BERJAYA PHILIPPINES, INC.

(Company's Full Name)

9/F Rufino Pacific Tower, 6784 Ayala Avenue corner V.A. Rufino
(formerly Herrera) Street, Makati City

(Company's Address)

811-0668 / 810-1814

(Telephone Number)

APRIL 30	any day in the month of October
(Fiscal Year Ending) *(month and day)*	*(Annual Meeting)*

November 2024

(Term Expiring On)

SEC Form 17-Q for the quarter ended 31 July 2014

(Form Type)

N.A.

(Amendment Designation, if applicable)

(Period Ended Date)

N.A.

(Secondary License Type and File Number)

LCU

Cashier

DTU

Pre War 476
S.E.C Registration Number

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17 (2)(b) THEREUNDER

1. For the quarterly period ended **31 July 2014**
2. SEC Identification Number **476**
3. BIR Tax Identification No. **001-289-374**
4. Exact name of registrant as specified in its charter **BERJAYA PHILIPPINES, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **Manila, Philippines**
6. Industry Classification Code: [ ] (SEC Use Only)
7. Address of Issuer's principal office

   9/F Rufino Pacific Tower, 6784 Ayala Avenue, corner Herrera Street, Makati City, M.M.

8. Issuer's telephone number, including area code

   (632) 811-0540

9. Former name, former address, and former fiscal year, if changed since last report

   Former Name: **PRIME GAMING PHILIPPINES INC.**
   Former Address: **29/F Rufino Pacific Tower, 6784 Ayala Avenue, corner Herrera Street, Makati City, M.M.**
   Former Fiscal Year **July 1 – June 30**

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sections 4 & 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding
COMMON	**953,984,448**

11. Are any or all of these securities listed on the Philippine Stock Exchange?

    Yes [√] No [ ]

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

    Yes [√] No [ ]

    (b) has been subject to such filing requirements for the past 90 days.

    Yes [√] No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See Interim Consolidated Statement of Financial Position as of 31 July 2014, attached hereto as Annex "A", and Aging Schedule of Accounts Receivables as of 31 July 2014 attached hereto as Annex "B". For the basic earnings per share, the "weighted average number of shares outstanding" is added to the face of the Interim Consolidated Statement of Comprehensive Income.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The Corporation's principal activity is investment holding. Since 1998, it has 100% equity ownership of Philippine Gaming Management Corporation (PGMC) whose principal activity is leasing of on-line lottery equipment and providing software support.

There is no change during the year in PGMC's principal activity as a domestic corporation involved principally in the business of leasing on-line lottery equipment and providing software support. Revenue from the lease of on-line lottery equipment, and maintenance and repair services are recognized based on certain percentage of gross receipts from lottery ticket sales.

The subsidiary has arms length's business transactions with a related company, International Lottery & Totalizator System, Inc. (ILTS), a US corporation. The transactions comprise of the purchase of lottery terminals, and spare parts for the repair and maintenance of the terminals and software support.

In July 2010, the Corporation invested in Berjaya Pizza Philippines Inc. (BPPI), a corporation engaged in the manufacture, sale and distribution of food and beverages, and to operate, own, franchise, license or deal in restaurant related business operations. The Corporation's current equity or interest in BPPI is equivalent to thirty percent (30%).

In December 2010, the Corporation acquired a 212 room hotel which operated as Best Western Astor Hotel until 16 March 2010. The acquisition was made by the Corporation's subsidiary Perdana Hotel Philippines Inc. (PHPI) under the business name Berjaya Makati Hotel. The Corporation subscribed to forty percent (40%) of the shares of stock of Perdana Land Philippines Inc. which owns the land leased by Perdana Hotel Philippines Inc.

In August 2012, the Corporation invested in Berjaya Auto Philippines Inc., a corporation engaged in the sale and distribution of all types of motor vehicles. On 12 September 2012, Berjaya Auto Philippines Inc. entered into Distributorship Agreement with Mazda Motor Corporation of Japan for the distribution of vehicles bearing the Mazda brand within the territory of the Philippines. The Corporation has a 30% equity in Berjaya Auto Philippines Inc.

In September 2012, the Corporation invested in Cosway Philippines Inc. (CPI), primarily to engage in the wholesale of various products. CPI has not yet started its commercial operations. The Corporation's equity or interest in CPI is equivalent to 40%.

The Corporation obtained control over H.R. Owen Plc (HRO) after a series of cash offers from H.R. Owen's existing stockholders from July to October 2013. Total additional investments during the year amounted to Php1,763,644,329. Consequently, the Corporation's investment in H.R. Owen totalling Php1,795,190,801 was reclassified as investment in a subsidiary at its fair market value of Php1,975,896,516 as of October 31, 2013.

Comparable Discussion on Material Changes in Results of Operations for the Three Months' Period Ended 31 July 2014 vs. 31 July 2013

The Corporation generated total revenues from subsidiaries amounted to Php6,458,277,948, an increase of 1209.5% for the period under review mainly due to revenue from luxury car dealers in UK - H.R. Owen Plc.

Total operating expenses as of July 31, 2014 increased by 2031.8% to Php6,147,715,493 from Php288,381,491. The increased in operating expenses resulted mainly from the subsidiaries, as a result of increased in cost of vehicles sold, salaries and employee benefits, depreciation & amortization, telecommunications, marketing and selling, communication, light and water, transportation and travel, taxes and licenses, rental and other general and administrative expenses.

As of July 31, 2014, The Corporation posted a net income of Php222,812,413 from Php217,094,431 ,with increase of 2.63% or Php5,717,982.

Comparable Discussion on Material Changes in Financial Condition as of 31 July 2014 vs. 30 April 2014

On a consolidated base, Total Assets as of July 31, 2014 increased to Php12,271,321,055 from Php12,116,608,702 reported for the previous fiscal year. The current assets increased to Php7,678,843,803 from Php7,556,330,146 mainly due to an increase in inventories, prepayments and other current assets.

The consolidated cash position of the Corporation decreased from Php1,318,707,122 to Php992,721,137 due to purchase of vehicle inventories and spare parts and also payment to trade suppliers.

Meanwhile, trade and other receivables slightly decreased to Php2,081,006,043 from Php2,098,395,710. The collections of payments by the subsidiaries are still prompt. The increase in prepayments and other current assets from Php540,940,091 to Php559,817,810 is primarily caused by an increase in other receivables.

Available for sale financial assets increased to Php1,074,778,374 from Php979,758,710 due to acquisition of investment securities.

Property and equipment decreased to Php1,413,314,534 from Php1,493,463,293 due to depreciation for the current period.

Goodwill amounted to Php 1,817,852,194 representing an excess in the acquisition cost over the fair value of (a) identifiable net assets of H.R. Owen and PGMC at the date the Parent company acquired control over them and, (b) H.R. Owen's subsidiaries identifiable assets.

As of July 31, 2014, Trade Payables decreased to Php2,180,681,289 from Php2,421,129,843 due to payment made to various suppliers.

Total Consolidated Liabilities decreased to Php5,608,055,962 as of 31 July 2014 compared to Php5,702,164,054 as of last fiscal year. This is primarily due to decrease of trade and other payables.

Total stockholders' equity increased to Php6,663,265,093 from Php6,414,444,648 and the book value per share increased to Php7.65 compared with a book value of Php7.37 in the previous fiscal year.

Comparable Discussion on Material Changes in Cash Flows for the Three Months' Period Ended July 31, 2014 vs. July 31, 2013

The consolidated cash and cash equivalents for 31 July 2014 increased to Php992,721,137 from Php323,717,817 for the same period last year. The increase is primarily due to cash and cash equivalents from H.R. Owen.

Key Performance Indicators

The Corporation monitors its performance and benchmarks itself to prior years' results in terms of the following indicators:

	As of 31 July 2014	As of 30 April 2014
Liquidity Ratios Current ratio	1.40:1.00	2.67:1.00
Leverage Ratios Debt to Equity	0.76%	0.65%

	For the (3) Months Ended	
	July 31, 2014	July 31, 2013
Activity Ratio Annualized PPE Turnover	18.28 times	1.93 times
Profitability Ratios Annualized Return on Average Equity	13.38%	16.41%
Annualized Return on Average Assets	7.26%	13.20%

The Corporation used the following computations in obtaining the above indicators:

Key Performance Indicators	Formulas
Current Ratio	Current Assets / Current Liabilities
Debt to Equity Ratio	Total Long Term Liabilities / Stockholders' Equity
PPE Turnover	Net Revenues / Property, Plant & Equipment (Net)
Return on Average Equity	Net Income / Average Equity
Return on Average Assets	Net Income / Average Total Assets

Arising from the above, the current ratio of the Corporation decreased to 1.40 from 2.67 compared to the last fiscal year. This is mainly due to the increase in the current liabilities mainly from HR Owen Plc. The Corporation and its subsidiary are still in good liquidity position.

The leverage ratio is still marginal at 0.76% as there is no long-term debt except for the provision of Php50,336,195 for retirement benefits as mandated under the Republic Act 7641 (Retirement Law).

The annualized PPE turnover increased to 18.28 times from 1.93 times due to significant increase in net revenue offset by plant, property and equipment (net). The plant, property and equipment (net) with slightly increased from Php1,021,644,250 to Php1,413,314,534 for the corresponding period mainly due to depreciation for the period under review.

The annualized return on average equity and return on average total assets decreased this quarter as a result of marginal increase in net income versus increase in equities and total assets , compared to the previous period.

Barring any unforeseen circumstances, the Corporation's Board of Directors is confident that the operating financial performances of the Corporation and its subsidiary are expected to be satisfactory in the coming period.

i) There is no known trend, event or uncertainty that has or is reasonably likely to have an impact on the Corporation' short term or long-term liquidity.

ii) The liquidity of the subsidiary would continue to be generated from the collections of revenue from customers. There is no requirement for external funding for liquidity.

iii) There is no known trend, event or uncertainty that has or that is reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

v) There is no significant element of income or loss that would arise from the Group's continuing operations.

vi) There is no cause for any material change from period to period in one or more of the line items of the Corporation's financial statements.

vii) There were no seasonal aspects that had a material impact effect on the financial conditions or results of operations.

For other financial details as of 31 July 2014, please refer to the following:

Trade & Other Receivables – Php 2,081,006,043 – Part IV (b)(3)(B-F)

The breakdown is as follows:

	Peso
Trade Receivables	Php 392,927,576
Advances for stock subscription	700,039,929
Loans Receivable	622,347,704
Payment to other related parties	60,543,879
Advances to employees	7,345,702
Other Receivables	305,682,765
	Php2,088,887,555
Less:Allowance for Impairment	(7,881,512)
Total	Php2,081,006,043
	==============

There is no advance made to any director, stockholder, officer or related interests (DOSRI) or any affiliate as of 31 July 2014.

Separate Disclosures regarding the Financial Statements as required under SRC Rule 68.1

1) There are no items affecting the assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.

2) There is no change in the estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years

3) There is no issuance, repurchase or repayment of debts and equity securities.

4) There is no need to disclose segmental information since all its operations are in the Philippines.

5) There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

6) There are no business combinations, acquisition or disposals subsidiaries and long-term investments, restructurings and discontinuing operations for the interim period.

7) There are no contingent liabilities or contingent assets since the last annual balance sheet date.

8) There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has caused this report to be signed on its behalf by the undersigned, being duly authorized, in the City of Makati on 15 September 2014.

Issuer: **BERJAYA PHILIPPINES, INC.**

By: **MARIE LOURDES SIA-BERNAS**
Assistant Corporate Secretary

By: **TAN ENG HWA**
Treasurer

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JULY 31, 2014 and APRIL 30, 2014
(Amounts in Philippine Pesos)

	Schedule		Consolidated Unaudited July 31, 2014		Consolidated Audited April 30, 2014
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1	P	992,721,137	P	1,318,707,122
Trade and other receivables-net	2		2,081,006,043		2,098,395,710
Inventories	3		4,012,610,961		3,565,621,926
Advances to associates	7		32,687,852		32,665,297
Prepayments and other current assets	4		559,817,810		540,940,091
Total Current Assets		P	7,678,843,803	P	7,556,330,146
NON-CURRENT ASSETS					
Available for sale financial assets	5		1,074,778,374		979,758,710
Property and equipment - net	6		1,413,314,534		1,493,463,293
Investment in associates	7		153,005,154		138,946,188
Advances to associates	7		130,480,000		123,520,000
Goodwill			1,817,852,194		1,822,152,263
Deferred tax assets - net			-		-
Other non-current assets			3,046,996		2,438,102
Total Non-Current Assets		P	4,592,477,252	P	4,560,278,556
TOTAL ASSETS		P	12,271,321,055	P	12,116,608,702
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	8	P	2,180,681,289	P	2,421,129,843
Loans Payable and borrowings	9		3,168,219,023		3,077,288,336
Income tax payable			147,577,395		94,419,972
Total Current Liabilities			5,496,477,707		5,592,838,151
NON-CURRENT LIABILITIES					
Deferred Tax Liability - net			61,242,060		62,085,722
Post-employment benefit obligation			50,336,195		47,240,181
Total Non-Current Liabilities			111,578,255		109,325,903
Total Liabilities		P	5,608,055,962	P	5,702,164,054
EQUITY					
Attributable to Owners of the Parent Company			6,312,091,348		6,063,834,577
Attributable to non-controlling interest			351,173,745		350,610,071
Total Equity			6,663,265,093		6,414,444,648
TOTAL LIABILITIES AND EQUITY		P	12,271,321,055	P	12,116,608,702

See Notes to Financial Statements

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
JULY 31, 2014 and JULY 31, 2013
(Amounts in Philippine Pesos)

	3 Months Ended July 31, 2014	3 Months Ended July 31, 2014	3 Months Ended July 31, 2013	3 Months Ended July 31, 2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P 222,812,413	P 222,812,413	P 217,094,431	P 217,094,431
Adjustments for:				
Depreciation and amortization	80,593,808	80,593,808	58,684,916	58,684,916
Dividend Income	(1,549,209)	(1,549,209)	0	0
Interest Income	12,314,937	12,314,937	5,751,323	5,751,323
Equity Share in net losses (income) of associates	(14,058,966)	(14,058,966)	1,358,189	1,358,189
Loss (gain) on sale of property and equipment	(879,046)	(879,046)	(240,857)	(240,857)
Loss (gain) on sale of available-for-sale assets	0	0	(67,669,545)	(67,669,545)
Unrealized foreign exchange losses (gain)	14,549,444	14,549,444	3,424,765	3,424,765
Operating income before working capital changes	313,783,381	313,783,381	218,403,222	218,403,222
Decrease / (Increase) in:				
Trade and other receivables	17,389,667	17,389,667	(1,635,300,513)	(1,635,300,513)
Inventories	(446,989,035)	(446,989,035)		
Prepaid expenses and other current assets	(18,877,719)	(18,877,719)	(34,253,387)	(34,253,387)
Increase / (Decrease) in:	0			
Trade and other payables	63,897,363	63,897,363	90,644,776	90,644,776
Retirement Obligation	3,096,014	3,096,014	1,704,000	1,704,000
Cash paid for income taxes	(21,773,407)	(21,773,407)	0	0
Net cash used in operating activities	(89,473,736)	(89,473,736)	(1,358,801,902)	(1,358,801,902)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property and equipment	(10,836,655)	(10,836,655)	(8,520,340)	(8,520,340)
Acquisition of Available-for-sale financial assets	(35,507,070)	(35,507,070)	(869,457,883)	(869,457,883)
Proceeds from sale of available-for-sale financial assets	0	0	166,661,651	166,661,651
Proceeds from disposal of property and equipment	990,132	990,132	242,857	242,857
Interest Received	(12,314,937)	(12,314,937)	(5,751,323)	(5,751,323)
Cash dividends received	1,549,209	1,549,209	0	0
Advances to (collection from) associate - net	0	0	(6,967,884)	(6,967,884)
Net cash provided by investing activities	(56,119,321)	(56,119,321)	(723,792,922)	(723,792,922)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	0	0	1,000,000,000	1,000,000,000
Repayment of bank loan and borrowings	(150,000,000)	(150,000,000)	0	0
Interest paid	(30,287,809)	(30,287,809)	0	0
Net cash provided by financing activities	(180,287,809)	(180,287,809)	1,000,000,000	1,000,000,000
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS	(105,118)	(105,118)	(3,424,765)	(3,424,765)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(325,985,985)	(325,985,985)	(1,086,019,589)	(1,086,019,589)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,318,707,122	1,318,707,122	1,409,737,406	1,409,737,406
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	P 992,721,137	P 992,721,137	P 323,717,817	P 323,717,817

See Notes to Financial Statements

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
JULY 31, 2014 and JULY 31, 2013
(Amounts in Philippine Pesos)

Appendix A

	3 Months Ended July 31, 2014	3 Months Ended July 31, 2014	3 Months Ended July 31, 2013	3 Months Ended July 31, 2013
REVENUES				
Sales of vehicles	P 6,027,831,966	6,027,831,966	P 0	P 0
Rental	400,717,960	P 400,717,960	458,975,165	458,975,165
Hotel Operations	29,728,022	29,728,022	34,218,128	34,218,128
	6,458,277,948	6,458,277,948	493,193,293	493,193,293
COSTS AND OTHER OPERATING EXPENSES				
Cost of vehicles sold	5,204,745,210	5,204,745,210	0	0
Salaries and employee benefits	410,224,697	410,224,697	30,743,446	30,743,446
Depreciation and amortization	80,593,808	80,593,808	58,684,916	58,684,916
Professional fees	29,374,211	29,374,211	61,221,116	61,221,116
Telecommunications	31,635,206	31,635,206	23,594,403	23,594,403
Maintenance of computer equipment	12,256,906	12,256,906	17,207,439	17,207,439
Marketing & Selling	125,448,216	125,448,216	0	0
Charitable Contribution	0	0	22,000,000	22,000,000
Communication, light and water	24,949,387	24,949,387	8,322,218	8,322,218
Transportation and travel	3,062,548	3,062,548	2,937,321	2,937,321
Taxes and licences	29,698,627	29,698,627	12,619,578	12,619,578
Representation and entertainment	5,768,310	5,768,310	13,533,239	13,533,239
Cost of food and beverages	2,662,371	2,662,371	2,867,765	2,867,765
Rental	74,258,596	74,258,596	4,345,521	4,345,521
Others	113,037,400	113,037,400	30,304,529	30,304,529
	6,147,715,493	6,147,715,493	288,381,491	288,381,491
OPERATING PROFIT	310,562,455	310,562,455	204,811,802	204,811,802
OTHER INCOME (CHARGES)				
Net gain on sale of available-for-sale financial assets	0	0	67,669,545	67,669,545
Net gain on fair value adjustment	0	0	0	0
Finance Income	13,864,146	13,864,146	20,049,983	20,049,983
Equity share in net income (losses)	14,058,966	14,058,966	(1,358,189)	(1,358,189)
Finance Costs	(44,837,253)	(44,837,253)	2,424,765	2,424,765
Others	15,333,351	15,333,351	14,396,328	14,396,328
	(1,580,790)	(1,580,790)	103,182,432	103,182,432
PROFIT BEFORE INCOME TAX	308,981,665	308,981,665	307,994,234	307,994,234
TAX EXPENSE	86,169,252	86,169,252	90,899,803	90,899,803
NET INCOME	222,812,413	222,812,413	217,094,431	217,094,431
ATTRIBUTABLE TO:				
Owners of the Parent Company	205,463,917	205,463,917	217,094,431	217,094,431
Non-controlling Interest	17,348,496	17,348,496	0	0
	222,812,413	222,812,413	217,094,431	217,094,431
OTHER COMPREHENSIVE INCOME				
Net realized fair value gain on available-for-sale financial assets	59,512,595	59,512,595	309,074,074	309,074,074
Reclassification Adjustments to profit & loss	0	0	(31,858,847)	(31,858,847)
Translation Adjustment	(23,212,193)	(23,212,193)	0	0
	36,300,402	36,300,402	277,215,227	277,215,227
TOTAL COMPREHENSIVE INCOME	259,112,815	259,112,815	494,309,658	494,309,658
ATTRIBUTABLE TO:				
Owners of the Parent Company	241,764,319	241,764,319	494,309,658	494,309,658
Non-controlling Interest	17,348,496	17,348,496	0	0
	259,112,815	259,112,815	494,309,658	494,309,658
Weighted average number of shares outstanding	870,822,838	870,822,838	870,822,838	870,822,838
Basic earnings per share (annualized)	P 1.023	P 1.023	P 0.997	P 0.997
CASH DIVIDENDS AT P1.00 PER SHARE	P	P		P

See Notes to Financial Statements

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES
(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
JULY 31, 2014 and JULY 31, 2013
(Amounts in Philippine Pesos)

	Attributable Owners of the Parent Company									
						Retained Earnings				
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Appropriated	Unappropriated	Total	Non-controlling Interest	Total
Balance at May 1, 2014	P 953,984,448	(P 988,150,025)	P 177,926,734	(P 14,577,611)	P 61,410,447	P 4,623,262,552	P 1,249,978,032	P 6,063,834,577	P 350,610,071	P 6,414,444,648
Non-controlling interest in dividends declared from subsidiary	-	-	-	-	-	-	-	-	(10,292,372)	(10,292,372)
Profit or loss for the year	-	-	-	-	-	-	205,463,917	205,463,917	17,348,496	222,812,413
Actuarial loss on remeasurement of retirement benefit obligation - net of tax	-	-	-	-	-	-	-	-	-	-
Net unrealized fair value gains on available-for-sale securities	-	-	59,512,595	-	-	-	-	59,512,595	-	59,512,595
Reclassification adjustments to profit or loss	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	(16,719,741)	-	-	(16,719,741)	(6,492,450)	(23,212,191)
Total equity at July 31, 2014	**P 953,984,448**	(P 988,150,025)	**P 237,439,329**	(P 14,577,611)	**P 44,690,706**	**P 4,623,262,552**	**P 1,455,441,949**	**P 6,312,091,348**	**P 351,173,745**	**P 6,663,265,093**
Balance at May 1, 2013	P 953,984,448	(P 988,150,025)	P 53,440,953	P -	P -	P 3,433,262,552	P 1,345,954,845	P 4,798,492,773	P -	P 4,798,492,773
Profit or loss for the year	-	-	-	-	-	-	217,094,431	217,094,431	-	217,094,431
Net unrealized fair value gains on available-for-sale securities	-	-	309,074,074	-	-	-	-	309,074,074	-	309,074,074
Reclassification adjustments to profit or loss	-	-	(31,358,847)	-	-	-	-	(31,358,847)	-	(31,358,847)
Total equity at July 31, 2013	P 953,984,448	(P 988,150,025)	P 331,156,180	P -	P -	P 3,433,262,552	P 1,563,049,276	P 5,293,302,431	P -	P 5,293,302,431

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
ATTACHMENTS TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JULY 31, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council from the pronouncements issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income and expense and other comprehensive income in a single consolidated statement of comprehensive income.

The Group presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the statement of financial position at the beginning of the preceding period. The related notes to the third statement of financial position are not required to be disclosed.

In 2014, the Group adopted certain amendments and revisions to existing standards and the most relevant of which is with respect to employee benefits because of the adoption of PAS 19 (Revised), *Employee Benefits*. Management, however, concluded that the amount of restatement to certain accounts in relation to the Group's transition to and adoption of PAS 19 (Revised) is not significant to the consolidated financial statements; hence, the Group applied the transition and adoption of PAS 19 (Revised) prospectively and did not present two comparative periods for the consolidated statement of financial position.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

1.2 Adoption of New Interpretations, Revisions and Amendments to PFRS

(a) Effective in Fiscal Year 2014 that are Relevant to the Group

In fiscal year 2014, the Group adopted the following new PFRS, revisions, amendments and annual improvements thereto that are relevant to the Group and effective for consolidated financial statements for the annual periods beginning on or after July 1, 2012 or January 1, 2013:

PAS 1 (Amendment)	:	Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
PAS 19 (Revised)	:	Employee Benefits
PFRS 7 (Amendment)	:	Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities

Consolidation Standards		
PFRS 10	:	Consolidated Financial Statements
PFRS 11	:	Joint Arrangements
PFRS 12	:	Disclosures of Interests in Other Entities
PAS 27 (Revised)	:	Separate Financial Statements
PAS 28 (Revised)	:	Investments in Associate and Joint Ventures
PFRS 10, 11 and 12 (Amendments)	:	Amendments to PFRS 10, 11 and 12 – Transition Guidance to PFRS 10, 11 and 12
PFRS 13	:	Fair Value Measurement
Annual Improvements	:	Annual Improvements to PFRS (2009 – 2011 Cycle)

Discussed below and in the succeeding pages are the relevant information about these new, revised, amended standards and annual improvements.

(i) PAS 1 (Amendment), *Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income* (effective from July 1, 2012). The amendment requires an entity to group items presented in other comprehensive income into those that, in accordance with other PFRS: (a) will not be reclassified subsequently to profit or loss; and, (b) will be reclassified subsequently to profit or loss when specific conditions are met. The amendment has been applied retrospectively; hence, the presentation of other comprehensive income has been modified to reflect the changes. Prior period comparatives have been restated as a consequence of this change in presentation.

(ii) PAS 19 (Revised), *Employee Benefits* (effective from January 1, 2013). This revised standard made a number of changes to the accounting for employee benefits. The most significant changes relate to the defined benefit plans as follows:

- eliminates the corridor approach and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;

- changes the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit liability or asset; and,

- enhances disclosure requirements, including information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

The Group has applied PAS 19 (Revised) prospectively as the revised standard did not have a material effect on the Group's consolidated financial statements].

(iii) PFRS 7 (Amendment), *Financial Instruments: Disclosures – Offsetting of Financial Assets and Financial Liabilities* (effective from January 1, 2013). The amendment requires qualitative and quantitative disclosures relating to gross and net amounts of recognized financial instruments that are set-off in accordance with PAS 32, *Financial Instruments: Presentation*. The amendment also requires disclosure of information about recognized financial instruments which are subject to enforceable master netting arrangements or similar agreements, even if they are not set-off in the consolidated statement of financial position, including those which do not meet some or all of the offsetting criteria under PAS 32 and amounts related to a financial collateral. These disclosures allow consolidated financial statement users to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with recognized financial assets and financial liabilities on the entity's consolidated statement of financial position. The adoption of this amendment did not result in any significant changes in the Group's disclosures on its consolidated financial statements as it has no master netting arrangements.

(iv) Consolidation, Joint Arrangements, Associates and Disclosures

This package of consolidation, joint arrangements, associates and disclosures standards comprise of PFRS 10, *Consolidated Financial Statements*, PFRS 11, *Joint Arrangements*, PFRS 12, *Disclosure of Interests in Other Entities*,
PAS 27 (Revised), *Separate Financial Statements* and
PAS 28 (Revised), *Investments in Associates and Joint Ventures*.

- PFRS 10 changes the definition of control focusing on three elements which determine whether the investor has control over the investee such as the: (a) power over the investee, (b) exposure or rights to variable returns from involvement with the investee, and, (c) ability to use such power to affect the returns. This standard also provides additional guidance to assist in determining control when it is difficult to assess, particularly in situation where an investor that owns less than 50% of the voting rights in an investee may demonstrate control to the latter.

- PFRS 11 deals with how a joint arrangement is classified and accounted for based on the rights and obligations of the parties to the joint arrangement by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. The option of using proportionate consolidation for arrangement classified as jointly controlled entities under the previous standard has been eliminated. This new standard now requires the use of equity method in accounting for arrangement classified as joint venture.

- PFRS 12 integrates and makes consistent the disclosure requirements for entities that have interest in subsidiaries, joint arrangements, associates, special purpose entities and unconsolidated structured entities. In general, this requires more extensive disclosures about the risks to which an entity is exposed from its involvement with structured entities.

- PAS 27 (Revised) deals with the requirements pertaining solely to separate financial statements after the relevant discussions on control and consolidated financial statements have been transferred and included in PFRS 10, while PAS 28 (Revised) includes the requirements for joint ventures, as well as for associates, to be accounted for using the equity method following the issuance of PFRS 11.

Subsequent to the issuance of these standards, amendments to PFRS 10, 11 and 12 were issued to clarify certain transitional guidance for the first-time application of the standards. The guidance clarifies that an entity is not required to apply PFRS 10 retrospectively in certain circumstances and clarifies the requirements to present adjusted comparatives. The guidance also made changes to PFRS 10 and 12 which provide similar relief from the presentation or adjustment of comparative information for periods prior to the immediately preceding period. Further, it provides relief by removing the requirement to present comparatives for disclosures relating to unconsolidated structured entities for any period before the first annual period for which PFRS 12 is applied.

The Group has evaluated the various facts and circumstances related to its interests in other entities and it has determined that the adoption of the foregoing standards, revisions and amendments had no material impact on the amounts recognized in the consolidated financial statements. Additional information, however, are disclosed in compliance with the requirements of PAS 27 (Revised) with respect to principal place of business and incorporation of the significant subsidiaries and associates.

(v) PFRS 13, *Fair Value Measurement* (effective from January 1, 2013). This new standard clarifies the definition of fair value and provides guidance and enhanced disclosures about fair value measurements. The requirements under this standard do not extend the use of fair value accounting but provide guidance on how it should be applied to both financial instrument items and non-financial items for which other PFRS require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances. This new standard applies prospectively from annual periods beginning January 1, 2013; hence, disclosure requirements need not be presented in the comparative information in the first year of application.

(vi) 2009 – 2011 Annual Improvements to PFRS. Annual Improvement to PFRS (2009 - 2011 Cycle) made minor amendments to a number of PFRS. Among those improvements, the following are relevant to the Group:

(a) PAS 1 (Amendment), *Presentation of Financial Statements – Clarification of the Requirements for Comparative Information*. The amendment clarifies that a statement of financial position as at the beginning of the preceding period (third statement of financial position) is required when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the third statement of financial position. The amendment specifies that other than disclosure of certain specified information in accordance with PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors,* related notes to the third statement of financial position are not required to be presented.

(b) PAS 16 (Amendment), *Property, Plant and Equipment – Classification of Servicing Equipment.* The amendment addresses a perceived inconsistency in the classification requirements for servicing equipment which resulted in classifying servicing equipment as part of inventory when it is used for more than one period. It clarifies that items such as spare parts, stand-by equipment and servicing equipment shall be recognized as property, plant and equipment when they meet the definition of property, plant and equipment, otherwise, these are classified as inventory. This amendment had no significant impact on the Group's consolidated financial statements since it has been recognizing those servicing equipment in accordance with the recognition criteria under PAS 16.

(c) PAS 32 (Amendment), *Financial Instruments: Presentation – Tax Effect of Distributions to Holders of Equity Instruments*. The amendment clarifies that the consequences of income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with PAS 12, *Income Taxes*. Accordingly, income tax relating to distributions to holders of an equity instrument is recognized in profit or loss while income tax related to the transaction costs of an equity transaction is recognized in equity. This amendment had no effect on the Group's consolidated financial statements as it has been recognizing the effect of distributions to holders of equity instruments and transaction costs of an equity transaction in accordance with PAS 12.

(d) PAS 34 (Amendment), *Interim Financial Reporting and Segment Information for Total Assets and Liabilities* (effective from January 1, 2013). This standard clarifies the requirements on segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in paragraph 23 of PFRS 8, *Operating Segments*. It also clarifies that the total assets and liabilities for a particular reportable segment are required to be disclosed if, and only if: (a) a measure of total assets or of total liabilities (or both) is regularly provided to the chief operating decision maker; and, (b) there has been a material change from those measure disclosed in the last annual financial statements for that reportable segment. The amendment has no significant impact on the Group's consolidated financial statements.

(b) Effective in Fiscal Year 2014 that are not Relevant to the Group

The following amendment, annual improvement and interpretation to PFRS are mandatory for accounting periods beginning on or after January 1, 2013 but are not relevant to the Group's consolidated financial statements:

PFRS 1 (Amendment)	:	First-time Adoption of PFRS – Government Loans
Annual Improvements PFRS 1 (Amendments)	:	First-time Adoption of PFRS – Repeated Application of PFRS 1 and Borrowing Cost
Philippine Interpretation International Financial Reporting Interpretations Committee 20	:	Stripping Costs in the Production Phase of a Surface Mine

(c) Effective Subsequent to Fiscal Year 2014 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards that are effective for periods subsequent to fiscal year 2014. Management has initially determined the following pronouncements, which the Group will apply in accordance with their transitional provisions, to be relevant to its consolidated financial statements:

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions* (effective from January 1, 2014). The amendment clarifies that if the amount of the contributions from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. Management has initially determined that this amendment will have no impact on the Group's consolidated financial statements.

(ii) PAS 32 (Amendment), *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities* (effective from January 1, 2014). The amendment provides guidance to address inconsistencies in applying the criteria for offsetting financial assets and financial liabilities. It clarifies that a right of set-off is required to be legally enforceable, in the normal course of business; in the event of default; and, in the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendment also clarifies the principle behind net settlement and provided characteristics of a gross settlement system that would satisfy the criterion for net settlement. The Group does not expect this amendment to have a significant impact on its consolidated financial statements.

(iii) PAS 36 (Amendment), *Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets* (effective from January 1, 2014). The amendment clarifies that the requirements for the disclosure of information about the recoverable amount of assets or cash-generating units is limited only to the recoverable amount of impaired assets that is based on fair value less cost of disposal. It also introduces an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount based on fair value less cost of disposal is determined using a present value technique. Management will reflect in its subsequent years' consolidated financial statements the changes arising from this relief on disclosure requirements, if the impact of the amendment will be applicable.

(iv) PAS 39 (Amendment), *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting* (effective from January 1, 2014). The amendment provides some relief from the requirements on hedge accounting by allowing entities to continue the use of hedge accounting when a derivative is novated to a clearing counterparty resulting in termination or expiration of the original hedging instrument as a consequence of laws and regulations, or the introduction thereof. As the Group neither enters into transactions involving derivative instruments nor it applies hedge accounting, the amendment will not have an impact on the consolidated financial statements.

(v) PFRS 9, *Financial Instruments: Classification and Measurement.* This is the first part of a new standard on financial instruments that will replace PAS 39, *Financial Instruments: Recognition and Measurement*, in its entirety. The first phase of the standard was issued in November 2009 and October 2010 and contains new requirements and guidance for the classification, measurement and recognition of financial assets and financial liabilities. It requires financial assets to be classified into two measurement categories: amortized cost or fair value. Debt instruments that are held within a business model whose objective is to collect the contractual cash flows that represent solely payments of principal and interest on the principal outstanding are generally measured at amortized cost. All other debt instruments and equity instruments are measured at fair value. In addition, PFRS 9 allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements, which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the liability's credit risk is recognized in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

In November 2013, the IASB has published amendments to International Financial Reporting Standards (IFRS) 9 that contain new chapter and model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures. The amendment also now requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather in profit or loss. It also includes the removal of the January 1, 2015 mandatory effective date of IFRS 9.

To date, the remaining chapter of IFRS/PFRS 9 dealing with impairment methodology is still being completed. Further, the IASB is currently discussing some limited modifications to address certain application issues regarding classification of financial assets and to provide other considerations in determining business model.
The Group does not expect to implement and adopt PFRS 9 until its effective date. In addition, management is currently assessing the impact of PFRS 9 on the consolidated financial statements of the Group and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(vi) PFRS 10, 12 and PAS 27 (Amendments) – *Investment Entities* (effective from January 1, 2014). The amendments define the term "investment entities," provide supporting guidance, and require investment entities to measure investments in the form of controlling interest in another entity, at fair value through profit or loss. Management does not anticipate these amendments to have a material impact on the Group's consolidated financial statements.

(vii) Annual Improvements to PFRS. Annual Improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS, which are effective for annual period beginning on or after July 1, 2014. Among those improvements, the following amendments are relevant to the Group but management does not expect a material impact on the Group's consolidated financial statements:

Annual Improvements to PFRS (2010-2012 Cycle)

- PAS 16 (Amendment), *Property, Plant and Equipment* and PAS 38 (Amendment), *Intangible Assets*. The amendments clarify that when an item of property, plant and equipment, and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset. PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also requires and clarifies that the information required to be disclosed in the consolidated financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and should not the amounts of compensation paid or payable by the key management entity to its employees or directors.

- PFRS 3 (Amendment), *Business Combinations* (effective July 1, 2014). Requires contingent consideration that is classified as an asset or a liability to be measured at fair value at each reporting date.

- PFRS 13 (Amendment), *Fair Value Measurement*. The amendment, through a revision only in the basis of conclusion of PFRS 13, clarifies that issuing PFRS 13 and amending certain provisions of PFRS 9 and PAS 39 related to discounting of financial instruments, did not remove the ability to measure short-term receivables and payables with no stated interest rate on an undiscounted basis, when the effect of not discounting is immaterial.

Annual Improvements to PFRS (2011-2013 Cycle)

- PFRS 3 (Amendment), *Business Combinations* (effective July 1, 2014). Clarifies that PFRS 3 excludes from its scope the accounting for the formation of a joint arrangement in the consolidated financial statements of the joint arrangement itself.

- PFRS 13 (Amendment), *Fair Value Measurement*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of, and accounted for in accordance with, PAS 39 or PFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32.

- PAS 40 (Amendment), *Investment Property*. The amendment clarifies the interrelationship of PFRS 3, *Business Combinations*, and PAS 40 in determining the classification of property as an investment property or owner-occupied property, and explicitly requires an entity to use judgment in determining whether the acquisition of an investment property is an acquisition of an asset or a group of asset, or a business combination in reference to PFRS 3.

2. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is carried out in close cooperation with the BOD, and focuses on actively securing the Group's short to medium term cash flows by minimizing the exposure to financial markets. Long term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most relevant financial risks to which the Group is exposed to are described in the succeeding paragraphs.

2.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from both its operating, investing and financing activities.

(a) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on cash and cash equivalents. The Group is exposed to changes in market interest rates through short-term placements included as part of Cash and Cash Equivalents account and short term loans of H.R. Owen presented as Loans and Borrowings, which are subject to variable interest rates.

The Group keeps placements with fluctuating interest at a minimum. As such, management believes that its exposure to interest rate risk is immaterial.

(b) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's overseas purchases, which is primarily denominated in United States Dollars (USD). The Group also holds USD denominated cash and cash equivalents. Further, the Group has AFS financial assets denominated in Malaysian Ringgit (MYR).

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Foreign currency denominated financial assets and liabilities, translated into Philippine pesos at the closing rate are as follows:

	July 31, 2014			April 30, 2014		
	USD	**MYR**	**GBP**	USD	MYR	GBP
Financial assets	**P 16,384,727**	**P 60,210,038**	**P 1,738,084,376**	P 4,943,174	P 60,422,247	P 1,446,008,977
Financial liabilities	**(1,843,552)**	**-**	**(4,893,906,768)**	-	-	(4,716,654,837)
Total net exposure	**P 14,541,175**	**P 60,210,038**	**(P 3,155,822,392)**	P 4,943,174	P 60,422,247	P(3,270,645,860)

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine peso against USD, MYR and GBP exchange rates. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 99.00% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period with effect estimated from the beginning of the year.

	July 31, 2014			April 30, 2014		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity after tax**	Reasonably possible change in rate	Effect in profit before tax	Effect in equity after tax
PhP - USD	**17.66%**	**P 2,567,971**	**P 1,797,580**	17.66%	P 872,965	P 611,075
PhP - MYR	**5.99%**	**3,606,581**	**2,524,607**	5.99%	3,619,293	2,533,505
PhP - GBP	**38.43%**	**(1,212,782,545)**	**(848,947,782)**	38.43%	(1,256,909,203)	879,836,442
		(P 1,206,607,993)	**(P 844,625,595)**		(P1,252,416,945)	(P 876,691,862)

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(c) Other Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets classified as AFS financial assets). The Group manages exposure to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

2.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from granting loans and selling goods and services to customers; granting advances to associates; and, placing deposits with banks, lessors and utility companies.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

	July 31, 2014	April 30, 2014
Cash and cash equivalents	**P 992,721,137**	P 1,318,707,122
Trade and other receivables – net	**1,373,710,411**	1,285,411,667
Advances to associates	**163,167,852**	156,185,297
Other non-current assets	**3,046,996**	2,438,102
	P 2,532,646,396	P 2,762,742,188

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as described below.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements, which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

(b) Trade and Other Receivables – net and Advances to Associates

The Group's trade receivables as of July 31, 2014 and April 30, 2014 are due mainly from retail customers of H.R. Owen and from PCSO. The Group maintains policies that require appropriate credit checks to be completed on potential customers prior to delivery of goods and services. On-going credit checks are periodically performed on the Group's existing customers to ensure that the credit limits remain at appropriate levels.

In respect of other receivables and advances to associates, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group's receivables are actively monitored to avoid significant concentrations of credit risk.

(c) Other Non-current Assets

The refundable deposits of the Group under Other Non-Current Assets account in the consolidated statements of financial position pertain to security deposits made to various lessors and utility companies which the Group is not exposed to significant credit risk.

2.3 Liquidity Risk

The ability of the Group to finance increases in assets and meet obligations as they become due is extremely important to the Group's operations. The Group's policy is to maintain liquidity at all times. This policy aims to honor all cash requirements on an on-going basis to avoid raising funds above market rates or through forced sale of assets.

Liquidity risk is also managed by borrowing with a spread of maturity periods. The Group has significant fluctuations in short-term borrowings due to industry specific factors. The Group mitigates any potential liquidity risk through maintaining substantial unutilized banking and used vehicle stocking loan facilities.

As of July 31, 2014 and April 30, 2014, the Group's financial liabilities pertain to Trade and Other Payables, except those tax-related liabilities, and Loans Payable and Borrowings inclusive of future interest. Trade and other payables and loans payable and borrowings are considered to be current which are expected to be settled within 12 months from the end of each reporting period.

3. SEGMENT REPORTING

3.1 Business Segments

The Group is organized into different business units based on its products for purposes of management assessment of each unit. In identifying its operating segments, the management generally follows the Group's four service lines. The Group is engaged in the business of Leasing, Services, Holdings and Investments and Motor Vehicle Dealership. These are also the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

(a) The Leasing segment pertains to the lease of on-line lottery equipment, maintenance and repair services, and telecommunication and integration services rendered by the Group to PCSO.

(b) The Services segment pertains to the hotel operations of PHPI.

(c) Holdings and Investments segment relates to gains (losses) on disposal of investments and share in net gains (losses) of associates.

(d) The Motor Vehicle Dealership segment pertains to the luxury motor vehicle retailers and provision of aftersales services of H.R. Owen.

3.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment. Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, advances, inventories and property, plant and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, taxes currently payable and accrued liabilities. Segment assets and liabilities do not include deferred taxes.

3.3 Analysis of Segment Information

The following tables present revenue and profit information regarding business segments for the years ended July 31, 2014 and April 30, 2014 certain assets and liabilities information regarding industry segments at July 31, 2014 and April 30, 2014.

	July 31, 2014					
	Leasing	**Services**	**Holding and Investments**	**Motor Dealership**	**Elimination**	**Consolidated**
Revenues:						
External	P 412,677,734	P 30,430,062	P 11,722,696	P 6,032,663,332	P 14,172,864	P 6,501,666,688
Inter-segment	-	-	26,619,424	-	(26,619,424)	-
Total revenues	P 412,677,734	P 30,430,062	P 38,342,120	P 6,032,663,332	(P 12,446,560)	P 6,501,666,688
Expenses:						
External	P 180,039,595	P 36,438,720	P 31,587,967	P 5,944,618,740	P -	P 6,192,685,022
Inter-segment	-	-	-	-	-	-
Total expenses	P 180,039,595	P 36,438,720	P 31,587,967	P 5,944,618,740	(P -)	P 6,192,685,022
Profit before tax	P 232,638,139	(P 6,008,658)	P 6,754,153	P 88,044,592	(P 12,446,560)	P 308,981,666
Net Profit	P 174,529,414	(P 6,026,889)	P 4,731,078	P 62,025,370	(P 12,446,560)	P 222,812,413
Segment assets	P 712,729,185	P 799,349,096	P 6,531,427,256	P6,232,203,248	(P 2,004,387,730)	P 12,271,321,055
Segment liabilities	P 496,380,209	P 805,817,564	P 424,731,521	P 4,976,595,055	(P 1,095,468,387)	P 5,608,055,962
Other segment items:						
Capital expenditures	P 763,945	P 3,032,067	-	P 7,040,643	(P -)	P 10,836,655
Depreciation and amortization	P 37,313,414	P 8,620,682	P 625,301	P 34,043,411	(P -)	P 80,593,808

	April 30, 2014					
	Leasing	**Services**	**Holding and Investments**	**Motor Dealership**	**Elimination**	**Consolidated**
Revenues:						
External	P 1,803,429,328	P 144,215,418	P 497,676,498	P10,649,240,139	P -	P 13,094,561,383
Inter-segment	-	-	2,194,000,000	10,471,887	(2,204,471,887)	-
Total revenues	P 1,803,429,328	P 144,215,418	P 2,691,676,498	P10,659,712,026	(P 2,204,471,887)	P 13,094,561,383
Expenses:						
External	P 780,177,629	P 146,257,705	P 229,667,856	P10,475,056,366	P -	P 11,631,159,556
Inter-segment	-	456,046	-	8,901,104	(9,357,150)	-
Total expenses	P 780,177,629	P 146,713,751	P 229,667,856	P 10,483,957,470	(P 9,357,150)	P 11,631,159,556
Profit before tax	P 1,023,251,699	(P 2,498,333)	P 2,462,008,642	P 175,754,556	(P 2,195,114,737)	P 1,463,401,827
Net Profit	P 769,189,941	(P 1,713,425)	P 2,431,278,858	P 126,959,616	(P 2,195,114,737)	P 1,130,600,253
Segment assets	P 706,242,448	P 813,149,882	P 6,616,712,744	P 6,237,913,866	(P 2,257,410,238)	P 12,116,608,702
Segment liabilities	P 664,422,884	P 813,591,458	P 574,260,689	P 4,984,320,951	(P 1,334,431,928)	P 5,702,164,054
Other segment items:						
Capital expenditures	P 3,706,335	P 25,188,990	P 12,507,015	P 21,729,783	(P 3,605,914)	P 59,526,209
Depreciation and amortization	P 165,187,938	P 28,521,901	P -	P 73,539,529	(P 456,046)	P 266,793,322

Currently, the Group's operation has two geographical segments, London, England for the motor dealership segment while all other segments are in the Philippines.

4. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

4.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of assets and liabilities presented in the consolidated statements of financial position are shown below.

	July 31, 2014		April 30, 2014	
	Carrying Values	**Fair Values Values**	Carrying Values	Fair Values
Financial assets				
Loans and receivables:				
Cash and cash equivalents	**P 992,721,137**	**P 992,721,137**	P 1,318,707,122	P 1,318,707,122
Trade and other receivables - net	**1,373,710,411**	**1,373,710,411**	1,285,411,667	1,285,411,667
Advances to associates	**163,167,852**	**163,167,852**	156,185,297	156,185,297
Other non-current assets	**3,046,996**	**3,046,996**	2,438,102	2,438,102
	P 2,532,646,396	**P 2,532,646,396**	P 2,762,742,188	P 2,762,742,188
AFS financial assets	**P 1,074,778,374**	**P 1,074,778,374**	P 979,758,710	P 979,758,710
Financial Liabilities				
Financial liabilities at amortized cost:				
Loans payable and borrowings	**P3,168,219,023**	**P 3,168,219,023**	P 3,077,288,336	P 3,077,288,336
Trade and other payables	**2,180,681,023**	**2,180,681,023**	2,261,129,893	2,261,129,893
	P 5,348,900,046	**P 5,348,900,046**	P 5,338,418,229	P 5,338,418,229

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
ATTACHMENTS TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SUPPORTING SCHEDULES
AS OF JULY 31, 2014

Schedule 1 - Cash and Cash Equivalents

	July 31, 2014	April 30, 2014
Cash on hand and in banks	**P 692,245,308**	P 1,020,667,799
Short-term placements	**300,475,829**	298,039,323
	P 992,721,137	P 1,318,707,122

Schedule 2 - Trade and Other Receivables

	July 31, 2014	April 30, 2014
Trade	**P 392,927,576**	P 628,347,418
Loans receivable	**622,347,704**	550,282,607
Advances for stock subscriptions	7**60,583,808**	796,724,898
Advances to officers and employees	**7,345,702**	8,174,505
Other receivables	**305,682,765**	122,274,047
	2,088,887,555	2,105,803,475
Allowance for impairment	**(7,881,512)**	(7,407,765)
	P2,081,006,043	P2,098,395,710

Schedule 3 - Inventories

	July 31, 2014	April 30, 2014
Vehicles	**P3,725,730,066**	P 3,325,466,126
Parts and components	**217,339,130**	178,759,839
Spare parts and accessories	**36,683,510**	37,753,045
Work in progress	**25,919,568**	16,487,558
Hotel supplies	**6,938,687**	7,155,358
	P4,012,610,961	P3,565,621,926

Schedule 4 – Prepayments and other current assets

	July 31, 2014	April 30, 2014
Prepaid expenses	**P 179,359,957**	P 145,181,124
Prepaid taxes	**95,587,260**	148,978,987
Refundable deposits	**156,401,991**	134,249,044
Advance rental	**46,660,260**	48,459,108
Input VAT	**33,438,479**	36,428,042
Creditable withholding tax	**1,467,321**	1,874,794
Other current assets	**56,277,542**	35,143,992
	569,192,810	550,315,091
Allowance for impairment	**(9,375,000)**	(9,375,000)
	P 559,817,810	P 540,940,091

Schedule 5 - Available-for-Sale Financial Assets

	July 31, 2014	April 30, 2014
Equity securities	**P1,026,684,332**	P 954,507,320
Warrants	**13,097,952**	13,376,412
Loan stocks	**34,996,090**	11,874,978
	P1,074,778,374	P 979,758,710

Schedule 6 – Property and Equipment

	July 31, 2014	April 30, 2014
Computers and on-line Lottery Equipment	**P1,464,905,001**	P1,465,082,125
Buildings	**720,291,386**	717,742,232
Transportation Equipment	**50,417,346**	51,871,863
Workshop equipment	**383,166,552**	383,125,791
Office, Furniture, Fixtures and Equipment	**37,319,819**	37,284,106
Hotel and Kitchen Equipment and Utensils	**11,989,157**	11,604,459
Communication Equipment	**3,535,809**	3,535,809
Leasehold Improvements	**923,891,297**	939,097,164
Total	**P3,595,516,367**	P 3,609,343,549
Less: Accumulated Depreciation	**(2,182,201,833)**	(2,115,880,256)
Net Carrying Ammount	**P1,413,314,534**	P 1,493,463,293

Schedule 7 – Investments in and Advances to Associates

July 31, 2014	PLPI	BPPI	BAPI	CPI	Total
Investment:					
Acquisition costs					
Initial investment	P 399,997	P 26,000,000	P 62,700,000	P 399,996	P 89,499,993
Additional interest					
Deposits for future stock subscription	-	24,000,000	-	-	24,000,000
Reclassification	-	11,400,000	-	-	11,400,000
	399,997	61,400,000	62,700,000	399,996	124,899,993
Accumulated equity share in net profit (losses)					
Share in net profit (losses) in prior years	31,864,901	(61,400,000)	43,981,290	(399,996)	14,046,195
Share in net profit (losses) during the year	173,142	-	13,885,824	-	14,058,966
	32,038,043	(61,400,000)	57,867,114	(399,996)	28,105,161
Total investments in associates	32,438,040	-	120,567,114	-	153,005,154
Advances	31,683,131	130,480,000	-	1,004,721	163,167,852
	P 64,121,171	P 130,480,000	P 120,567,114	P 1,004,721	P 316,173,006

April 30, 2014	PLPI	BPPI	BAPI	CPI	Total
Investment:					
Acquisition costs					
Initial investment	P 399,997	P 26,000,000	P 62,700,000	P 399,996	P 89,499,993
Reclassification	-	11,400,000	-	-	11,400,000
	399,997	37,400,000	62,700,000	399,996	100,899,993
Additional interest					
Deposits for future stock subscription	-	24,000,000	-	-	24,000,000
Accumulated equity share in net profit (losses)					
Share in net profit (losses) in prior years	30,755,647	(40,265,694)	10,834,009	(282,459)	1,041,503
Share in net profit (losses) during the year	1,109,254	(21,134,306)	33,147,281	(117,537)	13,004,692
	31,864,901	(61,400,000)	43,981,290	(399,996)	14,046,195
Total investments in associates	32,264,898	-	106,681,290	-	138,946,188
Advances	31,848,436	123,520,000	-	816,861	156,185,297
	P 64,113,334	P 123,520,000	P 106,681,290	P 816,861	P 295,131,485

Schedule 8 – Trade and Other Payables

	July 31, 2014	April 30, 2014
Advances from customers	**P 830,785,202**	P 929,988,160
Trade payables	**834,438,080**	845,871,226
Accrued expenses	**359,034,275**	343,219,104
Withholding taxes payable	**54,102,338**	146,162,367
Management fee payable	**26,586,000**	26,538,693
Liability on stock vehicles	**11,274,941**	21,560,590
Deferred output VAT	**14,584,224**	11,736,779
Due to a related party	**258,842**	1,978,870
Other payables	**49,560,387**	94,074,054
	P2,180,624,289	P2,421,129,843

Schedule 9 – Loans Payables and Borrowings

	July 31, 2014	April 30, 2014
Bank Loans	**P 400,000,000**	P 550,000,000
Manufacturers' vehicle stocking loans	**2,253,860,974**	1,916,327,282
Other third party vehicle stocking loans	**514,358,049**	610,961,054
	P 3,168,219,023	P3,077,288,336

BERJAYA PHILIPPINE INC. ANI

(Formerly Prime Gaming Philippines, Inc. an

[A Subsidiary of Berjaya Lottery Manager

INTERIM CONSOLIDATED STATEMENTS

JULY 31, 2014 and JULY 3

(Amounts in Philippine Pe

	Attributable Owners			
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves
Balance at May 1, 2014	P 953,984,448	(P 988,150,025)	P 177,926,734	(p 14,577,611)
Non-controlling interest in dividends declared from subsidiary	-	-	-	-
Profit or loss for the year	-	-	-	-
Actuarial loss on remeasurement of retirement benefit obligation - net of tax	-	-	-	-
Net unrealized fair value gains on available-for-sale securities	-	-	59,512,595	-
Reclassification adjustments to profit or loss	-	-	-	-
Translation adjustment	-	-	-	-
Total equity at July 31, 2014	**P 953,984,448**	**(P 988,150,025)**	**P 237,439,329**	**(P 14,577,611)**

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
Financial Indicators and KPI Ratios for Additional Reporting to the SEC :

		Consolidated Unaudited 31.07.2014	Consolidated Audited 30.04.2014	Consolidated Unaudited 31.07.2013
1	**Current Ratio**	**1.40**	**1.35**	2.67
	Current Assets	7,678,843,803	**7,556,330,146**	**3,340,293,418**
	Current Liabilities	5,496,477,707	**5,592,838,151**	**1,249,587,648**
2	**Quick Ratio**	**0.67**	**0.71**	2.63
	Current Assets less Inventories	3,666,232,842	3,990,708,220	3,292,256,266
	Inventories	4,012,610,961	**3,565,621,926**	**48,037,152**
	Current Liabilities	5,496,477,707	5,592,838,151	1,249,587,648
	Note: The spare parts classified as Inventories under Prepaid Expenses and Other Current Assets			
3	**Debt to Equity Ratio**	**0.76%**	**0.74%**	0.65%
	Long term Debt	50,336,195	**47,240,181**	**34,386,167**
	Stockholders' Equity	6,663,265,093	**6,414,444,648**	**5,293,302,431**
4	**Debt to Asset Ratio**	**0.41%**	**0.39%**	0.52%
	Long term Debt	**50,336,195**	**47,240,181**	34,386,167
	Total Assets	12,271,321,055	12,116,608,702	6,577,276,246
5	**Book Value per Share**	**7.65**	**7.37**	6.08
	Weighted Average number of BPI shares	**870,822,838**	**870,822,838**	**870,822,838**
6	PPE Turnover			
	Net revenues/ PPE (in times)	**4.57**	**8.36**	0.48
	Annualized	**18.28**	**8.36**	1.93
7	Return on Average Equity			
	Net income/average equity	**3.34%**	**17.63%**	4.10%
	Annualized	**13.38%**	**17.63%**	16.41%
8	Return on Average Assets			
	Net income/ave. total assets	**1.82%**	**9.33%**	3.30%
	Annualized	**7.26%**	**9.33%**	13.20%
	Net revenues	6,458,277,948	**12,487,382,170**	**493,193,293**
	Plant, prop and equipment	1,413,314,534	**1,493,463,293**	**1,021,644,250**
	Total assets	12,271,321,055	**12,116,608,702**	**6,577,276,246**
	Net income	222,812,413	**1,130,600,253**	**217,094,431**
	To annualize	4	1	4

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)
[A Subsidiary of Berjaya Lottery Management (HK) Limited]

Annex B

1. Aging of Accounts Receivables as of 31 July 2014

Type of Accounts Receivables	Total	1 Month	2 -3 Mos.	4 - 6 Mos.	7 Mos. to 1 year	Past Due Accts & Items in Litigation
	(Peso)	(Peso)	(Peso)	(Peso)	(Peso)	(Peso)
a) Trade Receivables						
1)Gaming customers	136,119,421	136,119,421	-	-	-	-
2) hotel customers	4,245,535	4,245,535	-	-	-	-
3)Vehicle customers	252,562,620	244,681,108	-	-	7,881,512	
3) Others	-	-	-	-	-	-
Subtotal	392,927,576	385,046,064	-	-	7,881,512	-
Less: Allow. For						
Doubtful Acct.	7,881,512	-	-	-	7,881,512	-
Net Trade receivable	385,046,064	385,046,064	-	-	-	-
b) Non - Trade Receivables						
1)Loans Receivables	622,347,704		72,065,097	0	550,282,607	
2)Advances for stock subscription	700,039,929				700,039,929	
3)Payment to other related parties	60,543,879	-	-	-	60,543,879	-
4) Advances to employees	7,345,702	2,938,281	2,203,711	1,469,140	734,570	
5) Other Receivables	305,682,765				305,682,765	
			-	-	-	-
Subtotal	1,695,959,979	2,938,281	74,268,808	1,469,140	1,617,283,750	-
Less: Allow. For						
Doubtful Acct.	-	-	-	-	-	-
Net Non - trade receivable	1,695,959,979	2,938,281	74,268,808	1,469,140	1,617,283,750	-
Net Receivables (a + b)	2,081,006,043	387,984,345	74,268,808	1,469,140	1,617,283,750	-

Notes:
If the Company's collection period does not match with the above schedule, a revision is necessary to make the schedule not misleading.
The proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

2. Accounts Receivable Description

Type of Receivables	Nature/Description	Collection Period
Trade Receivables		
1)Gaming customers	gross receipt from lottery ticket sales	45 days
2) hotel customers	rooms revenue and sale of food and beverages	45 days
3)Vehicle customers	sale of vehicles, parts and accessories and	45 days
	servicing and body shop sales	

Notes:
To indicate a brief description of the nature and collection period of each receivable accounts
with major balances or separate receivable captions, both the trade and non - trade accounts.

3. Normal Operating Cycle: 365 days