)**	(39,145)	**(1,321)**	(1,333)
		169,973	75,540	**47,232**	(1,333)
Finance costs	20	**(1,087)**	(4,813)	**–**	–
Share of results of associate		**10,889**	(1,503)	**–**	–
Profit/(Loss) before tax	21	**179,775**	69,224	**47,232**	(1,333)
Income tax expense	23	**(45,927)**	(17,211)	**(146)**	–
Profit/(Loss) for the year		**133,848**	52,013	**47,086**	(1,333)
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss					
Foreign currency translation		**(60)**	(202)	**–**	–
Total comprehensive income for the year		**133,788**	51,811	**47,086**	(1,333)
Profit/(Loss) attributable to:					
– Owners of the parent		**130,622**	50,861	**47,086**	(1,333)
– Non-controlling interests		**3,226**	1,152	**–**	–
		133,848	52,013	**47,086**	(1,333)
Total comprehensive income attributable to:					
– Owners of the parent		**130,585**	50,740	**47,086**	(1,333)
– Non-controlling interests		**3,203**	1,071	**–**	–
		133,788	51,811	**47,086**	(1,333)
Earnings per share (sen)	24				
– Basic, for the year		**17.21**	7.06		
– Diluted, for the year		**16.86**	7.06		
Dividend per share (sen)	25				
– First interim dividend				**1.75**	–
– Second interim dividend				**3.50**	–

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2014

Group	Share capital RM'000	Share premium RM'000	ESOS reserve^ RM'000	Exchange reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Attributable to the equity holders of the Company								
		Non-distributable				Distributable			
At 1 May 2013	360,000	144,000	–	(121)	(424,000)	79,021	158,900	7,299	166,199
Total comprehensive income	–	–	–	(37)	–	130,622	130,585	3,203	133,788
Transactions with owners:									
Public issue	41,381	16,553	–	–	–	–	57,934	–	57,934
Share issuance expenses	–	(2,146)	–	–	–	–	(2,146)	–	(2,146)
Share-based payment under ESOS	–	–	9,603	–	–	–	9,603	–	9,603
ESOS options exercised	2,214	4,825	(3,940)	–	–	–	3,099	–	3,099
ESOS options forfeited	–	9	(9)	–	–	–	–	–	–
Dividends (Note 25)	–	–	–	–	–	(14,083)	(14,083)	–	(14,083)
	43,595	19,241	5,654	–	–	(14,083)	54,407	–	54,407
At 30 April 2014	**403,595**	**163,241**	**5,654**	**(158)**	**(424,000)**	**195,560**	**343,892**	**10,502**	**354,394**

Group	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Merger deficit RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
	Attributable to the equity holders of the Company							
		Non-distributable			Distributable			
At 1 May 2012 (Unaudited)	360,000	144,000	–	(424,000)	28,160	108,160	–	108,160
Total comprehensive income	–	–	(121)	–	50,861	50,740	1,071	51,811
Transaction with owners:								
Issuance of share capital to non-controlling interests of a subsidiary company	–	–	–	–	–	–	6,228	6,228
	–	–	–	–	–	–	6,228	6,228
At 30 April 2013 (Unaudited)	360,000	144,000	(121)	(424,000)	79,021	158,900	7,299	166,199

Note:

^ This represents the reserve relating to the Employees' Share Option Scheme ("ESOS").

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 April 2014

Company		Non-distributable		Distributable	
	Share capital RM'000	Share premium RM'000	ESOS reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total equity RM'000
At 1 May 2013	#	–	–	(1,469)	(1,469)
Total comprehensive income	–	–	–	47,086	47,086
Transactions with owners:					
Arising from the acquisition of a subsidiary company	360,000	144,000	–	–	504,000
Public issue	41,381	16,553	–	–	57,934
Share issuance expenses	–	(2,146)	–	–	(2,146)
Share-based payment under ESOS	–	–	9,603	–	9,603
ESOS options exercised	2,214	4,825	(3,940)	–	3,099
ESOS options forfeited	–	9	(9)	–	–
Dividends (Note 25)	–	–	–	(14,083)	(14,083)
	403,595	163,241	5,654	(14,083)	558,407
At 30 April 2014	**403,595**	**163,241**	**5,654**	**31,534**	**604,024**

Company		Non-distributable	
	Share capital RM'000	Accumulated losses RM'000	Total equity RM'000
At 1 May 2012	#	(136)	(136)
Total comprehensive income	–	(1,333)	(1,333)
At 30 April 2013	#	(1,469)	(1,469)

Note:

Representing RM2.00

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 30 April 2014

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	**1,470,741**	1,095,637	**–**	–
Payment to suppliers and operating expenses	**(1,344,550)**	(1,021,768)	**(919)**	–
Payment of taxes	**(41,144)**	(20,810)	**(60)**	–
Net cash flow generated from/(used in) operating activities	**85,047**	53,059	**(979)**	–
CASH FLOWS FROM INVESTING ACTIVITIES				
Sales of property, plant and equipment	**8,056**	105	**–**	–
Acquisition of property, plant and equipment (Note 3)	**(5,529)**	(14,202)	**(6)**	–
Acquisition of investment in an associated company	**–**	(25,500)	**–**	–
Interest received	**3,216**	780	**421**	–
Dividends received	**–**	–	**44,000**	–
Net cash flow generated from/(used in) investing activities	**5,743**	(38,817)	**44,415**	–
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of share capital	**61,033**	–	**61,033**	–
Share issuance expenses	**(2,146)**	–	**(2,146)**	–
Issuance of share capital to non-controlling interests of a subsidiary company	**–**	6,228	**–**	–
Drawdown of bank borrowings	**18,069**	284,418	**–**	–
Repayment of bank borrowings	**(147,078)**	(194,828)	**–**	–
Payment of hire purchase	**(8)**	(33)	**–**	–
Interest paid	**(1,013)**	(5,667)	**–**	–
Dividends paid to shareholders of the Company	**(14,083)**	–	**(14,083)**	–
Advance from related companies	**–**	460	**–**	–
Advance to subsidiary company	**–**	–	**(42,001)**	–
Repayment to holding company	**(793)**	–	**(793)**	–
Repayment to ultimate holding company	**(525)**	(1)	**–**	–
Net cash flow (used in)/generated from financing activities	**(86,544)**	90,577	**2,010**	–
NET CHANGE IN CASH AND CASH EQUIVALENTS	**4,246**	104,819	**45,446**	–
EFFECT OF EXCHANGE RATE CHANGES	**(57)**	–	**–**	–
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	**182,035**	77,216	**–**	–
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**186,224**	182,035	**45,446**	–

CASH AND CASH EQUIVALENTS

The closing cash and cash equivalents comprise of the following:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Cash and bank balances	**49,211**	45,535	**8,165**	–
Deposits with financial institutions	**137,013**	136,500	**37,281**	–
	186,224	182,035	**45,446**	–

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

– 30 April 2014

1. CORPORATE INFORMATION

The principal activity of the Company is investment holding.

The principal activities of the subsidiary companies are distribution of Mazda vehicles in Malaysia and the Philippines and investment holding.

There were no significant changes in the Group's activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The registered office of the Company is located at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No.1 Jalan Imbi, 55100 Kuala Lumpur.

The holding company is Berjaya Group Berhad ("BGroup") and the ultimate holding company is Berjaya Corporation Berhad ("BCorp"), both of which are incorporated in Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 August 2014.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and comply with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Summary of significant accounting policies

2.2.1 Subsidiaries and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all its subsidiary companies, which are prepared up to the end of the same financial year.

Subsidiary companies are those investees controlled by the Group. The Group controls an investee if and only if the Group has all the following:

(i) power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) potential voting rights held by the Group, other vote holders or other parties;

(iii) rights arising from other contractual arrangements; and

(iv) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.1 Subsidiaries and basis of consolidation (cont'd)

Subsidiary companies are consolidated using the acquisition method of accounting except for the business combination with Bermaz Motor Sdn Bhd ("Bermaz"), which was accounted for under the pooling of interests method as the business combination of this subsidiary company involved an entity under common control.

Under the pooling of interests method of accounting, the results of the entities under common control are presented as if the entities had been combined throughout the current and previous financial years. The difference between the cost of acquisition and the nominal value of the share capital and reserves acquired are reflected within equity as merger reserve (or adjusted against any suitable reserve in the case of debit differences).

Under the acquisition method of accounting, subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until that date such control ceases.

The cost of acquisition of a subsidiary company depends on whether it is a business combination, in accordance to the specifications in MFRS 3, or not. If it is not a business combination, the cost of acquisition consists of the consideration transferred ("CT"). The CT is the sum of fair values of the assets transferred by the Group, the liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree on the date of acquisition, the amount of any non-controlling interests in the acquiree and any contingent consideration. For an acquisition that is not a business combination, the acquisition-related costs can be capitalised as part of the cost of acquisition. If it is a business combination, the cost of acquisition (or specifically, the cost of business combination) consists of CT, and the amount of any non-controlling interests in the acquiree, the fair value of the Group's previously held equity interest in the acquiree and any contingent consideration. For an acquisition that is a business combination, the acquisition-related costs are recognised in profit or loss as incurred.

When control in a business is acquired in stages, the previously held equity interests in the acquiree are re-measured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss.

Any excess of the cost of business combination, as the case may be, over the net amount of the fair value of identifiable assets acquired and liabilities assumed is recognised as goodwill. For business combinations, provisions are made for the acquiree's contingent liabilities existing at the date of acquisition as the Group deems that it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations.

Any excess in the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed over the cost of business combination is recognised immediately in profit or loss.

The contingent consideration to be transferred by the acquirer is recognised at fair value at the date of acquisition. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the date of acquisition) about the facts and circumstances that existed at the date of acquisition. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137: Provisions, Contingent Liabilities and Contingent Assets, as appropriate with the corresponding gain or loss being recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.1 Subsidiaries and basis of consolidation (cont'd)

Uniform accounting policies are adopted in the consolidated financial statements for similar transactions and other events in similar circumstances. In the preparation of the consolidated financial statements, the financial statements of all subsidiary companies are adjusted for the material effects of dissimilar accounting policies. Intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of other comprehensive income are attributed to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests represent the equity in subsidiary companies not attributable, direct or indirectly, to the Group which consist of the amount of those non-controlling interests at the date of original combination and the non-controlling interests' share of changes in the equity since the date of the combination.

Non-controlling interests are presented separately in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent.

Equity instruments and equity components of hybrid financial instruments issued by subsidiary companies but held by the Group will be eliminated on consolidation. Any difference between the cost of investment and the value of the equity instruments or the equity components of hybrid financial instruments will be recognised immediately in equity upon elimination.

When there is share buyback by a subsidiary company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the subsidiary company. Any differences between the consideration of the share buyback over the Group's revised interest in the net fair value of the identifiable assets acquired and liabilities assumed is recognised directly in equity attributable to owners of the parent.

Changes in the Group's ownership interest in a subsidiary company that do not result in the Group losing control over the subsidiary company are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of consideration paid or received is recognised directly in equity attributable to the owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interest;

is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.2 Associated companies

Associated companies are entities in which the Group has significant influence. Significant influence is the power through board representations to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method of accounting based on the latest audited financial statements and supplemented by management financial statements of the associated companies made up to the Group's financial year-end. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

On acquisition of an investment in associated companies, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets acquired and liabilities assumed of the investee is recognised as goodwill and included in the carrying amount of the investment and is not amortised.

Any excess of the Group's share of net fair value of the associated company's identifiable assets acquired and liabilities assumed over the cost of investment is included as income in the determination of the Group's share of associated company's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in an associated company is recognised at cost on initial recognition, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associated company after the date of acquisition, less impairment losses. The Group's share of comprehensive income of associated companies acquired or disposed of during the financial year, is included in the consolidated profit or loss from the date that significant influence effectively commences or until the date that significant influence effectively ceases, as appropriate.

Unrealised gains and losses on transactions between the Group and the associated company are eliminated to the extent of the Group's interest in the associated companies.

When the Group's share of losses equals or exceeds its interest in an equity accounted associated company, including any long term interest, that, in substance, form part of the Group's net investment in the associated companies, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an legal and constructive obligations or has made payment on behalf of the associated companies.

When there is share buyback by an associated company, the accretion of the Group's interest is recognised as a deemed acquisition of additional equity interest in the associated company. Any reduction of the Group's pre-acquisition reserves arising from the share buyback (i.e. Goodwill) is included in the carrying amount of the investment and is not amortised. Any increase of the Group's pre-acquisition reserves arising from the share buyback (i.e. Negative Goodwill) is included as income in the determination of the Group's share of associated company's results in the period of share buybacks.

In the Company's separate financial statements, investment in associated companies are stated at cost less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated but reviewed at each reporting date to determine whether there is an indication of impairment. Capital work-in-progress are also not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Building	4.0%
Leasehold improvements	16.7% - 33.3%
Assembly and building equipment	10.0% - 33.3%
Furniture and fittings, computers and office equipment	10.0% - 40.0%
Motor vehicles	20.0%

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on the derecognition of the asset are included in profit or loss in the year the asset is derecognised.

2.2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost for vehicles are determined on a specific identification basis and cost for parts and accessories are determined on a weighted average basis.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.2.5 Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets acquired and liabilities assumed. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.6 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such impairment exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when there are indications of impairment.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use ("VIU"). In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the fair value reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.2.7 Fair value measurement

The Group measures financial instruments, such as derivatives, and certain non-financial assets, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) in the principal market for the asset or liability; or

(ii) in the absence of a principal market, in the most advantageous market for the asset or liability.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.7 Fair value measurement (cont'd)

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole as described in Note 31.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2.8 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

The category that is applicable to the Group and the Company is as follows:

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.9 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and sundry receivables, where the carrying amounts are reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.2.10 Cash and cash equivalents

Cash comprises cash in hand, at bank and demand deposits. Cash equivalents, which are short term, highly liquid investments that are readily convertible to known amounts subject to insignificant risk of changes in value, against which the bank overdrafts, if any, are deducted.

2.2.11 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.12 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group or the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially recognised at fair values on the dates that the derivative contracts were entered into and subsequently remeasured at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(ii) Other financial liabilities

Other financial liabilities of the Group and the Company include trade, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.2.13 Leases

As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.14 Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved for payment.

The transaction costs of an equity transaction are accounted for as a deduction from equity. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2.2.15 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

2.2.16 Deferred revenue

The Group provide free maintenance service package for a certain period ("free-service-period") or attainment of certain mileage, whichever is earlier, depending on the type of Mazda models sold.

Deferred revenue represents a part of the sale proceeds received from customers which relate to service maintenance in which the service has not been rendered. The amount of sale proceeds apportioned to service maintenance is measured at its fair value which is calculated based on the actual number of vehicles sold, past experience and estimated cost required to perform the maintenance service during the free-service-period.

Further details are disclosed in Note 15.

2.2.17 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event/s not wholly within the control of the Group or the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

2.2.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of motor vehicles and spare parts

Revenue is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer. Revenue is recognised net of sales and service tax and discount, where applicable.

(ii) Sale of services

Revenue from services rendered is recognised upon its completion. Revenue is recognised net of sales and service tax and discount, where applicable.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.18 Revenue recognition (cont'd)

(iii) Dividend income

Dividend income from investments in subsidiary and associated companies is recognised when the shareholders' rights to receive payment is established.

(iv) Interest income

Interest income is recognised on an accrual basis unless recoverability is in doubt.

(v) Other income

Other than the above, all other income are recognised on accrual basis.

2.2.19 Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of initial transaction.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss and other comprehensive income are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.19 Foreign currencies (cont'd)

(iii) Foreign operations (cont'd)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

The principal exchange rates ruling at reporting date for the various units of foreign currency used are as follows:

Foreign Currency	Currency Code	Number of units used	2014 RM	2013 RM
Japanese Yen	JPY	100	**0.0319**	0.0309
Philippine Peso	PHP	1	**0.0733**	0.0736
United States Dollar	USD	1	**3.2671**	3.0285

2.2.20 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). The foreign subsidiary company of the Group also makes contributions to its country's statutory pension scheme.

(iii) Employees' share option scheme

Employees of the Group and the Company received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employees' share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's and the Company's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employees' share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employees' share option reserve relating to the exercised options is transferred to share premium if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares. When the options are forfeited, the employees' share option reserve relating to the forfeited options is transferred to share premium.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.21 Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiary companies and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiary companies and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 Summary of significant accounting policies (cont'd)

2.2.21 Income tax (cont'd)

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.2.22 Segmental information

For management purposes, the Group is organised into operating segments based on the geographical locations which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance.

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Revenue and expenses do not include items arising on investing or financing activities. Revenue is attributed to geographical segments based on location where the sales are transacted. Segment assets include all operating assets used by a segment and do not include items arising on investing or financing activities. Assets are allocated to a geographical segment based on location of assets. Segment liabilities comprise operating liabilities and do not include liabilities arising on investing or financing activities such as bank borrowings.

2.3 Changes in accounting policies

On 1 May 2013, the Group and the Company adopted the following new MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations:

Effective for financial periods beginning on or after 1 July 2012:

- Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013:

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: Employee Benefits
- MFRS 127: Separate Financial Statements
- MFRS 128: Investments in Associates and Joint Ventures
- Amendments to MFRS 1: Government Loans
- Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Liabilities
- Amendments to MFRS 10: Consolidated Financial Statements – Transition Guidance
- Amendments to MFRS 11: Joint Arrangement – Transition Guidance
- Amendments to MFRS 12: Disclosure of Interest In Other Entities – Transition Guidance
- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements 2009-2011 Cycle

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Changes in accounting policies (cont'd)

Adoption of the above new MFRSs, Amendments to MFRSs, Annual Improvement and Interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

The Amendments to MFRS 101 introduce new terminology, whose use is not mandatory, for the income statement and statement of comprehensive income. Under the Amendments to MFRS 101, the separate 'income statement' is renamed as the 'statement of profit or loss' and the single statement of 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The Amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

Amendments to MFRS 101 also introduce the grouping of items presented in other comprehensive income. Items that will be reclassified (or recycled) to profit or loss at a future point in time (eg. net loss or gain on available-for-sale financial assets) have to be presented separately from items that will not be reclassified (eg. revaluation of land and buildings). The amendments affect presentation only and have no impact on the Group's financial position or performance.

MFRS 10: Consolidated Financial Statements

MFRS 10 replaces part of MFRS 127: Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112: Consolidation – Special Purpose Entities.

Under MFRS 10, an investor controls an investee when:

(i) the investor has power over an investee,

(ii) the investor has exposure, or rights, to variable returns from its investment with the investee, and

(iii) the investor has ability to use its power over the investee to affect the amount of the investor's return.

Under MFRS 127, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

MFRS 10 includes detailed guidance to explain when an investor that owns less than 50 per cent of the voting shares in an investee has control over the investee. MFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

The application of MFRS 10 does not have any effect on the financial performance of the Group and of the Company.

MFRS 12: Disclosure of Interests in Other Entities

MFRS 12 includes all disclosure requirements for interest in subsidiary companies, joint arrangements, associated companies and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

MFRS 13: Fair Value Measurement

MFRS 13 establishes a single source of guidance under MFRS for all fair value measurements. MFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under MFRS. MFRS 13 defines fair value as an exit price. As a result of the guidance in MFRS 13, the Group re-assessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. MFRS 13 also requires additional disclosures.

Application of MFRS 13 has not materially impacted the fair value measurement of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 31.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Standards and interpretation issued but not yet effective

At the date of authorisation of these financial statements, the following new MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations were issued but not yet effective and have not been applied by the Group and the Company.

Effective for financial periods beginning on or after 1 January 2014:

- Amendments to MFRS 132: Financial Instruments – Presentation (Offsetting Financial Assets and Liabilities)
- Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities
- Amendments to MFRS 136: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139: Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies

Effective for financial periods beginning on or after 1 July 2014:

- Amendments to MFRS 119: Employee Benefits (Defined Benefit Plans – Employee Contributions)
- Annual Improvements to MFRSs 2010-2012 Cycle
- Annual Improvements to MFRSs 2011-2013 Cycle

Effective for financial periods beginning on or after 1 January 2016:

- Amendments to MFRS 11: Joint Arrangement – Accounting for Acquisitions of Interests in Joint Operations
- MFRS 14: Regulatory Deferral Accounts
- Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

Effective for financial period beginning on or after a date to be announced:

- MFRS 9: Financial Instruments – Classification and Measurement

Unless otherwise described below, the new MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations above are expected to have no significant impact on the financial statements of the Group and of the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of all the above MFRSs, Amendments to MFRSs, Annual Improvements and Interpretations.

The Group is currently assessing the impact that these standards below will have on the financial position and performance.

<u>MFRS 9: Financial Instruments</u>

MFRS 9 reflects the first phase of work on the replacement of MFRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in MFRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to MFRS 9: Mandatory Effective Date of MFRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is closer to completion. The adoption of the first phase of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Standards and interpretation issued but not yet effective (cont'd)

Amendments to MFRS 136: Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 136 remove the unintended consequences of MFRS 13 on the disclosures required under MFRS 136. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognised or reversed during the period.

Amendments to MFRS 139: Financial Instruments – Novation of Derivatives and Continuation of Hedge Accounting

Amendments to MFRS 139 provide relief from discounting hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group has not novated its derivative during the current period. However, these amendments would be considered for future novation.

2.5 Significant accounting estimates and judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the VIU of the CGU to which goodwill is allocated.

Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Details of goodwill are disclosed in Note 7.

(ii) Deferred revenue

The Group provides free maintenance service package for 3 years (limited to 60,000 kilometres) or 5 years (limited to 100,000 kilometres) on certain Mazda models.

Deferred revenue represents a part of the sale proceeds received from customers which relates to service maintenance in which the service has not been rendered. The amount of sale proceeds apportioned to service maintenance is measured at its fair value which is calculated based on the actual number of vehicles sold, past experience and estimated cost required to perform the maintenance service in a 3 or 5-year period.

The carrying amount of the Group's deferred revenue at the reporting date is RM86,664,000 (2013: RM45,170,000). If the fair value of service maintenance is 10% higher than management's estimates, the Group's revenue will decrease by RM8,666,000 (2013: RM4,517,000). Further detail are as disclosed in Note 15.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Significant accounting estimates and judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(iii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 6.

(iv) Provision for restoration cost

A provision for restoration cost is recognised for expected costs to be incurred upon termination of the tenancy agreement. The Group provides for the cost to restore the premises to its original state and condition. The provision is based on the best estimate of the direct expenditure to be incurred upon the expiry of tenancy period. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

The carrying amount of the provision as at the reporting date was RM2,317,000 (2013: RM2,227,000). If the actual restoration cost had been 10% higher than management's estimate, the Group's profit before tax would be RM68,000 (2013: RM68,000) lower. Further details are as disclosed in Note 16.

(v) Provision for warranty

A provision is made for expected warranty claims on vehicles sold during the period, based on past experience of the level of repairs of similar type of vehicles. Assumptions used to calculate the provision for warranties were based on sales levels and current information available about repairs during warranty periods for similar vehicle types sold.

The carrying amount of the Group's provision of warranty at the reporting date is RM8,237,000 (2013: RM2,933,000). If actual claims are 10% higher than management's estimates, the Group's profit before tax will decrease by RM824,000 (2013: RM293,000). Further details are as disclosed in Note 16.

(vi) Provision for incentives

The Group provides sales incentives for car dealers who achieve cumulative sales target level. The incentive entitlement is communicated to the dealers periodically and are paid during and/or after year end. The provision for sales incentive is based on the car dealers' progress towards achieving their agreed annual sales targets.

The carrying amount of the Group's provision for incentives at the reporting date is RM1,255,000 (2013: RM5,670,000). If actual incentive payable is 10% higher than management's estimates, the Group's profit before tax will reduce by RM125,000 (2013: RM567,000). Further details are as disclosed in Note 16.

(vii) Income taxes

Significant estimation is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 23.

3. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Building RM'000	Leasehold improvements RM'000	Assembly and building equipment RM'000	Furniture and fittings, computers and office equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
As at 30 April 2014								
At Net Carrying Amount								
At 1.5.13	6,591	1,127	7,585	1,071	3,499	465	–	20,338
Additions	–	–	627	453	956	63	3,430	5,529
Disposals	–	–	–	–	(1)	–	–	(1)
Depreciation charge for the year	–	(56)	(3,764)	(366)	(1,137)	(165)	–	(5,488)
Foreign currency translation	–	–	–	–	(4)	(2)	–	(6)
At 30.4.14	**6,591**	**1,071**	**4,448**	**1,158**	**3,313**	**361**	**3,430**	**20,372**
As at 30 April 2013 (Unaudited)								
At Net Carrying Amount								
At 1.5.12	6,591	1,183	1,253	5,591	1,229	345	782	16,974
Additions	–	1,453	9,724	856	3,339	397	–	15,769
Disposals	–	(2,149)	–	(3,208)	–	(55)	–	(5,412)
Depreciation charge for the year	–	(142)	(3,392)	(2,168)	(939)	(222)	–	(6,863)
Write off	–	–	–	–	(130)	–	–	(130)
Reclassification/Transfer	–	782	–	–	–	–	(782)	–
At 30.4.13	6,591	1,127	7,585	1,071	3,499	465	–	20,338

	Freehold land RM'000	Building RM'000	Leasehold improvements RM'000	Assembly and building equipment RM'000	Furniture and fittings, computers and office equipment RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Group								
As at 30 April 2014								
Cost	**6,591**	**1,409**	**13,752**	**2,489**	**6,323**	**1,331**	**3,430**	**35,325**
Accumulated depreciation	**–**	**(338)**	**(9,304)**	**(1,331)**	**(3,010)**	**(970)**	**–**	**(14,953)**
Net carrying amount	**6,591**	**1,071**	**4,448**	**1,158**	**3,313**	**361**	**3,430**	**20,372**
As at 30 April 2013 (Unaudited)								
Cost	6,591	1,409	13,125	2,037	5,380	1,270	–	29,812
Accumulated depreciation	–	(282)	(5,540)	(966)	(1,881)	(805)	–	(9,474)
Net carrying amount	6,591	1,127	7,585	1,071	3,499	465	–	20,338

3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Computers RM'000
As at 30 April 2014	
At Net Carrying Amount	
At 1.5.13	–
Additions	6
Depreciation charge for the year	(1)
At 30.4.14	**5**
As at 30 April 2014	
Cost	**6**
Accumulated depreciation	**(1)**
Net carrying amount	**5**

The additions in property, plant and equipment were acquired by way of:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Cash	**5,529**	14,202	**6**	–
Provision for restoration cost	**–**	1,567	**–**	–
	5,529	15,769	**6**	–

In the previous financial year, the freehold land and building of the Group with net book value of RM7,718,000 was pledged to a licensed bank for a term loan as disclosed in Note 14.

In the previous financial year, property, plant and equipment of the Group with net book value of RM11,000 were acquired under hire purchase agreements.

Details of the disposals of property, plant and equipment to the associated company in the previous financial year are disclosed in Note 9(b).

4. SUBSIDIARY COMPANY

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares in Malaysia, at cost	**504,000**	–
ESOS granted to employees of subsidiary companies	**8,549**	–
	512,549	–

4. SUBSIDIARY COMPANY (cont'd)

The Group's effective equity interest in the subsidiary companies, their respective activities and country of incorporation are shown below:

Name	Country of Incorporation	Principal Activities	Effective interest held by Group^ % 2014	Group^ % 2013	Non-controlling interests^ % 2014	Non-controlling interests^ % 2013
Held by the Company						
Bermaz Motor Sdn Bhd	Malaysia	Investment holding and distribution of Mazda vehicles under licence in Malaysia.	**100**	–	**–**	–
Subsidiaries of Bermaz Motor Sdn Bhd						
Bermaz Motor Trading Sdn Bhd	Malaysia	Distribution and retailing of new and used Mazda vehicles and the provision of after-sales services in respect thereof in Malaysia.	**100**	–	**–**	–
Bermaz Motor International Limited	Malaysia	Investment holding.	**100**	–	**–**	–
Subsidiary of Bermaz Motor International Limited						
Berjaya Auto Philippines Inc ("BAP")*	Philippines	Purchasing, acquiring, owning, leasing, selling, transferring, encumbering and generally dealing in all types of new automobiles, trucks and other motor vehicles and dealing in all types of supplies used by all types of motor vehicles in the Philippines.	**60**	–	**40**	–

Notes:

* Subsidiary audited by other firms of Ernst & Young Global.

^ Equals to the proportion of voting rights held.

4. SUBSIDIARY COMPANY (cont'd)

(a) Subsidiary company with material non-controlling interests

Summarised financial information of subsidiary company which has non-controlling interests that are material to the Group is set out below. The summarised financial information presented below are amounts before inter-company elimination.

Certain comparative figures have not been presented for 30 April 2013 by virtue of the exemption given in Appendix C Paragraph C2A of MFRS 12, which is effective for annual periods beginning on and after 1 January 2013.

Group	**BAP RM'000**
At 30 April 2014	
Non-current assets	**4,307**
Current assets	**50,840**
Non-current liabilities	**(4,110)**
Current liabilities	**(23,867)**
Net assets	**27,170**
Equity attributable to equity holders of the parent	**16,668**
Non-controlling interests	**10,502**
Total equity	**27,170**
Year ended 30 April 2014	
Revenue	**175,873**
Profit for the year	**8,064**
Other comprehensive income	**(57)**
Total comprehensive income for the year	**8,007**
Profit attributable to:	
– Owners of the parent	**4,838**
– Non-controlling interests	**3,226**
	8,064
Total comprehensive income attributable to:	
– Owners of the parent	**4,804**
– Non-controlling interests	**3,203**
	8,007
Net cash used in:	
Operating activities	**(702)**
Investing activities	**(2,276)**
Net change in cash and cash equivalents	**(2,978)**

5. ASSOCIATED COMPANY

	Group 2014 RM'000	Group 2013 RM'000 (Unaudited)
Unquoted shares in Malaysia, at cost	**25,500**	25,500
Less: Unrealised profit on transactions with associated company	**(1,372)**	(612)
	24,128	24,888
Group's share of post-acquisition reserves	**9,949**	(1,700)
	34,077	23,188

The Group's equity interest in the associated company, its respective principal activities and country of incorporation are shown below:

Name	Country of incorporation	Principal activity	Proportion of ownership interest (%) 2014	2013
Associated company of Bermaz				
Mazda Malaysia Sdn Bhd ("MMSB")	Malaysia	Local assembly of Mazda vehicles by third party contract assembler using local parts and imported Mazda supplied parts and domestic distribution through Bermaz Motor Sdn Bhd and export of Mazda vehicles assembled in Malaysia.	**30**	–

The financial year end of the associated company is 31 December. The results of the associated company is accounted for in the Group's financial statements under the equity method, based on the most recently available audited financial statements and supplemented by the unaudited management financial statements of the associated company made up to the Group's financial year end.

Summarised financial information in respect of the material associated company is set out below. The summarised financial information represents the amounts in the financial statements of the associated company and not the Group's share of those amounts.

Certain comparative figures have not been presented for 30 April 2013 by virtue of the exemption given in Appendix C Paragraph C2A of MFRS 12, which is effective for annual periods beginning on and after 1 January 2013.

Group	**MMSB RM'000**
At 30 April 2014	
Non-current assets	**82,686**
Current assets	**184,212**
Current liabilities	**(148,734)**
Net assets	**118,164**
Year ended 30 April 2014	
Revenue	**590,234**
Profit for the year, representing total comprehensive income	**38,830**

5. ASSOCIATED COMPANY (cont'd)

Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associated company:

Group	MMSB RM'000
2014	
Net assets at 1 May	**79,334**
Profit for the year	**38,830**
Net assets at 30 April	**118,164**
Group's equity interest	**30%**
Interest in associated company	**35,449**
Less: Unrealised profit on transactions with associated company	**(1,372)**
Carrying value of Group's interest in associated company	**34,077**

6. DEFERRED TAX

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
At beginning of year	**(18,613)**	(9,186)	**–**	–
Recognised in profit or loss (Note 23)	**(12,578)**	(9,427)	**1**	–
Foreign exchange adjustments	**(4)**	–	**–**	–
At end of year	**(31,195)**	(18,613)	**1**	–

Presented after appropriate offsetting as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Deferred tax assets	**(31,196)**	(18,613)	**–**	–
Deferred tax liability	**1**	–	**1**	–
At end of year	**(31,195)**	(18,613)	**1**	–

6. DEFERRED TAX (cont'd)

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

Group	Deferred revenue RM'000	Provisions and others RM'000	Total RM'000
Deferred tax assets			
At 1 May 2013	(11,395)	(7,218)	(18,613)
Recognised in profit or loss	(10,590)	(1,989)	(12,579)
Forex exchange adjustments	(2)	(2)	(4)
At 30 April 2014	**(21,987)**	**(9,209)**	**(31,196)**
(Unaudited)			
At 1 May 2012	(6,082)	(3,160)	(9,242)
Recognised in profit or loss	(5,313)	(4,058)	(9,371)
At 30 April 2013	(11,395)	(7,218)	(18,613)

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Deferred tax liability				
Accelerated capital allowances				
At 1 May	**–**	56	**–**	–
Recognised in profit or loss	**1**	(56)	**1**	–
At 30 April	**1**	–	**1**	–

7. GOODWILL

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
At beginning/end of year	**500**	500

(a) Impairment testing on goodwill

Key assumptions used in VIU calculation and fair value less costs to sell of CGU

The recoverable amount of a CGU is determined based on the higher value of VIU or fair value less costs to sell if available of the respective CGUs. VIU is calculated using cash flow projections based on financial budgets covering 3-year period. Fair values less costs to sell are estimated based on the best information available in an active market to reflect the amount obtainable in arm's length transaction, less costs of disposal.

The following describes each key assumption on which management based its cash flow projections for VIU calculations or fair value less costs to sell CGUs to undertake impairment test of goodwill:

(i) Budgeted gross margin

The basis used to determine the values assigned to the budgeted gross margins are the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements, market and economic conditions and internal resource efficiency, where applicable.

7. GOODWILL (cont'd)

(a) Impairment testing on goodwill (cont'd)

Key assumptions used in VIU calculation and fair value less costs to sell of CGU (cont'd)

(ii) Growth rates

The weighted average growth rates are consistent with the long-term average growth rate for similar industries.

(iii) Discount rates

The discount rates used for identified CGU reflect the specific risks relating to the relevant business segment. The significant post-tax discount rates, applied to post-tax cash flows, used for identified CGUs are in the range of 10%-12% (2013: 10%-12%).

(iv) Fair value less costs to sell

The fair values are estimated based on observable market prices of recent transactions of similar assets within the same industry and similar locations.

Sensitivity of changes in assumptions

Management believes that no reasonable possible change in any of the above key assumptions would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

8. INVENTORIES

	Group	
	2014 RM'000	**2013 RM'000 (Unaudited)**
At cost:		
Motor vehicles ready for sale	**254,465**	136,611
Motor vehicles under assembly process	**–**	1,333
Unassembled vehicle packs	**–**	1,157
Spares parts	**3,257**	2,116
	257,722	141,217
At net realisable value:		
Motor vehicles	**15,250**	39,944
Spare parts	**15,085**	12,619
	30,335	52,563
	288,057	193,780

The cost of inventories recognised as an expense during the financial year in the Group amounted to RM1,167,474,000 (2013: RM916,348,000).

9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Trade receivables	**45,111**	31,409	**–**	–
Other receivables				
Deposits	**1,215**	995	**–**	–
Sundry receivables	**1,508**	3,739	**160**	–
Amount owing by :				
– subsidiary company	**–**	–	**42,001**	–
– associated company	**3,552**	8,213	**–**	–
	6,275	12,947	**42,161**	–
	51,386	44,356	**42,161**	–
Other current assets				
Prepayments	**2,385**	2,685	**80**	–
Dividend receivable from subsidiary company	**–**	–	**4,000**	–
	2,385	2,685	**4,080**	–
Total trade and other receivables	**53,771**	47,041	**46,241**	–

(a) Trade receivables

The Group's normal credit term ranges from 30 to 90 (2013: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposure to a single debtor or to groups of trade receivables.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
Neither past due nor impaired	**41,466**	30,604
1 to 30 days past due not impaired	**773**	550
31 to 60 days past due not impaired	**330**	101
61 to 90 days past due not impaired	**166**	13
91 to 120 days past due not impaired	**2,376**	141
	3,645	805
	45,111	31,409

9. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records within the Group.

The credit quality and concentration profile of trade receivables that are neither past due nor impaired are as follows:

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
Group 1	**39,971**	28,990
Group 2	**1,495**	1,614
Total trade receivables	**41,466**	30,604

Group 1 – customers with no defaults in the past.
Group 2 – customers with low risk as security is received.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,645,000 (2013: RM805,000) that are past due at the reporting date but not impaired.

The credit quality and concentration profile of trade receivables that are past due but not impaired are as follows:

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
Group 1	**3,502**	350
Group 2	**143**	455
Total trade receivables	**3,645**	805

Group 1 – customers with no defaults in the past.
Group 2 – customers with low risk and pledged security.

(b) Other receivables

The amount due from a subsidiary company amounting to RM42,001,000 (2013: RMNil) are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

In the previous financial year, the amount due from associated company included an amount of RM8,056,000 which arose from the disposal of property, plant and equipment. This amount was fully settled during the financial year end. The amount due from associated company is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

In the previous financial year, the sundry receivables of the Group included an amount of RM1,314,000 representing expenses for marketing event recoverable from a third party. All the sundry receivables and deposits are unsecured and non-interest bearing.

10. DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group 2014 RM'000	Group 2013 RM'000 (Unaudited)	Company 2014 RM'000	Company 2013 RM'000
Deposits with:				
Licensed banks	**137,013**	136,500	**37,281**	–

The range of interest rates per annum and maturities of deposits as at reporting date were as follows:

	Group 2014	Group 2013 (Unaudited)	Company 2014	Company 2013
Interest rates per annum (%)				
Licensed banks	**0.05 - 3.20**	2.50 - 3.00	**2.80 - 3.20**	–
Maturities (days)				
Licensed banks	**2 - 89**	3 - 14	**4 - 89**	–

11. CASH AND BANK BALANCES

Certain cash at banks of the Group and the Company earn interest based on daily bank deposit rates.

12. SHARE CAPITAL

	Group and Company			
	Number of shares 2014 '000	Number of shares 2013 '000	Share capital 2014 RM'000	Share capital 2013 RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At beginning/end of year	**1,000,000**	1,000,000	**500,000**	500,000

	Group			
	Number of shares 2014 '000	Number of shares 2013 '000 (Unaudited)	Share capital 2014 RM'000	Share capital 2013 RM'000 (Unaudited)
Issued and fully paid:				
At beginning of year	**720,000**	720,000	**360,000**	360,000
Public issue during the year	**82,763**	–	**41,381**	–
Employees' share options exercised	**4,427**	–	**2,214**	–
At end of year	**807,190**	720,000	**403,595**	360,000

12. SHARE CAPITAL (cont'd)

	Company			
	Number of shares		Share capital	
	2014	2013	2014	2013
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At beginning of year	**@**	@	**#**	#
Issued as consideration for the acquisition of a subsidiary company during the year	**720,000**	–	**360,000**	–
Public issue during the year	**82,763**	–	**41,381**	–
Employees' share options exercised	**4,427**	–	**2,214**	–
At end of year	**807,190**	@	**403,595**	#

Notes:

Representing RM2.00

@ Representing 4 shares

(a) On 26 September 2013, the Company issued 719,999,996 ordinary shares of RM0.50 each at an issue price of RM0.70 per share as consideration for the acquisition of Bermaz Motor Sdn Bhd, which is accounted for using the merger method of consolidation. Consequently, the issue is presented above as if it had already been effected prior to the first day of the previous accounting period. The comparative figure for the issued and paid up share capital of the Group has therefore been restated accordingly.

(b) On 14 November 2013, the Company issued 82,763,000 new ordinary shares of RM0.50 each at an issue price of RM0.70 per share pursuant to the Initial Public Offering ("IPO") exercise.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regard to the Company's residual assets.

13. RESERVES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000 (Unaudited)	RM'000	RM'000
Share premium	**163,241**	144,000	**163,241**	–
Merger deficit (Note a)	**(424,000)**	(424,000)	**–**	–
ESOS reserve (Note b)	**5,654**	–	**5,654**	–
Exchange reserve	**(158)**	(121)	**–**	–
	(255,263)	(280,121)	**168,895**	–
Retained earnings (Note c)	**195,560**	79,021	**31,534**	(1,469)
	(59,703)	(201,100)	**200,429**	(1,469)

13. RESERVES (cont'd)

Notes:

(a) Merger deficit

Merger deficit represents the difference between the carrying value of the Company's cost of investment in subsidiary company and the nominal value of share capital of the subsidiary company acquired.

(b) ESOS reserve

The ESOS reserve represents the equity-settled share options granted to certain employees of the Group. The ESOS reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and is reduced by the expiry, forfeiture or exercise of the share options.

(c) Retained earnings

The Company may distribute dividend out of its entire retained earnings as at 30 April 2014 under the single-tier system.

14. BORROWINGS

	Group	
	2014 RM'000	**2013 RM'000 (Unaudited)**
Short term borrowings - Secured		
Bankers' acceptances (Note a)	–	118,456
Trust receipts	–	3,883
Term loans (Note b)	–	4,228
	–	126,567
Long term borrowings - Secured		
Term loans (Note b)	–	2,441
Total borrowings		
Bankers' acceptances (Note a)	–	118,456
Trust receipts	–	3,883
Term loans (Note b)	–	6,669
	–	129,008

The range of interest rates per annum at the reporting date for borrowings is as follows:

	Group	
	2014 %	**2013 % (Unaudited)**
Bankers' acceptances	–	4.46 - 4.85
Trust receipts	–	5.75
Term loans	–	5.31 - 5.50

a) In prior year, bankers' acceptances were secured by corporate guarantee from the ultimate holding company.

b) Term loans had been early settled during the financial year.

15. DEFERRED REVENUE

The Group provides free maintenance service package for 3 years (limited to 60,000 kilometres) or 5 years (limited to 100,000 kilometres), on certain Mazda Models.

Deferred revenue represents a part of the sale proceeds received from customers which relates to service maintenance in which the service has not been rendered. The amount of sales proceeds apportioned to service maintenance is measured at its fair value which is calculated based on the actual number of vehicles sold, past experience and estimated cost required to perform the maintenance service in a 3 or 5-year period.

	Group	
	2014 RM'000	**2013 RM'000 (Unaudited)**
At beginning of year	**45,170**	24,329
Deferred during the year	**59,020**	29,112
Reversal during the year	**(1,106)**	(416)
Recognised during the year	**(16,410)**	(7,855)
Exchange difference	**(10)**	–
At end of year	**86,664**	45,170
At end of year:		
Current	**28,851**	17,516
Non-current:		
Later than 1 year but not later than 2 years	**31,383**	17,133
Later than 2 years but not later than 3 years	**22,371**	8,602
Later than 3 years but not later than 5 years	**4,059**	1,919
	57,813	27,654
	86,664	45,170

Deferred revenue is reassessed annually based on the actual service claims from the vehicles previously sold. Any estimated apportioned service maintenance relating to deferred revenue exceeding the amount necessary to cover the service claims on motor vehicles sold is recognised as revenue during the year.

16. PROVISIONS

Group	**Incentives RM'000**	**Warranty RM'000**	**Restoration cost RM'000**	**Total RM'000**
At 30 April 2014				
At beginning of year	**5,670**	**2,933**	**2,227**	**10,830**
Additional provision	**1,255**	**7,476**	**–**	**8,731**
Reversal during the year	**(102)**	**–**	**–**	**(102)**
Utilisation of provision	**(5,568)**	**(2,168)**	**–**	**(7,736)**
Unwinding of discount	**–**	**–**	**90**	**90**
Exchange difference	**–**	**(4)**	**–**	**(4)**
At end of year	**1,255**	**8,237**	**2,317**	**11,809**

16. PROVISIONS (cont'd)

Group

	Incentives RM'000	Warranty RM'000	Restoration cost RM'000	Total RM'000
At 30 April 2014				
Current	**1,255**	**2,658**	**846**	**4,759**
Non-current	**–**	**5,579**	**1,471**	**7,050**
	1,255	**8,237**	**2,317**	**11,809**
At 30 April 2013 (Unaudited)				
At beginning of year	980	999	573	2,552
Additional provision	5,576	2,774	1,567	9,917
Reversal during the year	(1)	–	–	(1)
Utilisation of provision	(885)	(840)	–	(1,725)
Unwinding of discount	–	–	87	87
At end of year	5,670	2,933	2,227	10,830
At 30 April 2013 (Unaudited)				
Current	5,670	580	–	6,250
Non-current	–	2,353	2,227	4,580
	5,670	2,933	2,227	10,830

Notes:

(a) Incentives

The Group provided sales incentives for car dealers who achieve cumulative sales target level. The incentive entitlement is communicated to the dealers periodically and are paid during and/or after financial year end. The provision for sales incentive is based on the car dealers' progress towards achieving their agreed annual sales targets.

(b) Warranty

The Group gives 3 years warranty or attainment of 100,000 kilometres, whichever is earlier, on locally assembled vehicles and undertakes to repair or replace parts that fail to perform satisfactorily. Since last financial year, the warranty period for certain locally assembled vehicles was extended to 5 years or attainment of 100,000 kilometres, whichever is earlier.

For imported vehicles, the manufacturer gives to the Group's customers a 3 years warranty or attainment of 100,000 kilometres, whichever is earlier. Since last financial year, the Group extended an additional 2 years warranty in addition to the 3 years provided by the manufacturer, for certain models sold in Malaysia.

A provision is made for expected warranty claims on vehicles sold during the year, based on past experience of the level of repairs of similar type of vehicles. Assumptions used to calculate the provision for warranties were based on sales levels and current information available about repairs during warranty periods for similar type of vehicles sold.

(c) Restoration cost

A provision for restoration cost is recognised for expected costs to be incurred upon termination of the tenancy agreement. The Group provided for the cost to restore the premises to its original state and condition. The provision is based on the best estimate of the direct expenditure to be incurred upon the expiry of tenancy period. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

17. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Trade payables	**88,414**	83,155	**–**	–
Other payables				
Sundry payables	**7,575**	4,829	**–**	676
Refundable deposits from customers	**4,914**	12,766	**–**	–
Royalty and distribution rights fee payable	**14,239**	8,929	**–**	–
Accruals	**18,417**	12,251	**129**	–
Amount owing to:				
– a director	**750**	750	**–**	–
– related companies	**2**	–	**2**	–
– holding company	**–**	793	**–**	793
– ultimate holding company	**75**	600	**–**	–
Hire purchase payables				
– portion repayable within 12 months	**–**	8	**–**	–
	45,972	40,926	**131**	1,469
	134,386	124,081	**131**	1,469

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 - 90 days (2013: 30 - 90 days).

(b) Other payables

The refundable deposits are received from customers upon booking confirmation and will be set-off against the total invoiced amounts upon delivery of vehicles.

Royalty and distribution rights fee are accrued in accordance with the distributorship agreement. These are non-interest bearing, unsecured and payable within the agreed terms stipulated in the agreement.

In the previous financial year, included in the accruals of the Group was interest accrued for term loans of RM16,000.

The amount due to a director is in respect of the performance incentive.

The amount due to related companies are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

The amounts due to ultimate holding company and holding company are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

17. TRADE AND OTHER PAYABLES (cont'd)

(c) The commitment terms under hire purchase payables are summarised as follows:

	Group 2014 RM'000	Group 2013 RM'000 (Unaudited)
Minimum lease payments		
Not later than 1 year	–	8
	–	8
Less: Future finance charges	–	*
Present value of finance lease liability	–	8
Present value of finance lease liability		
Not later than 1 year	–	8
	–	8

Note:
* The future finance charges was less than RM1,000.

18. DERIVATIVE LIABILITY

	Group 2014 Contract amount RM'000	Group 2014 Liabilities RM'000	Group 2013 Contract amount RM'000 (Unaudited)	Group 2013 Liabilities RM'000 (Unaudited)
Non-hedging derivatives				
Current				
Forward currency contracts	**42,557**	**500**	45,134	1,125

The Group uses forward currency contracts to manage some of the transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to hedge certain of the Group's purchases denominated in Japanese Yen for firm commitments existed at the reporting date. The fair value changes relating to those forward currency contracts outstanding at the reporting date resulted in the recognition of derivative liability for the current financial year.

	Group 2014 RM'000	Group 2013 RM'000 (Unaudited)
At beginning of year	**1,125**	–
Fair value changes on forward currency contracts	**(625)**	1,125
At end of year	**500**	1,125

19. REVENUE

Revenue consists of the following:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Sale of motor vehicles	**1,391,643**	1,027,474	**–**	–
Sale of spare parts	**44,054**	29,063	**–**	–
Maintenance and fitting of motor vehicle accessories services	**15,093**	7,812	**–**	–
Dividend income from:				
– subsidiary company	**–**	–	**48,000**	–
	1,450,790	1,064,349	**48,000**	**–**

20. FINANCE COSTS

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
Interest expense on:		
Bank borrowings		
– Term loan	**117**	668
– Bankers' acceptances	**575**	3,942
– Trust receipts	**305**	114
– Overdraft	**–**	2
Hire purchase	**–**	1
Unwinding of discount on provision	**90**	86
	1,087	4,813

21. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Directors' remuneration (Note 22)				
– emoluments (excluding benefits-in-kind)	**2,247**	2,158	**5**	–
– fees	**105**	–	**105**	–
Auditors' remuneration				
– statutory audit fee	**125**	71	**20**	2
– fees for non audit services	**–**	376	**–**	376
Depreciation of property, plant and equipment	**5,488**	6,863	**1**	–
Loss on disposal of property, plant and equipment	**1**	–	**–**	–
Property, plant and equipment written off	**–**	130	**–**	–
Inventories written down	**754**	2,691	**–**	–
Rental expenses				
– related company	**1,188**	1,087	**–**	–
– third parties	**2,478**	2,389	**–**	–
Staff costs (Note a)	**30,263**	19,314	**–**	–
Provision for warranty	**7,476**	2,774	**–**	–
Provision for incentive (net of reversal)	**1,153**	5,575	**–**	–
Fair value adjustment on derivatives	**–**	1,125	**–**	–
Loss on foreign exchange				
– unrealised	**469**	–	**–**	–
and crediting:				
Gain on disposal of property, plant and equipment	**–**	(1,939)	**–**	–
Rental income from associated company	**(352)**	–	**–**	–
Interest income:				
– financial institutions	**(3,376)**	(780)	**(581)**	–
Gain on foreign exchange				
– realised	**(1,096)**	(134)	**–**	–
– unrealised	**–**	(375)	**–**	–
Fair value adjustment on derivatives	**(625)**	–	**–**	–

(a) Staff costs consist of the following:

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
Wages, salaries and allowances	**12,998**	10,758
Social security costs and employees insurance	**126**	110
Bonuses	**3,514**	3,269
Pension costs		
– defined contribution plans	**2,220**	1,769
Performance incentive	**1,542**	2,033
Share-based payments under ESOS (Note b)	**7,597**	–
Other staff related expenses	**2,266**	1,375
	30,263	19,314

Staff costs exclude remuneration of executive directors.

21. PROFIT/(LOSS) BEFORE TAX (cont'd)

(b) Share-based payments under ESOS consist of the following:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Share-based payments for:				
– employees of the Group	**7,597**	–	**–**	–
– directors of the Company	**1,054**	–	**1,054**	–
– other director of the Group	**952**	–	**–**	–
	9,603	–	**1,054**	–

22. DIRECTORS' REMUNERATION

The aggregate directors' remuneration for all directors of the Group and of the Company categorised into appropriate components for the financial year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Directors of the Company				
Executive				
Salaries and other emoluments	**742**	658	**–**	–
Performance incentive	**1,500**	1,500	**–**	–
Benefits-in-kind	**25**	11	**–**	–
	2,267	2,169	**–**	–
Non-executive				
Fees	**105**	–	**105**	–
Other emoluments	**5**	–	**5**	–
	110	–	**110**	–
Total directors' remuneration	**2,377**	2,169	**110**	–

23. INCOME TAX EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Income tax:				
– Malaysian income tax	**53,183**	26,534	**145**	–
– Foreign tax	**5,971**	–	**–**	–
	59,154	26,534	**145**	–
In respect of prior years				
– Malaysian income tax	**(649)**	104	**–**	–
Deferred tax (Note 6)	**(12,578)**	(9,427)	**1**	–
Total income tax expense	**45,927**	17,211	**146**	–

23. INCOME TAX EXPENSE (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% from the current year's tax rate of 25%, effective year of assessment 2016. The computation of deferred tax as at 30 April 2014 did not reflect this change as the effect is not material. Taxation for other jurisdictions is calculated at the rate prevailing in the respective jurisdictions.

A reconciliation of income tax expense applicable to profit/(loss) before tax at the statutory income tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Profit/(Loss) before tax	**179,775**	69,224	**47,232**	(1,333)
Applicable tax rate (%)	**25**	25	**25**	25
Taxation at applicable tax rate	**44,944**	17,306	**11,808**	(333)
Income not subject to tax	**(10)**	(7)	**(12,000)**	–
Expenses not deductible under tax legislation	**3,777**	1,758	**338**	333
Effect of different tax rate in other country	**652**	209	**–**	–
Effect of share of result of associated company	**(2,722)**	376	**–**	–
(Over)/Under provision of income tax in prior years	**(649)**	104	**–**	–
Over provision of deferred tax in prior years	**(65)**	(335)	**–**	–
Group relief	**–**	(2,200)	**–**	–
Income tax expense for the year	**45,927**	17,211	**146**	–

24. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2014 RM'000	2013 RM'000 (Unaudited)
Profit attributable to equity holders	**130,622**	50,861
Weighted average number of ordinary shares in issue ('000)	**759,105**	720,000
Basic earnings per share (sen)	**17.21**	7.06

24. EARNINGS PER SHARE (cont'd)

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year, have been adjusted for the dilutive effects of the dilutive instruments of the Group.

	Group	
	2014 RM'000	**2013 RM'000 (Unaudited)**
Profit attributable to equity holders	**130,622**	50,861
Weighted average number of ordinary shares in issue ('000)	**759,105**	720,000
Assumed shares issued from the exercise of employees' share options ('000)	**15,688**	–
Adjusted weighted average number of ordinary shares ('000)	**774,793**	720,000
Diluted earnings per share (sen)	**16.86**	7.06

25. DIVIDENDS

	Company			
	2014 Net dividend per share Sen	**2014 Net dividend RM'000**	**2013 Net dividend per share Sen**	**2013 Net dividend RM'000**
Recognised during the year				
– First interim dividend of 3.5% single-tier dividend approved in respect of financial year ended 30 April 2014 (2013: Nil)	**1.75**	**14,083**	–	–

On 11 June 2014, the Company approved and declared a second interim single-tier dividend of 3.5 sen per share in respect of the financial year ended 30 April 2014 amounting to about RM28,280,000. The financial statements for the current financial year do not reflect this dividend. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the financial year ending 30 April 2015.

26. SEGMENTAL INFORMATION

The Group operates predominantly in one business segment in Malaysia and outside Malaysia. The primary format, geographical segments, is based on the Group's management and internal reporting structure.

Unallocated assets include items relating to investing and financing activities and items that cannot be reasonably allocated to individual segments.

	2014 RM'000	2013 RM'000 (Unaudited)
Results		
Malaysia	**156,419**	72,033
Philippines	**12,173**	4,199
	168,592	76,232
Unallocated corporate expenses	**(1,349)**	(1,472)
	167,243	74,760
Other income - investing activities	**2,730**	780
Finance costs	**(1,087)**	(4,813)
Share of results of associate	**10,889**	(1,503)
Profit before tax	**179,775**	69,224
Income tax expense	**(45,927)**	(17,211)
Profit for the year	**133,848**	52,013

	Revenue RM'000	Capital expenditure RM'000	Assets RM'000	Liabilities RM'000
2014				
Malaysia	**1,274,917**	**4,774**	**496,182**	**208,226**
Philippines	**175,873**	**749**	**52,242**	**25,133**
	1,450,790	**5,523**	**548,424**	**233,359**
Unallocated items	**–**	**6**	**65,773**	**26,444**
Total	**1,450,790**	**5,529**	**614,197**	**259,803**
2013 (Unaudited)				
Malaysia	1,008,831	14,649	407,328	168,265
Philippines	55,518	1,120	35,866	12,933
	1,064,349	15,769	443,194	181,198
Unallocated items	–	–	42,301	138,098
Total	1,064,349	15,769	485,495	319,296

27. EMPLOYEES' SHARE OPTION SCHEME

The ESOS was approved by the shareholders at an Extraordinary General Meeting held on 26 September 2013. The ESOS is administered by a committee ("ESOS Committee").

All eligible directors and employees are entitled to a grant of options. The Grantee is an eligible director/employee who has accepted the offer of the options. The aggregate number of shares which a Grantee can subscribe under his option in a particular year shall at all times be subject to a maximum of twenty per cent of the total number of shares comprising the options held by such Grantee. However, options which are exercisable in a particular year can be carried forward and be exercised in the subsequent years. The exercise price of the first offer of the share options is equal to the initial public offer price of the shares in the Company and for subsequent offers, the subscription price shall be the five-day weighted average market price of the shares in the Company on the date of offer, with a discount not exceeding ten per cent or at par value of the shares, whichever is higher. The ESOS is for a period of five (5) years from the effective date which is 18 November 2013. The ESOS Committee shall have the discretion to extend the tenure of the ESOS for another five (5) years or such shorter period as it deems fit immediately from the expiry of the first five (5) years. There are no cash settlement alternatives.

The grant dates of the first offer of ESOS was from 18 November 2013 to 2 December 2013.

Movement of share options during the financial year

The following table illustrates the number ("No.") and exercise price ("EP") of, and movements in, share options during the financial year:

	Company 2014 No.	Company 2014 EP (RM)
Outstanding at beginning of year	–	–
– Granted	**28,380,000**	**0.70**
– Forfeited	**(250,000)**	**0.70**
– Exercised	**(4,427,000)**	**0.70**
Outstanding at end of year	**23,703,000**	**0.70**
Exercisable at end of year	**1,239,000**	**0.70**

The following table lists the fair values of the options granted, which were estimated at the grant dates.

	2014 RM
Fair value of options to be vested	
On the grant dates	**0.89**
1 year from the grant dates	**0.87**
2 year from the grant dates	**0.85**
3 year from the grant dates	**0.82**
4 year from the grant dates	**0.80**

- The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.78.
- The exercise price for options outstanding at the end of the year was RM0.70 per share. The remaining contractual life for these options is 4.54 years.

Fair value of share options granted

The fair value of the share options granted is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

27. EMPLOYEES' SHARE OPTION SCHEME (cont'd)

Fair value of share options granted (cont'd)

The following table lists the inputs to the option pricing model:

	Grant dates 18.11.2013 to 2.12.2013
Dividend yield (%)	3.03 - 3.83
Expected volatility (%)	24.18
Risk-free interest rate (% p.a)	3.79 - 4.10
Expected life of options (Years)	5
Underlying share price (RM)	0.80 - 0.89

The expected life of the options is based on the contractual life of the options. The expected volatility reflects the assumption that the historical volatility, over a period similar to the life of the options, is indicative of future trends, which may not necessarily be the actual outcome.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the transactions detailed elsewhere in the notes to financial statements, the Group had the following significant transactions with related parties during the financial year:

		Group	
	Note	**2014 RM'000**	**2013 RM'000 (Unaudited)**
Management fees payable to Berjaya Corporation Berhad		**300**	300
Assembly charges and taxes charged by Inokom Corporation Sdn Bhd	a	**–**	25,301
Rental of premise charged by Berjaya Property Sdn Bhd	b	**1,188**	1,087
Disposal consideration of assembly equipment to an associated company		**–**	(8,056)
Sales of motor vehicles to Dunia Prestasi Auto Sdn Bhd	c	**–**	(15,922)
Sales of spare parts to Dunia Prestasi Auto Sdn Bhd	c	**–**	(955)
After-sales service rendered by Dunia Prestasi Auto Sdn Bhd	c	**–**	392
Purchase of motor vehicles from associated company		**316,788**	–
Management fees income from associated company		**(3,019)**	–
Rental income from associated company		**(352)**	–

Notes:

(a) Company in which Dato' Lee Kok Chuan is a director and Berjaya Group Berhad is a shareholder.

(b) Subsidiary company of BCorp Group.

(c) Dunia Prestasi Auto Sdn Bhd ceased to be an associated company of the ultimate holding company on 15 August 2012.

29. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation of the key management personnel, who are the directors of the Group and of the Company, are as follows:

	Group		**Company**	
	2014 RM'000	**2013 RM'000 (Unaudited)**	**2014 RM'000**	**2013 RM'000**
Short-term benefits	**2,250**	2,047	**110**	–
Post-employment benefits	**127**	122	**–**	–
	2,377	2,169	**110**	–

30. COMMITMENTS

	Group	
	2014 **RM'000**	**2013** **RM'000** **(Unaudited)**
Capital expenditure		
Property, plant and equipment		
– approved but not contracted for	**7,500**	–
Purchase consideration for shares	**4,500**	4,500
	12,000	4,500
Non-cancellable operating lease commitments as lessees		
– Within 1 year after reporting date	**6,717**	3,515
– Later than 1 year but not more than 5 years	**824**	3,281
– More than 5 years	**–**	704
	7,541	7,500

31. FAIR VALUE MEASUREMENT

The Group measures the fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 Quoted (unadjusted) market price in active markets for identical assets or liabilities

Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Financial instruments that are measured at fair value

The table below analyses the financial instruments measured at fair value at the reporting date, accordingly to the level in the fair value hierarchy:

Group	**Level 1** **RM'000**	**Level 2** **RM'000**	**Level 3** **RM'000**	**Total** **RM'000**
2014				
Financial liability				
Derivative liability	**–**	**500**	**–**	**500**
2013 (Unaudited)				
Financial liability				
Derivative liability	–	1,125	–	1,125

32. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2.2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	**Note**	**Loans and receivables RM'000**
2014		
Financial assets		
Trade and other receivables	9	**51,386**
Deposits with financial institutions	10	**137,013**
Cash and bank balances	11	**49,211**
		237,610

		Fair value through profit or loss RM'000	**At amortised cost RM'000**	**Total RM'000**
Financial liabilities				
Trade and other payables	17	**–**	**134,386**	**134,386**
Derivative liability	18	**500**	**–**	**500**
		500	**134,386**	**134,886**

		Loans and receivables RM'000
2013 (Unaudited)		
Financial assets		
Trade and other receivables	9	44,356
Deposits with financial institutions	10	136,500
Cash and bank balances	11	45,535
		226,391

		Fair value through profit or loss RM'000	**At amortised cost RM'000**	**Total RM'000**
Financial liabilities				
Trade and other payables	17	–	124,081	124,081
Derivative liability	18	1,125	–	1,125
Long term borrowings	14	–	2,441	2,441
Short term borrowings	14	–	126,567	126,567
		1,125	253,089	254,214

32. FINANCIAL INSTRUMENTS (cont'd)

(a) Classification of financial instruments (cont'd)

Company

	Note	Loans and receivables RM'000
2014		
Financial assets		
Trade and other receivables	9	**42,161**
Deposits with financial institutions	10	**37,281**
Cash and bank balances	11	**8,165**
		87,607

		At amortised cost RM'000
Financial liability		
Trade and other payables	17	**131**

		At amortised cost RM'000
2013		
Financial liability		
Trade and other payables	17	1,469

(b) Fair value

(i) Financial instruments that are measured at fair value

Information of financial instruments of the Group that are measured at fair value is disclosed in Note 31.

(ii) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values:

	Note
Trade and other receivables (current)	9
Trade and other payables (current)	17
Short term borrowings (current)	14
Long term borrowings (non-current) at floating rate	14

The carrying amounts of these financial asset and liabilities are reasonable approximation of fair values due to either insignificant impact of discounting from their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The fair values of finance lease obligations are estimated by discounting expected future cash flows at market incremental lending rates for similar types of lending, borrowing or leasing arrangements at reporting date.

Forward currency contracts are valued using a valuation technique with market observable inputs.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management policies of the Group seek to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its market risk (including interest rate risk and foreign currency risk), liquidity risk and credit risk. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Market risk

(i) 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 interest bearing assets are made up of deposits with licensed financial institutions.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rate obtainable, which yield better returns than cash at bank and by maintaining a prudent mix of short and long term deposits and actively reviewing its portfolio of deposits.

The Group manages its interest risk exposure by actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes. The Group does not utilise interest swap contracts or other derivatives instruments for trading or speculation purposes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Fixed rate instruments				
Financial assets	**148,083**	136,500	**45,415**	–
Financial liabilities	**–**	122,347	**–**	–
Floating rate instruments				
Financial liabilities	**–**	6,669	**–**	–

Fair value sensitivity analysis for fixed rate instruments

The Group does not measure any fixed rate instruments at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the profit or loss.

Sensitivity analysis for interest rate risk

A change of 25 basis points in interest rates at the reporting date would result insignificant change in profit or loss before tax. As such, the Group is not sensitive to interest rate risk.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Market risk (cont'd)

(ii) 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's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (where revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investment in a foreign subsidiary company.

The Group is exposed to transactional currency risk primarily through purchases that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to risk are primarily Japanese Yen ("JPY") and United States Dollar ("USD").

The Group uses forward currency contracts to eliminate currency exposures resulting from fluctuations in foreign currency rates for which payment is anticipated more than one month after the Group has entered into a firm commitment for purchase. It is the Group's policy not to enter into forward contracts until a firm commitment is in place. It is the Group's policy to negotiate the terms of the derivatives to match the terms of the payments to minimise the exposure to foreign currency risk.

Sensitivity analysis for currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in JPY and USD exchange rates against the functional currencies of the Group, with all other variables held constant:

Group	2014 RM'000	2013 RM'000 (Unaudited)
Increase/(Decrease) to profit net of tax		
JPY/MYR – Strengthened by 5%	**741**	579
– Weakened by 5%	**(741)**	(579)
USD/PHP – Strengthened by 5%	**91**	8
– Weakened by 5%	**(91)**	(8)

(b) 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 credit risk is primarily attributable to trade receivables.

Receivables

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure.

New vehicles sales are still largely derived from authorised car dealers and as such, the Group has a normal credit policy in place and the exposure is monitored on an going basis. The Group also extends credit risk to spare parts dealers, selective corporate purchasers and finance companies. Bank guarantees are required on a selective basis to secure the line of credit from the Group.

Exposure to credit risk, credit quality and collateral

As at 30 April 2014, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) 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 exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of fund so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements.

Analysis of undiscounted financial instruments by remaining contractual maturities

Group	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
2014				
Financial liability				
Trade and other payables	**134,386**	**–**	**–**	**134,386**
2013 (Unaudited)				
Financial liabilities				
Long term borrowings	–	2,521	–	2,521
Short term borrowings	126,842	–	–	126,842
Hire purchase payables	8	–	–	8
Trade and other payables	124,073	–	–	124,073
	250,923	2,521	–	253,444

Company	**On demand or within one year RM'000**	**One to five years RM'000**	**Over five years RM'000**	**Total RM'000**
2014				
Financial liability				
Trade and other payables	**131**	**–**	**–**	**131**
2013				
Financial liability				
Trade and other payables	1,469	–	–	1,469

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholders value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total equity represents net equity attributable to the owners of the parent plus non-controlling interests.

	Group	
	2014 RM'000	**2013 RM'000 (Unaudited)**
Long term borrowings	–	2,441
Short term borrowings	–	126,567
Hire purchase payables	–	8
Total debt	–	129,016
Total equity	**354,394**	166,199
Gearing ratio (%)	–	77.63

35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(1) On 26 September 2013, the Company completed the acquisition of the entire issued and paid-up share capital of Bermaz Motor Sdn Bhd comprising 80 million ordinary shares of RM1.00 each for a purchase consideration of about RM504 million which was settled by the issuance of about 720 million new ordinary shares of RM0.50 each in the Company at the issue price of RM0.70 per ordinary share to Berjaya Group Berhad and other shareholders of Bermaz Motor Sdn Bhd.

(2) On 18 October 2013, the Company issued its prospectus in conjunction with its listing of and quotation of its entire issued and paid-up share capital on the Main Market of Bursa Malaysia pursuant to the Initial Public Offering ("IPO") by the Company. The IPO involved a public issue of 82,763,000 new ordinary shares of RM0.50 each in the Company and closed on 1 November 2013. The Company's entire issued and fully paid-up share capital comprising 802,763,000 ordinary shares of RM0.50 each were listed on the Main Market of Bursa Malaysia on 18 November 2013.

36. COMPARATIVES

Group

The acquisition of the subsidiary company by the Company on 26 September 2013 has been accounted for using merger accounting. Under merger accounting, the comparative financial information for the consolidated financial statements have been prepared as if the merger had been effected throughout the current and previous financial years.

The comparative figures have not been audited.

37. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED EARNINGS INTO REALISED AND UNREALISED

The breakdown of the retained earnings of the Group and of the Company into realised and unrealised earnings/(losses), pursuant to the directive issued by Bursa Malaysia is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Unaudited)	2014 RM'000	2013 RM'000
Realised earnings/(losses)	**166,836**	72,812	**31,535**	(1,469)
Unrealised earnings/(losses)	**27,378**	15,184	**(1)**	–
Total retained earnings/(losses)	**194,214**	87,996	**31,534**	(1,469)
Share of results from associated company*	**9,386**	(1,503)	**–**	–
	203,600	86,493	**31,534**	(1,469)
Consolidated adjustments	**(8,040)**	(7,472)	**–**	–
Retained earnings/(losses) as per financial statements	**195,560**	79,021	**31,534**	(1,469)

Note:

* It is not practical to segregate the share of results from associated company to realised and unrealised earnings/(losses).

The determination of realised and unrealised earnings is based on the Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

LIST OF PROPERTY

Location	Tenure	Size	Description	Estimated age of building (Years)	Date of acquisition	Net book value RM'000
Lot No. 765 Jalan Padang Jawa Section 16 40200 Shah Alam Selangor Darul Ehsan	Freehold	4.49 acres	Single storey detached factory/warehouse with an annexed 2-storey office building & ancillary buildings	6	30/06/08	7 ,662

RECURRENT RELATED PARTY TRANSACTIONS OF REVENUE NATURE

For the financial year ended 30 April 2014

The class and nature of the Recurrent Related Party Transactions of Berjaya Auto Group are tabulated as follows:

Berjaya Auto Berhad ("BAuto") Group with the following Related Parties	Nature of transactions undertaken by BAuto and/or its unlisted subsidiaries	Amount transacted from 18.11.13-30.4.14 (RM'000)
Berjaya Corporation Berhad ("BCorp") and its unlisted subsidiaries		
BCorp	Management fees payable by Bermaz Motor Sdn Bhd for services rendered that include, inter-alia, the provision of finance, secretarial and general administrative services	150
BCorp and its unlisted subsidiaries	Sales of vehicles, component parts and other related products, and provision of after-sales services	248
Berjaya Education Sdn Bhd	Staff training services provided to BAuto Group	5
Berjaya Property Sdn Bhd	Rental of premise by Bermaz Motor Trading Sdn Bhd	594
BLoyalty Sdn Bhd	Loyalty reward charges payable by the BAuto Group	32
Total		**1,029**
Berjaya Land Berhad ("BLand") and its unlisted subsidiaries		
BLand and its unlisted subsidiaries	Sales of vehicles, component parts and other related products, and provision of after-sales services	38
Total		**38**
Berjaya Sports Toto Berhad ("BToto") and its unlisted subsidiaries		
BToto and its unlisted subsidiaries	Sales of vehicles, component parts and other related products, and provision of after-sales services	50
Total		**50**
Berjaya Assets Berhad ("BAssets") and its unlisted subsidiaries		
BAssets and its unlisted subsidiaries	Sales of vehicles, component parts and other related products, and provision of after-sales services	18
Total		**18**
Berjaya Media Berhad ("BMedia") and its unlisted subsidiaries		
Sun Media Corporation Sdn Bhd	Procurement of advertising and publishing services by BAuto Group	90
Total		**90**
Other related companies		
Inokom Corporation Sdn Bhd (a)	Sales of spare parts	43
Total		**43**
Grand total		**1,268**

Note:

a. Inokom Corporation Sdn Bhd is 15%-owned by Berjaya Group Berhad ("BGroup"). TSVT and BCorp are deemed Major Shareholders of Inokom Corporation Sdn Bhd by virtue of their interest in BGroup.

OTHER INFORMATION

Material Contracts Involving Directors and Major Shareholders

Other than as disclosed in Note 9, 17, 19, 21, 22, 28, 30 and 35 to the financial statements for the financial year ended 30 April 2014, there were no other material contracts entered into by Berjaya Auto Berhad and its subsidiary companies involving Directors and major shareholders.

Non-Audit Fees

There were no non-audit fees incurred for services rendered to the Group for the financial year ended 30 April 2014.

Employees' Share Option Scheme ("ESOS")

The Company had granted options under ESOS governed by the By-laws that was approved by the Company's shareholders at the Extraordinary General Meeting held on 26 September 2013. The ESOS is to be in force for a period of 5 years from 18 November 2013 to 17 November 2018. There is one (1) ESOS in existence during the financial year ended 30 April 2014 with information as follows:-

	During the Financial Year Ended 30 April 2014	**Since Commencement of the ESOS On 18 November 2013**
Total number of options granted	28,380,000	28,380,000
Total number of options exercised	4,427,000	4,427,000
Total options outstanding	23,703,000	23,703,000

Granted to Directors	**During the Financial Year Ended 30 April 2014**	**Since Commencement of the ESOS On 18 November 2013**
Aggregate options granted	5,900,000	5,900,000
Aggregate options exercised	700,000	700,000
Aggregate options outstanding	5,200,000	5,200,000

Granted to Directors & Senior Management	**During the Financial Year Ended 30 April 2014**	**Since Commencement of the ESOS On 18 November 2013**
Aggregate maximum allocation in percentage	Nil	39.7%
Actual percentage granted	7.94%	7.94%

STATEMENT OF DIRECTORS' SHAREHOLDINGS

As at 15 August 2014

The Company:

	Number of Ordinary Shares Of RM0.50 Each			
	Direct Interest	%	Deemed Interest	%
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	120,000	0.01	–	–
Dato' Sri Yeoh Choon San	440,000	0.05	47,191,700	5.84
Dato' Lee Kok Chuan	660,200	0.08	–	–
Loh Chen Peng	180,000	0.02	100#	0.00

	Number of Ordinary Shares of RM0.50 each granted under employees' share option scheme			
	Direct Interest	%	Deemed Interest	%
Dato' Syed Ariff Fadzillah Bin Syed Awalluddin	240,000	0.03	–	–
Dato' Sri Yeoh Choon San	960,000	0.12	–	–
Dato' Lee Kok Chuan	800,000	0.10	–	–
Dato' Abdul Manap Bin Abd Wahab	300,000	0.04	–	–
Loh Chen Peng	240,000	0.03	–	–

Ultimate Holding Company:

Berjaya Corporation Berhad

	Number of Ordinary Shares of RM1.00 each			
	Direct Interest	%	Deemed Interest	%
Dato' Sri Yeoh Choon San	50,000	0.00	–	–
Dato' Lee Kok Chuan	24,000	0.00	–	–

	Number of 0% Irredeemable Convertible Unsecured Loan Stocks 2005/2015 of RM0.50 nominal value each			
	Direct Interest	%	Deemed Interest	%
Dato' Lee Kok Chuan	22	0.00	17#	0.00

	Number of 5% Irredeemable Convertible Unsecured Loan Stocks 2012/2022 of RM1.00 nominal value each			
	Direct Interest	%	Deemed Interest	%
Dato' Sri Yeoh Choon San	8,333	0.00	–	–
Dato' Lee Kok Chuan	50,000	0.01	–	–

	Number of Warrants			
	Direct Interest	%	Deemed Interest	%
Dato' Sri Yeoh Choon San	8,333	0.00	–	–

STATEMENT OF DIRECTORS' SHAREHOLDINGS

As at 15 August 2014

Related Companies:

Berjaya Sports Toto Berhad

	Number of Ordinary Shares of RM0.10 each			
	Direct Interest	%	Deemed Interest	%
Dato' Lee Kok Chuan	61,395	0.00	–	–

Berjaya Food Berhad

	Number of Ordinary Shares of RM0.50 each			
	Direct Interest	%	Deemed Interest	%
Dato' Lee Kok Chuan	1,008,300	0.36	–	–

	Number of Ordinary Shares of RM0.50 each granted under employees' share option scheme			
	Direct Interest	%	Deemed Interest	%
Dato' Lee Kok Chuan	483,600	0.17	–	–

	Number of Warrants			
	Direct Interest	%	Deemed Interest	%
Dato' Lee Kok Chuan	356,300	0.38	–	–

Denoted Indirect Interest pursuant to Section 134(12) (c) of the Companies Act, 1965.

Substantial Shareholders

As at 15 August 2014

	Number of Ordinary Shares of RM0.50 each			
Name	Direct Interest	%	Deemed Interest	%
Berjaya Group Berhad	407,880,500	50.48	–	–
Berjaya Corporation Berhad	–	–	407,880,500[(a)]	50.48
Tan Sri Dato' Seri Vincent Tan Chee Yioun	–	–	407,880,500[(b)]	50.48
Podium Success Sdn Bhd	47,191,700	5.84	–	–
Dato' Sri Yeoh Choon San	440,000	0.05	47,191,700[(c)]	5.84
Employees Provident Fund Board	52,484,900	6.50	–	–

(a) Deemed Interested by virtue of its 100% equity interest in Berjaya Group Berhad.
(b) Deemed Interested by virtue of his interest in Berjaya Corporation Berhad.
(c) Deemed Interested by virtue of his interest in Podium Success Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS

As at 15 August 2014

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
less than 100	5	0.08	23	0.00
100 - 1,000	4,277	67.43	1,172,493	0.15
1,001 - 10,000	1,457	22.97	6,174,600	0.76
10,001 - 100,000	383	6.04	12,545,772	1.55
100,001 - 40,399,749	219	3.45	334,029,912	41.34
40,399,750 and above*	2	0.03	454,072,200	56.20
Total	**6,343**	**100.00**	**807,995,000**	**100.00**

Note: There is only one class of shares in the paid-up capital of the Company. Each share entitles the holder to one vote.

* Denotes 5% of the issued share capital of the Company.

THIRTY (30) LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares held	%
1	Berjaya Group Berhad	406,880,500	50.36
2	Podium Success Sdn Bhd	47,191,700	5.84
3	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	32,000,000	3.96
4	Konsep Aktif Sdn Bhd	19,036,000	2.36
5	Tunku Aminah Binti Tunku Ibrahim Ismail	18,477,500	2.29
6	Cimsec Nominees (Tempatan) Sdn Bhd Bank Of Singapore Ltd For BHJ Marketing Sdn Bhd	14,000,000	1.73
7	Cimsec Nominees (Tempatan) Sdn Bhd Bank Of Singapore Ltd For Terrific Dynamics Sdn Bhd	11,100,000	1.37
8	BHJ Marketing Sdn Bhd	10,436,000	1.29
9	Cartaban Nominees (Tempatan) Sdn Bhd Exempt An For Eastspring Investments Berhad	10,136,100	1.25
10	HSBC Nominees (Asing) Sdn Bhd Exempt An For JPMorgan Chase Bank, National Association (Norges Bk)	10,030,400	1.24
11	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Am Inv)	8,859,100	1.10
12	Prima Merdu Sdn Bhd	8,607,700	1.07
13	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd.	8,013,900	0.99
14	HSBC Nominees (Asing) Sdn Bhd BBH And Co Boston For Daiwa Rising Asean Equity Fund (JTSB SMTB)	6,223,300	0.77
15	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	5,550,000	0.69

ANALYSIS OF SHAREHOLDINGS

As at 15 August 2014

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

	Name of Shareholders	No. of Shares held	%
16	HSBC Nominees (Asing) Sdn Bhd HSBC-FS For Legg Mason Western Asset Southeast Asia Special Situations Trust (201061)	5,499,300	0.68
17	Amanahraya Trustees Berhad Public Islamic Opportunities Fund	5,225,000	0.65
18	Terrific Dynamics Sdn Bhd	4,986,000	0.62
19	HSBC Nominees (Asing) Sdn Bhd TNTC For Driehaus Emerging Market Small Cap Growth Fund	4,954,500	0.61
20	Citigroup Nominees (Asing) Sdn Bhd UBS Lux For UBS (Lux) Equity Sicav - Emerging Markets Small Caps	4,727,800	0.59
21	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Hwang Select Opportunity Fund (3969)	4,216,300	0.52
22	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investments Dana Al-Ilham	4,059,800	0.50
23	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Amundi)	4,000,000	0.50
24	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB Prin)	3,875,800	0.48
25	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For MAAKL Al-Fauzan (5170)	3,759,200	0.47
26	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For MAAKL-HW Flexi Fund (270519)	3,296,800	0.41
27	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad For Eastspring Investments Small-Cap Fund	3,213,100	0.40
28	Amanahraya Trustees Berhad Amittikal	3,188,800	0.39
29	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For MAAKL Al-Faid (4389)	3,085,700	0.38
30	Amanahraya Trustees Berhad Amanah Saham Nasional 2	2,845,000	0.35
		677,475,300	**83.86**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of Berjaya Auto Berhad will be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 9 October 2014 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements of the Company for the year ended 30 April 2014 and the Directors' and Auditors' Reports thereon. **Resolution 1**

2. To approve the payment of Directors' fees amounting to RM105,000 for the year ended 30 April 2014. **Resolution 2**

3. To re-elect Loh Chen Peng, who retires pursuant to Article 94 of the Company's Articles of Association, as a Director of the Company. **Resolution 3**

4. To re-appoint Dato' Syed Ariff Fadzillah Bin Syed Awalluddin as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company pursuant to Section 129(6) of the Companies Act, 1965. **Resolution 4**

5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. **Resolution 5**

6. As special business:-

   To consider and, if thought fit, pass the following Ordinary Resolutions:-

   (i) AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 6**

   (ii) PROPOSED RENEWAL OF AND NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

   "THAT, subject to the provisions of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, approval be and is hereby given for the Company and its subsidiary companies, to enter into recurrent related party transactions of a revenue or trading nature with the related parties, as specified in Section 2.3 of the Circular to Shareholders dated 17 September 2014 ("Proposed Mandate") which are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and its subsidiary companies on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company and that such mandate shall continue to be in force until:-

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such resolution for the Proposed Mandate will be passed, at which time it will lapse, unless by ordinary resolution passed at that general meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Companies Act, 1965); or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND FURTHER THAT authority be and is hereby given to the Directors of the Company and its subsidiary companies to complete and do all such acts and things (including executing such documents as may be required) to give effect to such transactions as authorised by this Ordinary Resolution." **Resolution 7**

(iii) PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

"THAT, subject always to the Companies Act, 1965 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Exchange") and the requirements of any other relevant authority, the Directors of the Company be and are hereby authorised to purchase such number of ordinary shares of RM0.50 each in the Company ("BAuto Shares") through the Exchange and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

1. the maximum number of ordinary shares which may be purchased and held by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company;

2. the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the total retained profits or share premium reserve of the Company or both;

3. the authority shall commence immediately upon passing of this ordinary resolution until:-

   (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which such resolution was passed at which time it will lapse unless by ordinary resolution passed at that general meeting, the authority is renewed, either unconditionally or subject to conditions; or

   (b) the expiration of the period within which the next AGM after that date it is required by law to be held; or

   (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

   whichever occurs first;

AND THAT upon completion of the purchase(s) of the BAuto Shares or any part thereof by the Company, the Directors of the Company be and are hereby authorised to deal with any BAuto Shares so purchased by the Company in the following manner:-

(a) cancel all the BAuto Shares so purchased; or

(b) retain all the BAuto Shares as treasury shares for future re-sale or for distribution as dividend to the shareholders of the Company; or

(c) retain part thereof as treasury shares and subsequently cancelling the balance; or

(d) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Exchange and any other relevant authority for the time being in force." **Resolution 8**

By Order of the Board

SU SWEE HONG
Secretary

Kuala Lumpur
17 September 2014

NOTES:

(A) Appointment of Proxy

(i) A member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(ii) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account.

(iii) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and holding shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(iv) The instrument appointing a proxy, shall be in writing under the hands of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.

(v) The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

(vi) Depositors whose names appear in the Record of Depositors as at 1 October 2014 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.

(B) Special Business

(i) Resolution 6 is proposed for the purpose of granting a renewed general mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Section 132D of the Companies Act, 1965, to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

(ii) Resolution 7, if passed, will allow the Company and its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Proposed Shareholders' Mandate"). Detailed information on the Proposed Shareholders' Mandate is set out in the Circular to Shareholders dated 17 September 2014 which is despatched together with the Company's 2014 Annual Report.

(iii) Resolution 8, if passed, will provide the mandate for the Company to buy back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back"). Detailed information on the Proposed Share Buy-Back is set out under Part B of the Circular to Shareholders dated 17 September 2014 which is despatched together with the Company's 2014 Annual Report.

This page is intentionally left blank.

FORM OF PROXY

BERJAYA
BERJAYA AUTO BERHAD
(Company No. 900557-M)

I/We ____
(Name in full)

I.C. or Company No. ________________________________ CDS Account No. ________________________
(New and Old I.C. Nos.)

of ____
(Address)

being a member/members of BERJAYA AUTO BERHAD

hereby appoint ________________________________ I.C No. ________________________ of
(Name in full) *(New and Old I.C. Nos.)*

____
(Address)

or failing him/her ________________________________ I.C No. ________________________ of
(Name in full) *(New and Old I.C. Nos.)*

____
(Address)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf, at the Fourth Annual General Meeting of the Company to be held at Perdana Ballroom, Bukit Jalil Golf & Country Resort, Jalan 3/155B, Bukit Jalil, 57000 Kuala Lumpur on Thursday, 9 October 2014 at 10.00 a.m. and at any adjournment thereof.

This proxy is to vote on the Resolutions set out in the Notice of the Meeting as indicated with an "**X**" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

	FOR	AGAINST
RESOLUTION 1 - To receive and adopt the Audited Financial Statements.		
RESOLUTION 2 - To approve payment of Directors' Fees.		
RESOLUTION 3 - To re-elect Loh Chen Peng as Director.		
RESOLUTION 4 - To re-appoint Dato' Syed Ariff Fadzillah Bin Syed Awalluddin as Director.		
RESOLUTION 5 - To re-appoint Auditors.		
RESOLUTION 6 - To approve authority to issue and allot shares.		
RESOLUTION 7 - To renew shareholders' mandate for Recurrent Related Party Transactions.		
RESOLUTION 8 - To approve authority for the Company to purchase its own shares.		

NO. OF SHARES HELD

____
Signature of Member

Dated this ______________ day of ______________ 2014.

Notes:

(1) A member entitled to attend and vote at a meeting of the Company is entitled to appoint one (1) proxy only to attend and vote in his stead. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(2) A member of the Company who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 may appoint one (1) proxy in respect of each securities account.

(3) Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 and holding shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(4) The instrument appointing a proxy, shall be in writing under the hands of the appointor or of his attorney duly authorised in writing, or if such appointor is a corporation, under its common seal, or the hand of its officer or its duly authorised attorney.

(5) The instrument appointing a proxy must be deposited at the Company's Registered Office, Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1 Jalan Imbi, 55100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof.

(6) Depositors whose names appear in the Record of Depositors as at 1 October 2014 shall be regarded as members of the Company entitled to attend the Annual General Meeting or appoint proxies to attend on their behalf.

Fold this flap for sealing

Affix Stamp

THE COMPANY SECRETARY
BERJAYA AUTO BERHAD
LOT 13-01A, LEVEL 13 (EAST WING)
BERJAYA TIMES SQUARE
NO. 1 JALAN IMBI
55100 KUALA LUMPUR

2nd fold here

1st fold here

GROUP ADDRESSES

Berjaya Auto Berhad
Lot 13-01A, Level 13 (East Wing)
Berjaya Times Square
No. 1, Jalan Imbi
55100 Kuala Lumpur

Tel: +603-2149 1999
Fax: +603-2143 1685

Bermaz Motor Sdn Bhd
Bermaz Motor Trading Sdn Bhd
Mazda Malaysia Sdn Bhd
No. 7, Jalan Pelukis U1/46
Temasya Industrial Park
Seksyen U1
40150 Shah Alam
Selangor Darul Ehsan

Tel: +603-7627 8888
Fax: +603-7627 8890

Bermaz Motor International Limited
Level 14A, Main Office Tower
Financial Park Labuan
Jalan Merdeka
87000 Labuan

Tel: +6087-414 252
Fax: +6087-411 855

Berjaya Auto Philippines Inc
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue corner V.A. Rufino Street
Makati City, Metro Manila, Philippines

Tel: +632-551 8000
Fax: +632-551 0808

The Company Secretary
Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi, 55100 Kuala Lumpur.

Tel: 03-2149 1999
Fax: 03-2143 1685