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 2016

(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 2016**
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 Issued and Outstanding
COMMON	**4,427,009,132**

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 2016, attached hereto as Annex "A", and Aging Schedule of Accounts Receivables as of 31 July 2016 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.

In December 2009, the Corporation acquired a 232 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 PHPI.

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 equity or interest in BPPI is equivalent to 41.40% as of 31 July 2016.

In August 2012, the Corporation invested in Berjaya Auto Philippines Inc. (BAPI), a corporation engaged in the sale and distribution of all types of motor vehicles. On 12 September 2012, BAPI entered into a 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's equity or interest over BAPI is equivalent to 35%.

In September 2012, the Corporation invested in Cosway Philippines Inc. (CPI), primarily to engage in the wholesale of various products. As of 31 July 2016, CPI has not yet started its commercial operations. The Corporation's equity or interest in CPI is equivalent to 40%.

In 2014, the Corporation obtained control over H.R. Owen Plc. (HROwen) after a series of cash offers from HR Owen's existing stockholders from July to October 2013. HROwen, incorporated in England, operates a number of vehicle franchises in the prestige and specialist car market for both sales and aftersales, predominantly in the London area. HROwen is an investment holding company that provides group services to its four trading subsidiaries that operate HROwen's motor vehicle dealerships. On 4 December 2015, HR Owen acquired 100% ownership over Bodytechnics in order to enhance its aftersales operations.

In July 2015, the Corporation invested in Ssangyong Berjaya Motor Philippines Inc. (SBMPI), a corporation engaged in the sale and distribution of all types of motor vehicles. The Corporation's equity interest in SBMPI is equivalent to 20%.

In May 2016, the Corporation acquired 41.5% shares in Neptune Properties Inc. (NPI), a corporation engaged in the real estate business or otherwise deal in real estate development.

Comparable Discussion on Material Changes in Results of Operations for the Three Months' Period Ended 31 July 2016 vs. 31 July 2015

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱7.69 billion for the three months ended 31 July 2016, an increase of ₱802.03 million (11.6%) over total revenues of ₱6.88 billion during the same period in 2015. The increase was primarily due to a higher revenue contribution from H.R. Owen in the financial period under review.

The Group's total cost and operating expenses for the three months ended 31 July 2016 increased by ₱849.81 million (13.0%) to ₱7.38 billion from ₱6.53 billion for the same period in 2015. The increase is attributed to the following: (i) cost of vehicles sold and body shop repairs and parts increased by ₱785.59 million (14.1%), (ii) salaries and employee benefits increased by ₱42.12 million (10.1%), (iii) rental increased by ₱11.81 million (16.7%), (iv) taxes and licenses increased by ₱17.89 million (40.6%), (v) maintenance of computer equipment increased by ₱13.80 million (103.9%), (vi) charitable contribution increased by ₱27.0 million (100.0%), (vii) insurance expense increased by ₱4.80 million (42.7%), (viii) sponsorship expenses increased by ₱8.80 million (967.1%), (ix) bank charges increased by ₱1.48 million (18.1%), and (x) commissions increased by ₱0.55 million (62.2%). These increases were offset by the following decreases of expenses: (i) marketing and selling decreased by ₱10.6 million (10.6%), (ii) depreciation expense decreased by ₱25.55 million (32.7%), (iii) professional fees decreased by ₱6.98 million (16.5%), (iv) telecommunications decreased by ₱7.64 million (28.8%), (v) repairs and maintenance decreased by ₱3.23 million (34.3%), (vi) miscellaneous expenses decreased by ₱25.31 million (79.8%), and (vii) representation and entertainment decreased by ₱3.97 million (44.2%).

Other Charges – net of other income amounted to ₱69.77 million for the three months ended 31 July 2016, a decrease of ₱150.74 million (186.2%) from the Other Income (net charges) of ₱80.97 million in the same period in 2015, mainly due to foreign exchange loss as a result of depreciation of exchange rates from GBP to peso currency.

The Group's net income decreased by₱172.09 million (53.0%) to ₱152.68 million for the three months ended 31 July 2016 from ₱324.77 million in the same period in 2015 under review.

Comparable Discussion on Material Changes in Financial Condition as of 31 July 2016 vs. 30 April 2016

Total assets of the Group decreased by ₱1.22 billion (7.8%) to ₱14.38 billion as of 31 July 2016, from ₱15.60 billion as of 30 April 2016.

Trade and other receivables (net) decreased by ₱103.12 million (3.5%) to ₱2.87 billion in 31 July 2016 compared to ₱2.97 billion in 30 April 2016, mainly due to collection from customers.

Inventories (net) decreased by ₱178.42 million (3.4%) to ₱5.10billion in 31 July 2016 compared to ₱5.28 billion in 30 April 2016, mainly due to decrease in vehicle stocks of HROwen.

Prepayments and other current assets (net) decreased by ₱285.33 million (34.1%) to ₱551.50 million in 31 July 2016 compared to ₱836.83 million in 30 April 2016, mainly due to a decrease in prepaid expenses.

Available-for-sale financial assets decreased by P160.16 million (18.4%) to ₱709.25million in 31 July 2016 compared to P869.41 billion in 30 April 2016, mainly due to certain investments were found to be impaired, there is prolonged decline in the fair value of the securities below cost.

Property and equipment (net) decreased by ₱169.60 million (8.5%) to ₱1.8 billion in 31 July 2016 compared to ₱2.0 billion in 30 April 2016, mainly due to depreciation for the current period and translation adjustment on H.R. Owen assets.

Investments in associates increased by ₱114.46 million (24.5%) to ₱581.18 million in 31 July 2016 compared to ₱466.71 million in 30 April 2016, mainly due to acquisition of investments in associate and share on income from associates.

Intangible assets decreased by ₱144.40 million (7.5%) to ₱1.77 billion in 31 July 2016 compared to ₱1.91 billion in 30 April 2016, primarily due to translation adjustment as a result of fluctuation of exchange rate in GBP to peso.

Total liabilities of the Group decreased by ₱973.23 billion (12.3%) to ₱6.96 billion as of 31 July 2016, from ₱7.93 billion as of 30 April 2016 mainly due to a decrease in Trade and other Payables and Loans payable and Borrowings. In June 2016, H.R. Owen obtained a secured loan with Maybank to facilitate its working capital requirements.

Post-employment benefit obligation decreased by ₱4.86 million (11.9%) to ₱35.94 in 31 July 2016 compared ₱40.80 million in 30 April 2016.

The total stockholders' equity of the Group decreased by ₱247.99 billion (3.2%) to ₱7.42 billion as of 31 July 2016, from ₱7.67 billion as of 30 April 2016 under review. The book value per share increased to ₱1.71 in 31 July 2016 from ₱8.04 in 30 April 2016.

Comparable Discussion on Material Changes in Cash Flows for the Three Months Period Ended 31 July 2016 vs. 31 July2015

The consolidated cash and cash equivalents for 31 July 2016 decreased by ₱210.41 million (22.2%) to ₱737.54 million as of 31 July 2016 from Php947.95 million for the same period last year. The decrease is mainly attributable to payment trade payables, loans and borrowings.

Key Performance Indicators

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

	31 July 2016	30 April 2016
Liquidity Ratio - Current ratio	1.36 : 1.00	1.31 : 1.00
Leverage Ratio - Debt to Equity	0.94 : 1.00	1.03 : 1.00
Activity Ratio - Annualized PPE	16.78 times	13.24 times
Profitability Ratios		
Return on Equity	8.23%	17.41%
Return on Assets	4.25%	9.28%

The Corporation uses the following computations in obtaining key indicators:

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

Barring any unforeseen circumstances, the Corporation's Board of Directors is confident that the operating financial performances of the Corporation and its subsidiaries 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 subsidiaries 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.

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 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.

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

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

7) 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 13 September 2016.

Issuer: **BERJAYA PHILIPPINES, INC.**

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

By: **TAN ENG HWA**
Treasurer

ANNEX "A"

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JULY 31, 2016 and APRIL 30, 2016
(Amounts in Philippine Pesos)

	Note		July 31, 2016 Unaudited		April 30, 2016 Audited
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	P	737,545,428	P	1,034,432,119
Trade and other receivables-net	6		2,871,463,210		2,974,579,331
Inventories - net	7		5,100,731,977		5,279,148,130
Advances to associates	11		172,466,627		170,306,627
Prepayments and other current assets - net	8		551,496,602		836,832,157
Total Current Assets			9,433,703,844		10,295,298,364
NON-CURRENT ASSETS					
Available for sale financial assets	9		709,251,327		869,409,393
Property and equipment - net	10		1,832,156,807		2,001,760,694
Investment in associates	11		581,175,052		466,714,517
Intangible Assets	12		1,770,399,633		1,914,800,247
Deferred tax assets			44,597,174		44,597,174
Other non-current assets			4,432,318		4,352,318
Total Non-Current Assets			4,942,012,311		5,301,634,343
TOTAL ASSETS		P	14,375,716,155	P	15,596,932,707
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	14	P	2,732,700,656	P	3,571,890,388
Loans Payable and borrowings	15		3,929,649,948		4,234,569,558
Income tax payable			70,360,525		39,539,396
Total Current Liabilities			6,732,711,129		7,845,999,342
NON-CURRENT LIABILITIES					
Loans Payable and borrowings			148,792,320		-
Deferred Tax Liability			40,901,538		44,773,406
Post-employment benefit obligation			35,939,524		40,798,826
Total Non-Current Liabilities			225,633,382		85,572,232
Total Liabilities			6,958,344,511		7,931,571,574
EQUITY					
Attributable to Owners of the Parent Company			7,096,632,612		7,329,471,059
Attributable to non-controlling interest			320,739,032		335,890,074
Total Equity			7,417,371,644		7,665,361,133
TOTAL LIABILITIES AND EQUITY		P	14,375,716,155	P	15,596,932,707

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended JULY 31, 2016 and JULY 31, 2015
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended July 31, 2016	3 Months Ended July 31, 2016	3 Months Ended July 31, 2015	3 Months Ended July 31, 2015
REVENUES				
Sales of vehicles	P 7,230,812,443	P 7,230,812,443	P 6,423,677,492	P 6,423,677,492
Rental	420,420,835	420,420,835	425,503,164	425,503,164
Hotel Operations	35,196,751	35,196,751	35,218,953	35,218,953
	7,686,430,029	7,686,430,029	6,884,399,609	6,884,399,609
COSTS AND OTHER OPERATING EXPENSES				
Cost of vehicles sold	6,353,964,218	6,353,964,218	5,568,374,676	5,568,374,676
Salaries and employee benefits	459,971,295	459,971,295	417,851,151	417,851,151
Marketing & Selling	89,347,369	89,347,369	99,943,567	99,943,567
Rental	82,679,559	82,679,559	70,867,236	70,867,236
Taxes and licences	61,981,746	61,981,746	44,088,582	44,088,582
Depreciation and amortization	52,703,630	52,703,630	78,257,047	78,257,047
Professional fees	35,215,745	35,215,745	42,197,962	42,197,962
Maintenance of computer equipment	27,020,176	27,020,176	13,250,192	13,250,192
Charitable Contribution	27,000,000	27,000,000	-	-
Management fees	25,567,531	25,567,531	24,205,621	24,205,621
Transportation and travel	24,466,376	24,466,376	8,466,201	8,466,201
Communication, light and water	23,476,979	23,476,979	22,330,720	22,330,720
Stationery and Office Supplies	21,164,576	21,164,576	20,198,836	20,198,836
Telecommunications	18,876,261	18,876,261	26,517,260	26,517,260
Insurance	16,067,161	16,067,161	11,257,007	11,257,007
Cleaning and Maintenance	10,269,428	10,269,428	9,757,661	9,757,661
Sponsorship	9,710,033	9,710,033	909,932	909,932
Bank Charges	9,650,387	9,650,387	8,171,015	8,171,015
Repairs and maintenance	6,178,083	6,178,083	9,410,622	9,410,622
Miscellaneous Expenses	6,403,043	6,403,043	31,716,804	31,716,804
Representation and entertainment	5,000,701	5,000,701	8,966,056	8,966,056
Outside Service	2,792,454	2,792,454	2,840,139	2,840,139
Security Services	4,114,988	4,114,988	4,852,612	4,852,612
Cost of food and beverages	2,949,084	2,949,084	2,877,234	2,877,234
Commissions	1,440,780	1,440,780	888,052	888,052
	7,378,011,603	7,378,011,603	6,528,196,185	6,528,196,185
OPERATING PROFIT	308,418,426	308,418,426	356,203,424	356,203,424
OTHER INCOME (CHARGES)				
Equity share in net income (losses)	32,177,079	32,177,079	21,527,454	21,527,454
Finance Income	26,043,329	26,043,329	13,507,950	13,507,950
Finance Costs	(32,482,965)	(32,482,965)	(26,201,250)	(26,201,250)
Others	(95,504,108)	(95,504,108)	72,135,120	72,135,120
	(69,766,665)	(69,766,665)	80,969,274	80,969,274
PROFIT BEFORE INCOME TAX	238,651,761	238,651,761	437,172,698	437,172,698
TAX EXPENSE	85,973,682	85,973,682	112,406,542	112,406,542
NET PROFIT	152,678,079	152,678,079	324,766,156	324,766,156
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassfied subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	(160,158,065)	(160,158,065)	(70,101,612)	(70,101,612)
Reclassfication adjustments to profit or loss	-	-	-	-
Translation adjustment	(240,509,503)	(240,509,503)	104,386,604	104,386,604
	(400,667,568)	(400,667,568)	34,284,992	34,284,992
TOTAL COMPREHENSIVE INCOME	(247,989,489)	(247,989,489)	359,051,148	359,051,148
Net profit attributable to:				
Owners of the Parent Company	135,979,107	135,979,107	297,597,226	297,597,226
Non-controlling Interest	16,698,972	16,698,972	27,168,930	27,168,930
	152,678,079	152,678,079	324,766,156	324,766,156
Total comprehensive income attributable to:				
Owners of the Parent Company	(232,838,447)	(232,838,447)	318,667,723	318,667,723
Non-controlling Interest	(15,151,042)	(15,151,042)	40,383,425	40,383,425
	(247,989,489)	(247,989,489)	359,051,148	359,051,148
Weighted average number of shares outstanding	4,341,280,855	4,341,280,855	4,341,280,855	4,341,280,855
Basic earnings per share (annualized)	P 0.14	P 0.14	P 0.30	P 0.30

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES

[A Subsidiary of Berjaya Lottery Management (HK) Limited]

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended JULY 31, 2016 and JULY 31, 2015

(Amounts in Philippine Pesos)

(UNAUDITED)

	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, 2016	P 953,984,448	P (988,150,025)	P (26,506,235)	P (14,577,611)	P (37,410,176)	P 5,246,287,236	P 2,195,843,422	P 7,329,471,059	P 335,890,074	P 7,665,361,133
Capital issuance through stock dividends	3,473,024,684	-	-	-	-	(3,473,024,684)	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-	135,979,107	135,979,107	16,698,972	152,678,079
Net unrealized fair value gains on available-for-sale securities	-	-	(160,158,065)	-	-	-	-	(160,158,065)	-	(160,158,065)
Translation adjustment	-	-	-	-	(208,659,489)	-	-	(208,659,489)	(31,850,014)	(240,509,503)
Total equity at July 31, 2016	P 4,427,009,132	P (988,150,025)	P (186,664,300)	P (14,577,611)	P (246,069,665)	P 1,773,262,552	P 2,331,822,529	P 7,096,632,612	P 320,739,032	P 7,417,371,644

	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, 2015	P 953,984,448	P (988,150,025)	P 118,104,045	P (14,577,611)	P (37,314,019)	P 6,023,262,552	P 710,547,440	P 6,765,856,830	P 306,460,977	P 7,072,317,807
Capital issuance through stock dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-	297,597,226	297,597,226	27,168,930	324,766,156
Reversal of prior year appropriation						(100,000,000)	100,000,000			-
Net unrealized fair value gains on available-for-sale securities	-	-	(70,101,612)	-	-	-	-	(70,101,612)	-	(70,101,612)
Translation adjustment	-	-	-	-	91,172,109	-	-	91,172,109	13,214,495	104,386,604
Total equity at July 31, 2015	P 953,984,448	P (988,150,025)	P 48,002,433	P (14,577,611)	P 53,858,090	P 5,923,262,552	P 1,108,144,666	P 7,084,524,553	P 346,844,402	P 7,431,368,955

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
For the three months ended JULY 31, 2016 and JULY 31, 2015
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended July 31, 2016	3 Months Ended July 31, 2016	3 Months Ended July 31, 2015	3 Months Ended July 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P 238,651,761	P 238,651,761	P 437,172,698	P 437,172,698
Adjustments for:				
Depreciation and amortization	52,703,630	52,703,630	78,257,047	78,257,047
Dividend Income	(2,222,167)	(2,222,167)	(8,372,296)	(8,372,296)
Interest Expense	32,482,965	32,482,965	72,135,120	72,135,120
Interest Income	(26,043,329)	(26,043,329)	(13,507,950)	(13,507,950)
Equity Share in net losses (income) of associates	(32,177,079)	(32,177,079)	(21,527,454)	(21,527,454)
Loss (gain) on sale of property and equipment	(97,973)	(97,973)	(587,017)	(587,017)
Unrealized foreign exchange losses (gain)	112,316,414	112,316,414	(27,477,900)	(27,477,900)
Operating income before working capital changes	375,614,222	375,614,222	516,092,248	516,092,248
Decrease / (Increase) in:				
Trade and other receivables	103,116,121	103,116,121	(385,037,929)	(385,037,929)
Inventories	178,416,153	178,416,153	(640,123,462)	(640,123,462)
Prepaid expenses and other current assets	285,335,555	285,335,555	(42,624,038)	(42,624,038)
Increase / (Decrease) in:				
Trade and other payables	(1,032,156,553)	(1,032,156,553)	(227,894,779)	(227,894,779)
Loans Payables and Borrowings	(156,127,290)	(156,127,290)	659,908,987	659,908,987
Retirement Obligation	(4,859,302)	(4,859,302)	(2,085,500)	(2,085,500)
Cash paid for income taxes	(35,988,501)	(35,988,501)	(25,858,689)	(25,858,689)
Net cash used in operating activities	(286,649,595)	(286,649,595)	(147,623,162)	(147,623,162)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property and equipment	(3,904,514)	(3,904,514)	(37,389,328)	(37,389,328)
Acquisition of Available-for-sale financial assets	-	-	(12,260,321)	(12,260,321)
Acquisition of Investments in associates	(82,283,456)	(82,283,456)	-	-
Proceeds from disposal of property and equipment	110,849	110,849	659,699	659,699
Interest Received	26,043,329	26,043,329	13,507,950	13,507,950
Cash dividends received	2,222,167	2,222,167	8,372,296	8,372,296
Advances to (collection from) associate - net	(35,000,000)	(35,000,000)	-	-
Net cash provided by investing activities	(92,811,625)	(92,811,625)	(27,109,704)	(27,109,704)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	173,591,040	173,591,040	-	-
Repayment of bank loan and borrowings	(50,000,000)	(50,000,000)	-	-
Interest paid	(32,482,965)	(32,482,965)	(26,201,250)	(26,201,250)
Net cash provided by financing activities	91,108,075	91,108,075	(26,201,250)	(26,201,250)
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS	(8,533,547)	(8,533,547)	2,982,533	2,982,533
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(296,886,691)	(296,886,691)	(197,951,583)	(197,951,583)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,034,432,119	1,034,432,119	1,145,905,764	1,145,905,764
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	P 737,545,428	P 737,545,428	P 947,954,181	P 947,954,181

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JULY 31, 2016 and APRIL 30, 2016
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

Berjaya Philippines Inc. (BPI or the Parent Company) was incorporated in the Philippines on October 31, 1924. The Parent Company is organized as a holding company. The Parent Company's shares of stock were listed in the Philippine Stock Exchange on November 29, 1948.

On June 2, 2010, the Parent Company's Board of Directors (BOD) approved the Parent Company's change in corporate name from Prime Gaming Philippines, Inc. to Berjaya Philippines Inc. The application for change in name was approved by the Securities and Exchange Commission (SEC) on June 11, 2010.

The Parent Company is 74.20% owned by Berjaya Lottery Management (HK) Limited of Hong Kong (BLML) as at July 31, 2016. The Parent Company's ultimate parent company is Berjaya Corporation Berhad of Malaysia, a publicly listed company in the Main Market of Bursa Malaysia Securities Berhad.

The registered office of BPI is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. BLML's registered address is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and the ultimate parent company's registered office is at Lot13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi 55100 Kuala Lumpur, Malaysia.

2. 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.

2.1 Basis of Preparation of Interim Consolidated Financial Statements

These ICFS have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Philippine Financial Reporting Standards (PFRS), and should be read in conjunction with the Group's audited consolidated financial statements (ACFS) as at and for the year ended April 30, 2016.

The ICFS are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the ICFS of the Group are measured using the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

The preparation of the Group's ICFS in accordance with PFRS requires management to make judgments and estimates that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

The Group presents all items of income and expense in a single consolidated statement of comprehensive income.

2.2 Adoption of New and Amended PFRS

(a) Effective in Fiscal Year 2017 that are Relevant to the Group

The Group adopted for the first time the following amendmentand annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2016, for itsinterim reporting period beginning May 1, 2016:

PAS 1 (Amendment)	:	Presentation of Financial Statements – Disclosure Initiative
PAS 16and PAS 38 (Amendments)	:	Property, Plant and Equitment and Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization
PAS 16and PAS 41 (Amendments)	:	Property, Plant and Equitment and Agriculture – Bearer Plants
PAS 27 (Amendment)	:	Separate Financial Statements – Equity Method in Separate Financial Statements
PFRS 10, PFRS 12 and PAS 28 (Amendments)	:	Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception
Annual Improvements	:	Annual Improvements to PFRS (2012-2014 Cycle)

Discussed below are the relevant information about these amendment and improvements.

(i) PAS 1 (Amendment), *Presentation of Financial Statements–Disclosure Initiative*(effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. Moreover, the amendment clarifies that an entity's share of other comprehensive income of associates and joint ventures accounted for using equity method should be presented based on whether or not such other comprehensive income item will subsequently be reclassified to profit or loss. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets– Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendment to PAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.

(iii) PAS 16 (Amendment), *Property, Plant and Equipment*, andPAS 41 (Amendment), *Agriculture–Bearer Plants*(effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendment further clarifies that produce growing on bearer plants remains within the scope of PAS 41.

(iv) PAS 27 (Amendment), *Separate Financial Statements –Equity Method in Separate Financial Statements* (effective from January 1, 2016). This amendment introduces a third option which permits an entity to account for its investments in subsidiaries, joint ventures and associates under the equity method in its separate financial statements in addition to the current options of accounting those investments at cost or in accordance with PAS 39 or PFRS 9. As at the end of the reporting period, the Parent Company has no plan to change the accounting policy for its investments in its subsidiaries and associates.

(v) PFRS 10 (Amendment), *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures–Investment Entities – Applying the Consolidation Exception* (effective from January 1, 2016).This amendment addresses the concerns that have arisen in the context of applying the consolidation exception for investment entities. It clarifies which subsidiaries of an investment entity are consolidated in accordance with paragraph 32 of PFRS 10 and clarifies whether the exemption to present consolidated financial statements, set out in paragraph 4 of PFRS 10, is available to a parent entity that is a subsidiary of an investment entity. This amendment also permits a non-investment entity investor, when applying the equity method of accounting for an associate or joint venture that is an investment entity, to retain the fair value measurement applied by that investment entity associate or joint venture to its interests in subsidiaries.

(vi) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Group but but had no material impact on the Group's interim consolidated financial statements:

- PFRS 7 (Amendment), *Financial Instruments – Disclosures*. The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

- PFRS 7 (Amendment), *Financial Instruments – Applicabilityof Amendments to PFRS 7 to Condensed Interim Financial Statements*. This amendment clarifies that the additional disclosure required by the recent amendments to PFRS 7 related to offsetting financial assets and financial liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with PAS 34, *Interim Financial Reporting*, when its inclusion would be necessary in order to meet the general principles of PAS 34.

- PAS 19 (Amendment), *Employee Benefits*. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

- PAS 34 (Amendment), *Interim Financial Reporting – Disclosure of Information "Elsewhere in the Interim Financial Report."* The amendment clarifies the meaning of disclosure of information "elsewhere in the interim financial report" and requires the inclusion of a cross-reference from the interim financial statements to the location of this referenced information. The amendment also specifies that this information must be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time, otherwise the interim financial statements will be incomplete.

(b) Effective in Fiscal Year 2017 that are not Relevant to the Group

The following amendment and annual improvementswhich are mandatorily effective for annual periods beginning January 1, 2016 are not relevant to the Group:

PFRS 11 (Amendment)	:	Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
Annual Improvement to PFRS (2012-2014 Cylce)	:	PFRS 5 (Amendment) – Non-current Assets Held for Sale and Discontinued Operations

(c) Effective Subsequent to Fiscal Year 2017 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2017 of the Group which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have an impact on the Group's consolidated financial statements:

(i) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new 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.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) 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 amendment also 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 than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) 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.

(ii) PFRS 10 (Amendment), *Consolidated Financial Statements*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendment to PFRS 10 requires full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendment has been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction. In December 2015, the IASB deferred the manadatory effective date for the amendment (i.e., January 1, 2016) indefinitely.

3. 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 below and in the succeeding pages.

3.1 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. As at July 31, 2016 and April 30, 2016, the Group is exposed to changes in market interest rates through short-term placements included as part of Cash and Cash Equivalents account and stocking loans of H.R. Owen presented as Loans Payable and Borrowings, which are subject to variable interest rates, in the consolidated statements of financial position.

The Group keeps placements with fluctuating interest at a minimum while H.R. Owen's stocking loans are secured at any time by fixed and floating charges on stocks of new and demonstrator cars and commercial vehicles held. As such, management believes that its exposure to interest rate risk is immaterial.

(b) Foreign Currency Risk

Except for H.R. Owen whose functional currency is GBP, 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, GBP, Malaysian Ringgit (MYR) and European Union Euro (EUR) denominated cash and cash equivalents and receivables. Further, the Group has AFS financial assets denominated in MYR and GBP. There were no foreign currency denominated financial liabilities as at July 31, 2016 and April 30, 2016.

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

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

	July 31, 2016	April 30, 2016
Php - USD	**P 13,552,171**	P 15,693,359
Php - MYR	**24,870,319**	24,205,757
Php - GBP	**1,018,492,672**	1,107,442,737
Php - EUR	**46,065,604**	46,907,889

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine peso against USD, MYR, GBP and EUR 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 95.00% 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, 2016			April 30, 2016		
	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	**9.14%**	**P 1,238,668**	**P 867,068**	7.83%	P 1,228,790	P 860,153
PhP - MYR	**22.92%**	**5,700,277**	**3,990,194**	20.88%	5,054,162	3,537,913
PhP - GBP	**28.24%**	**287,622,331**	**201,335,631**	18.63%	206,316,582	144,421,607
PhP - EUR	**24.69%**	**11,373,598**	**7,961,518**	23.15%	10,859,176	7,601,423
		P 305,934,874	**P 214,154,411**		P 223,458,710	P 156,421,096

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.

The sensitivity of equity with regard to the volatility of the Group's AFS financial assets assumes a +/-17.43% and a +/-17.54% volatility in the market value of the investment for the three months ended July 31, 2016 and for the year ended April 2016, respectively. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in 2016. Based on the observed volatility rate, the estimated impact to other comprehensive income amounted to P123,625,381 and P142,646,856 for the three months ended July 31, 2016 and fiscal year ended April 30, 2016.

3.2 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.

	Notes	**July 31, 2016**	April 30, 2016
Cash and cash equivalents	5	**P 737,545,428**	P 1,034,432,119
Trade and other receivables – net	6	**2,871,463,210**	2,964,012,762
Advances to associates	11	**172,466,627**	170,306,627
Other non-current assets	13	**4,432,318**	4,352,318
		P 3,785,907,583	P 4,173,103,826

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 at July 31, 2016 and April 30, 2016 are due mainly from 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.

The Group mitigates the concentration of its credit risk from its receivables from PCSO by regularly monitoring the age of its receivables from PCSO and ensuring that collections are received within the agreed credit period. These objectives, policies and strategies are consistently applied in the previous year up to the current year. In addition, the risk is reduced to the extent that PCSO has no history of significant defaults and none of the past due receivables are impaired as at the end of the reporting period.

In respect to trade receivables from the customers of H.R. Owen and 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.

3.3 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 at July 31, 2016 and April 30, 2016, 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.

4. SEGMENT REPORTING

4.1 Business Segments

The Group is organized into different business units based on its products and services 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. Presented below is 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.

4.2 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.

4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

The Group's operating business are organized and managed separately according to the nature of segment accounting policies.

4.4 Analysis of Segment Information

The tables in the succeeding pages present revenue and profit information regarding business segments for the three months ended July 31, 2016, July 31, 2015 and for the year ended April 30, 2016, and certain assets and liabilities information regarding industry segments as at July 31, 2016, July 31, 2015 and April 30, 2016.

	July 31, 2016					
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 423,163,337	P 36,567,763	P 58,126,049	P 7,235,072,047	P -	P 7,752,929,196
Inter-segment	-	-	-	-	-	-
Total revenues	P 423,163,337	P 36,567,763	P 58,126,049	P 7,235,072,047	P -	P 7,752,929,196
Expenses:						
External	P 186,087,839	P 35,734,975	P 137,507,619	P 7,154,947,003	P -	P 7,514,277,435
Inter-segment	-	-	-	-	-	-
Total expenses	P 186,087,839	P 35,734,975	P 137,507,619	P 7,154,947,003	P -	P 7,514,277,435
Profit before tax	P 237,075,498	P 832,787	(P 79,381,569)	P 80,125,044	(P -)	P 238,651,761
Net Profit	P 172,302,572	P 579,207	(P 79,906,853)	P 59,703,152	(P -)	P 152,678,079
Segment assets	P 571,348,907	P 765,616,099	P 6,652,477,119	P 8,076,048,366	(P 1,689,774,336)	P 14,375,716,155
Segment liabilities	P 140,372,652	P 760,210,719	P 64,032,521	P 6,734,275,679	(P 740,547,059)	P 6,958,344,511
Other segment items:						
Capital expenditures	P 1,674,559	P 355,608	P -	P 1,874,347	P -	P 3,904,514
Depreciation and amortization	P 677,982	P 7,377,263	P 625,301	P 44,023,084	P -	P 52,703,630

	July 31, 2015					
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 441,319,896	P 36,233,948	P 66,214,713	P 6,447,801,576	P -	P 6,991,570,133
Inter-segment	-	-	100,000,000	-	(100,000,000)	-
Total revenues	P 441,319,896	P 36,233,948	P 144,687,259	P 6,447,801,576	(P 100,000,000)	P 6,991,570,133
Expenses:						
External	P 191,755,233	P 35,878,768	P 10,136,495	P 6,316,626,939	P -	P 6,554,397,435
Inter-segment	-	-	-	-	-	-
Total expenses	P 191,755,233	P 35,878,768	P 10,136,495	P 6,316,626,939	P -	P 6,554,397,435

Profit before tax	**P 249,564,663**	**P 355,180**	**P 134,550,764**	**P 131,174,637**	**(P -)**	**P 437,172,698**
Net Profit	**P 182,193,992**	**P 238,122**	**P 123,670,622**	**P 97,135,966**	**(P -)**	**P 324,766,156**
Segment assets	**P 618,503,546**	**P 784,913,712**	**P 6,460,762,389**	**P 7,771,659,728**	**(P 1,633,063,726)**	**P 14,002,775,649**
Segment liabilities	**P 211,427,075**	**P 782,663,460**	**P 11,156,608**	**P 6,307,706,610**	**(P 771,547,059)**	**P 6,541,406,694**
Other segment items:						
Capital expenditures	**P 1,974,421**	**P 405,333**	**P -**	**P 6,700,127**	**P -**	**P 9,079,881**
Depreciation and amortization	**P 31,553,501**	**P 7,541,097**	**P 625,301**	**P 38,537,148**	**P -**	**P 78,257,047**

	April 30, 2016					
	Leasing	**Services**	**Holding and Investments**	**Motor Vehicle Dealership**	**Elimination**	**Consolidated**
Revenues:						
External	P 1,638,353,797	P 151,136,550	P 162,560,235	P24,835,088,669	P -	P 26,787,139,251
Inter-segment	-	-	680,000,000	-	(680,000,000)	-
Total revenues	P 1,638,353,797	P 151,136,550	P 842,560,235	P24,835,088,669	(P 680,000,000)	P 26,787,139,251
Expenses:						
External	P 781,841,990	P 147,280,989	P 205,727,147	P24,721,036,683	P -	P 25,855,886,809
Inter-segment	-	-	-	-	-	-
Total expenses	P 781,841,990	P 147,280,989	P 205,727,147	P 24,721,036,	P -	P25,855,886,809
Profit before tax	P 856,511,807	P 3,855,561	P 636,833,088	P 114,051,986	(P 680,000,000)	P 931,252,442
Net Profit	P 613,846,986	P 2,758,074	P 669,594,332	P 100,126,717	(P 680,000,000)	P 706,326,109
Segment assets	P 564,967,154	P 769,750,002	P 6,975,061,212	P 9,060,906,438	(P 1,773,752,099)	P 15,596,932,707
Segment liabilities	P 306,293,471	P 764,923,829	P 114,374,617	P 7,645,126,716	(P 899,147,059)	P 7,931,571,574
Other segment items:						
Capital expenditures	P 12,509,631	P 1,322,305	P -	P 772,198,812	P -	P 786,030,748
Depreciation and amortization	P 43,016,075	P 30,449,519	P 2,501,204	P 162,392,546	P -	P 238,359,344

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

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Cash on hand and in banks	**P 651,338,863**	P 651,338,863
Short-term placements	**86,206,565**	117,204,965
	P 737,545,428	P 1,034,432,119

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements have an average maturity of 30 days and average annual effective interest ranging from 0.75% to 1.50% in 2016.

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	July 31,2016 (Unaudited)	April 30, 2016 (Audited)
Trade receivables	**P 687,000,144**	P 750,151,310
Payments for future acquisition of investments	**1,125,985,346**	1,230,955,446
Loans receivable	**665,287,730**	665,287,730
Interest receivable	**98,859,462**	88,682,628
Advances for stock subscriptions	**35,000,000**	82,283,456
Advances to officers and employees	**6,399,426**	5,301,754
Other receivables	**281,005,981**	184,040,041
	2,899,538,089	3,3006,702,365
Allowance for impairment	**(28,074,879)**	(32,123,034)
	P 2,871,463,210	P2,974,579,331

Other receivables include deposits with manufacturers and stocking plans such deposits are classified as bulk deposits and amounts paid in respect of individual vehicles on a consignment and or sale or return basis, and where title to the vehicle has not passed to the dealership.

7. INVENTORIES

The composition of this account are shown below.

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Vehicles	**P4,870,393,778**	P5,123,409,109
Parts and components	**273,716,120**	208,941,435
Work in progress	**57,181,261**	43,209,090
Spare parts and accessories	**22,380,285**	32,265,879
Hotel supplies	**6,899,254**	7,143,014
	5,230,570,698	5,414,968,527
Allowance for inventory write down	**(129,838,721)**	(135,820,397)
	P5,100,731,977	P5,279,148,130

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Prepaid expenses	**P 347,970,337**	P 618,696,465
Refundable deposits	**101,261,233**	111,152,403
Input VAT	**44,065,974**	52,938,782
Prepaid taxes	**27,594,507**	28,112,637
Advance rental	**12,000,000**	12,000,000
Creditable withholding tax	**3,423,229**	3,062,497
Other current assets	**24,556,322**	20,244,373
	560,871,602	846,207,157
Allowance for impairment	**(9,375,000)**	(9,375,000)
	P 551,496,602	P 836,832,157

Prepaid expenses include subscriptions, refurbishment costs, maintenance expenses, license and support arrangements, prepaid insurance, benefits and advertising which are expected to be realized in the next reporting period.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account consists of the following financial assets:

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Equity securities	**P 717,889,256**	P 848,086,531
Debt securities	**68,037,396**	96,984,777
Others	**14,482,943**	15,496,352
	800,409,594	960,567,660
Allowance for impairment	**(91,158,267)**	(91,158,267)
	P 709,251,327	P 869,409,393

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of reporting periods July 31, 2016 and April 30, 2016 are shown below.

	Computers and On-line Lottery Equipment	Building	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils	Communication Equipment	Leasehold Improvements	Construction in Progress	Land	TOTAL
July 31, 2016											
(Unaudited)											
Cost	P 1,462,825,506	P 720,291,386	P 53,839,230	P 575,998,131	P 44,288,223	P 12,686,513	P 3,782,237	P 1,209,509,179	-	P 309,176,678	P 4,392,397,083
Accumulated depreciation and amortization	(1,456,884,365)	(87,317,743)	(45,145,542)	(309,695,347)	(36,961,902)	(10,395,965)	(3,592,237)	(610,247,176)	-	-	(2,560,240,277
Net carrying amount	**P 5,941,141**	**P 632,973,643**	**P 8,693,688**	**P 266,302,784**	**P 7,326,321**	**P 2,290,548**	**P 190,000**	**P 599,262,003**	**-**	**P 309,176,678**	**P 1,832,156,807**
Balance at May 1, 2016 net of accumulated depreciation and amortization	P 5,775,739	P 636,586,459	P 9,614,471	P 312,271,104	P 6,322,332	P 2,371,310	P 202,071	P 674,635,336	P 264,584,956	P 89,396,781	P 2,001,760,559
Property and equipment of new business	-	-	-	-	-	-	-	-	-	-	-
Additions	222,571	-	-	1,874,347	1,539,667	267,929	-	-	-	-	3,904,514
Disposals	(1,000)	-	-	-	-	-	-	-	-	-	(1,000
Depreciation and amortization charges for the year	(56,168)	(3,612,816)	(920,783)	(19,602,730)	(535,678)	(348,691)	(12,071)	(27,614,692)	P -	P -	(52,703,630
Translation adjustment	-	-	-	(28,239,933)	-	-	-	(59,685,651)	(24,574,822)	(8,303,230)	(120,803,636
Balance at July 31, 2016 net of accumulated depreciation and amortization	P 5,941,141	P 632,973,643	P 8,693,688	P 266,302,788	P 7,326,321	P 2,290,548	P 190,000	P 587,334,993	P 240,010,134	P 81,093,551	P 1,832,156,807

	Computers and On-line Lottery Equipment	Building	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils	Communication Equipment	Leasehold Improvements	Construction in Progress	Land	TOTAL
April 30, 2016											
(Audited)											
Cost	P 1,462,780,058	P 720,291,386	P 53,839,230	P 632,908,760	P 42,748,557	P 12,418,584	P 3,782,237	P 1,309,362,470	P 264,584,956	P 89,396,781	P 4,592,113,019
Accumulated depreciation and amortization	(1,457,004,319)	(83,704,927)	(44,224,760)	(320,637,660)	(36,426,225)	(10,047,274)	(3,580,166)	(634,726,994)	-	-	(2,590,352,325
Net carrying amount	P 41,946,263	P 651,037,724	P 9,689,243	P 204,926,151	P 3,529,313	P 4,060,466	P 250,357	P 427,574,426	P 264,584,956	P 89,343,937	P 2,001,760,694
Balance at May 1, 2015 net of accumulated depreciation and amortization	P 41,946,263	P 651,037,724	P 9,689,243	P 204,926,151	P 3,529,313	P 4,060,466	P 250,357	P 427,574,426	-	P 89,343,937	P 1,432,357,880
Property and equipment of new business	-	-	-	9,845,257	-	-	-	9,435,306	-	-	19,280,563
Additions	1,061,944	-	5,917,641	169,119,575	5,261,368	313,176	-	339,772,088	264,584,956	-	786,030,748
Disposals	(12,000)	-	-	(180,088)	-	-	-	-	-	-	(192,088
Depreciation and amortization charges for the year	(37,220,468)	(14,451,265)	(5,992,414)	(72,505,128)	(2,468,349)	(2,002,332)	(48,286)	(103,671,102)	P -	P -	(238,359,344
Translation adjustment	-	-	-	1,065,333	-	-	-	1,524,758	-	52,844	2,642,935
Balance at April 30, 2016 net of accumulated depreciation and amortization	P 5,775,739	P 636,586,459	P 9,614,470	P 312,271,100	P 6,322,332	P 2,371,310	P 202,071	P 674,635,476	P 264,584,956	P 89,396,781	P 2,001,760,694

11. INVESTMENTS IN AND ADVANCES TO ASSOCIATES AND NON-CONTROLLING INTEREST

11.1 Breakdown of Carrying Values

The components of the carrying values of investments in associates are shown below. These investments are accounted for under the equity method in the consolidated financial statements of the Group:

July 31, 2016
(Unaudited)

	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	Total
Investment:							
Acquisition Costs							
Initial Investment	P 399,997	P 26,000,000	P 62,700,000	P 399,996	P 22,500,000	P 82,283,456	P 194,283,449
Reclassification	7,600,000	91,400,000	-	-	-	-	99,000,000
Additional Investment	-	-	115,680,000	-	-	-	115,680,000
	7,999,997	117,400,000	178,380,000	399,996	22,500,000	82,283,456	408,963,449
Accumulated equity share in net profit (losses)							
Share in net profit (losses) in prior years	34,608,843	(117,400,000)	223,225,677	(399,996)	-	-	140,034,524
Share in net profit (losses) in during year	239,424	-	37,416,528	-	263,895	(5,742,768)	32,177,079
	34,848,267	(117,400,000)	260,642,205	(399,996)	263,895	(5,742,768)	172,211,603
Total Investments in associates	42,848,264	-	439,022,205	-	22,763,895	76,540,688	581,175,052
Advances	29,683,131	140,160,000	-	2,623,496	-	-	172,466,627
	P 72,531,395	P 140,160,000	P 439,022,205	P 2,623,496	P 22,763,895	P 76,540,688	P 753,641,679

April 30, 2016
(Audited)

	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	Total
Investment:							
Acquisition Costs							
Initial Investment	P 399,997	P 26,000,000	P 62,700,000	P 399,996	P 22,500,000	P -	P 111,999,993
Reclassification	7,600,000	91,400,000	-	-	-	-	99,000,000
Additional Investment	-	-	115,680,000	-	-	-	115,680,000
	7,999,997	117,400,000	178,380,000	399,996	22,500,000	-	326,679,993
Accumulated equity share in net profit (losses)							
Share in net profit (losses) in prior years	32,680,551	(61,400,000)	113,388,214	(399,996)	-	-	84,268,769
Share in net profit (losses) in during year	1,928,292	(56,000,000)	109,837,463	-	-	-	55,765,755
	34,608,843	(117,400,000)	223,225,677	(399,996)	-	-	140,034,524
Total Investments in associates	42,608,840	-	401,605,677	-	22,500,000	-	466,714,517
Advances	29,683,131	138,200,000	-	2,423,496	-	-	170,306,627
	P 72,291,971	P 138,200,000	P 401,605,677	P 2,423,496	P 22,500,000	P -	P 637,021,144

12. INTANGIBLE ASSETS

The compositions of this account are shown below.

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Goodwill	**P 1,097,313,477**	P 1,167,284,328
Dealership rights	**641,508,044**	707,192,546
Customer relationship	**36,578,112**	40,323,373
	P 1,770,399,633	P 1,914,800,247

13. OTHER NON-CURRENT ASSETS

Other non-current assets of the Group pertain to security deposits refundable from various lessors and utility companies amounting to P4,432,318 and P4,532,318 as at July 31, 2016 and April 30, 2016, respectively.

14. TRADE AND OTHER PAYABLES

This account consists of the following:

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Trade payables	**P 902,720,292**	P 1,367,122,558
Advances from customers	**1,231,503,629**	1,439,274,113
Accrued expenses	**231,474,237**	363,787,871
Withholding taxes payable	**65,431,728**	134,088,729
Deferred income	**63,403,197**	41,890,790
Deferred output VAT	**32,359,035**	28,732,782
Management fee payable	**20,223,000**	19,880,000
Due to a related party	**712,668**	3,178,732
Other payables	**184,872,870**	173,934,813
	P2,732,700,656	P 3,571,890,388

15. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Manufacturers' vehicle stocking loans	**P 2,622,731,846**	P 2,872,403,969
Other third party vehicle stocking loans	**984,132,181**	988,786,789
Bank loans and mortgages	**322,785,921**	373,378,800
	P 3,929,649,948	P4,234,569,558

15.1 Vehicle Stocking Loans

Manufacturers' vehicle stocking loans and other loans are all at variable, floating commercial rates of interest. These are secured at any time by fixed and floating charges on stocks of new and demonstrator cars and commercial vehicles held. Other third party vehicle stocking loans are secured by fixed and floating charges on stocks of used cars.

15.2 Bank Loans

In 2016, the Parent Company obtained a secured loan from a local bank for its working capital requirements. Such loan bears a fixed annual interest based on prevailing market rate and is secured by surety from PGMC and real estate mortgage over parcels of land, including the improvements therein, owned by PLPI.

H.R. Owen's loans are secured by fixed and floating charges over the assets (i.e., vehicles) of H.R. Owen and are repayable on demand. H.R. Owen has entered into an agreement with Barclays Bank Plc whereby its credit balance with the bank can, at any time, be used to discharge sums due to the bank by any Group undertaking.

In June 2016, H.R. Owen obtained a secured loan with Maybank to facilitate its working capital requirements.

16. DIVIDENDS

On October 5, 2015, the Parent Company's BOD approved the following resolutions:

(i) increase in authorized capital stock from P2,000,000,000 divided into 2,000,000,000 shares to P6,000,000,000 divided into 6,000,000,000 shares;

(ii) reversal of P4,000,000,000 previously allocated funds for capital expenditures and corporate expansion back to unrestricted retained earnings; and,

(iii) declaration of stock dividends at a rate of 4 common shares for every common share held to be taken from the increase in authorized capital stock.

Consequently, the Company appropriated P3,473,024,684 retained earnings for distribution of stock dividends.

On May 27, 2016, the Parent Company filed the declaration of stock dividends and the increase in authorized capital stock for approval of the SEC. Subsequently, the SEC approved the increase in authorized capital stock on May 31, 2016. Further, on June 6, 2016 the SEC approved the declaration of stock dividends setting the date of record on June 24, 2016 and the date of payment on July 20, 2016. Consequently on July 20, 2016, the Parent Company issued stock dividends of 3,473,024,684 shares at par.

17. EARNINGS PER SHARE

In fiscal year 2016, the Parent Company declared stock dividends at a rate of 4 shares for every one share held (see Note 16). Consequently, the EPS has been adjusted retrospectively to account for the increase in the number of issued and outstanding shares. For purposes of calculating EPS, the weighted average number of outstanding common shares in three months ended July 31, 2016 and for the years ended April 30, 2016 increased from 868,256,171 shares to 4,341,280,855 shares. The calculation of EPS is presented as follows.

		July 30, 2015 (Unaudited)		
	July 30, 2016 (Unaudited)	Previously Presented	As Restated	April 30, 2016 (Audited)
Net profit attributable to Owners of the Parent Company	P 135,979,107	P 297,597,226	P 297,597,226	P 678,320,666
Divided by weighted average number of outstanding shares	4,341,280,855	868,256,171	4,341,280,855	4,341,280,855
Earnings Per Share	P 0.03	P 0.34	P 0.07	P 0.16

The Group has no potentially dilutive instruments; thus, basic and dilutive earnings per share are the same.

16. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

16.1 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, 2016 (Unaudited)		April 30, 2016 **(Audited)**	
		Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	5	**P 737,545,428**	**P 737,545,428**	P 1,034,432,119	P 1,034,432,119
Trade and other receivables - net	6	**2,871,463,210**	**2,871,463,210**	2,964,012,762	2,964,012,762
Advances to associates	11	**172,466,627**	**172,466,627**	170,306,627	170,306,627
Other non-current assets	13	**4,432,318**	**4,432,318**	4,352,318	4,352,318
		P 3,785,907,583	**P 3,785,907,583**	P 4,173,103,826	P 4,173,103,826
AFS financial assets	9	**P 709,251,327**	**P 709,251,327**	P 869,409,393	P 869,409,393
Financial Liabilities					
Financial liabilities at amortized cost:					
Loans payable and borrowings	15	**P 3,929,649,948**	**P3,929,649,948**	P 4,234,569,558	P4,234,569,558
Trade and other payables	14	**2,732,700,656**	**2,732,700,656**	2,000,465,442	2,000,465,442
		P 6,662,350,604	**P 6,662,350,604**	P 6,235,035,000	P 6,235,035,000

16.2 Offsetting of Financial Assets and Financial Liabilities

Currently, financial assets and liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis through approval by both parties' BOD and stockholders or upon instruction by the Parent Company.

17. FAIR VALUE MEASUREMENT AND DISCLOSURES

17.1 Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Parent Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

17.2 Financial Instruments Measured at Fair Value

Quoted equity securities, debt securities and others classified as AFS financial assets are included in Level 1 as their prices are derived from quoted prices in active market that the entity can access at the measurement date, except for certain equity securities with carrying amount of P135,411,534 which are carried at cost as at April 30, 2015 (provided with full allowance in 2016).

The fair value of these shares decreased by P160,158,065 and P70,101,612 in three months ended July 31, 2016 and 2015, respectively. This was presented as Net Unrealized Fair Value Gains on Available-for-sale Financial Assets under Other Comprehensive Income (Loss) of the consolidated statements of comprehensive income.

The Group has no financial liabilities measured at fair value for the three months ended July 31, 2016 and for the years ended April 30, 2016. There were no transfers across the levels of the fair value hierarchy in both years.

17.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statement of financial position on a recurring basis on three months ended July 31, 2016 and for the year ended April 30, 2016:

	July 31, 2016 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 737,545,428	P -	P -	P 737,545,428
Trade and other receivables	-	-	2,871,463,210	2,871,463,210
Advances to associates	-	-	172,466,627	172,466,627
Other non-current assets	-	-	4,432,318	4,432,318
	P 737,545,428	**P -**	**P 3,048,362,155**	**P 3,785,907,583**
Financial liabilities:				
Loans payable and borrowings	P -	P -	P 3,929,649,948	P 3,929,649,948
Trade and other payables	-	-	2,732,700,656	2,732,700,656
	P -	**P -**	**P 6,662,350,604**	**P 6,662,350,604**

	April 30, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,034,432,119	P -	P -	P 1,034,432,119
Trade and other receivables	-	-	2,964,012,762	2,964,012,762
Advances to associates	-	-	170,306,627	170,306,627
Other non-current assets	-	-	4,352,318	4,352,318
	P 1,034,432,119	**P -**	**P 3,138,671,707**	**P 4,173,103,826**
Financial liabilities:				
Loans payable and borrowings	P -	P -	P 4,134,569,558	P 4,234,569,558
Trade and other payables	-	-	2,000,465,442	2,000,465,442
	P -	**P -**	**P 6,135,035,000**	**P 6,235,035,000**

18. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

18.1 Operating Lease Commitments – PGMC and H.R. Owen as Lessees

PGMC and H.R. Owen lease its office and dealership spaces, respectively, under lease agreements from certain lessors. The lease agreements also provide for renewal options upon mutual consent of both parties.

Future minimum rental payable related to this lease as follows:

	July 31, 2016 (Unaudited)	April 30, 2016 (Audited)
Within one year	**P 325,153,211**	P 351,125,448
After one year but not more than five years	**942,167,112**	1,048,045,719
More than five years	**1,168,205,702**	1,325,209,406
	P2,435,526,025	P 2,724,389,572

18.2 Operating Lease Commitments – PGMC as Lessor

PGMC entered into an ELA with PCSO covering the lease of its on-line lottery equipment for a period of three years under certain conditions.

ANNEX "B"

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

1 Aging of Accounts Receivables as of 31 Jul 2016

Type of Accounts Receivables	Neither Past Due nor Impaired	Past Due not Impaired			Past Due Accts & Items in Litigation	Total
		61-90 days	91-120 days	Over 180 days		
	(Peso)		(Peso)	(Peso)	(Peso)	(Peso)
a) Trade Receivables						
1) PCSO	179,143,912	-	-	-	-	179,143,912
2) Guest/City Ledger	4,058,636	1,335,229	581,591	601,993	-	6,577,448
3)Vehicle Debtor	315,038,784	85,910,736	25,832,930	74,496,334		501,278,784
3) Others	-	-	-	-	-	-
Subtotal	498,241,332	87,245,964	26,414,520	75,098,327	-	687,000,144
Less: Allow. For Doubtful Acct.	-	-	-	15,675,519	-	15,675,519
Net Trade receivable	498,241,332	87,245,964	26,414,520	59,422,808	-	671,324,625
b) Non - Trade Receivables						
1)Loans Receivables	3,725,611	7,451,223	7,451,223	745,519,136		764,147,192
2)Advances for stock subscription	38,027,652	6,324,328	134,275,154	982,358,211		1,160,985,346
3)Payment to other related parties	-	-	-	4,582,580	-	4,582,580
4) Advances to employees	3,013,381	724,957	594,675	2,066,412		6,399,426
5) Other Receivables	258,923,401			17,500,000		276,423,401
				-	-	-
Subtotal	303,690,046	14,500,508	142,321,052	1,752,026,339	-	2,212,537,945
Less: Allow. For Doubtful Acct.	-	-	12,399,360	-	-	12,399,360
Net Non - trade receivable	303,690,046	14,500,508	129,921,692	1,752,026,339	-	2,200,138,585
Net Receivables (a + b)	**801,931,378**	**101,746,472**	**156,336,213**	**1,811,449,147**	-	**2,871,463,210**

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	llection/Liquidation Period
Trade Receivables		
1) PCSO	gross receipt from lottery ticket sales	30-60 days
2) Guest/City Ledger	rooms revenue and sale of food and beverages	30-60 days
3)Vehicle Debtor	sale of vehicles, parts and accessories and	30-60 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

For the Fiscal Year		July 2016		July 2015	April 2016
Currency		Philippine Peso		Philippine Peso	Philippine Peso
Balance Sheet	**3 mos ended July 31 2016**	**3 mos ended July 31 2016**	**3 mos ended July 31 2015**	**3 mos ended July 31 2015**	**12 mos ended April 30 2016**
Current Assets	9,433,703,844	9,433,703,844	9,278,033,858	9,278,033,858	10,295,298,364
Total Assets	14,375,716,155	14,375,716,155	14,002,775,649	14,002,775,649	15,596,932,707
Current Liabilities	6,732,711,129	6,732,711,129	6,448,820,996	6,448,820,996	7,845,999,342
Total Liabilities	6,958,344,511	6,958,344,511	6,541,406,694	6,541,406,694	7,931,571,574
Retained Earnngs	4,105,085,081	4,105,085,081	7,031,407,218	7,031,407,218	7,442,130,658
Stockholders Equity	7,417,371,644	7,417,371,644	7,461,368,955	7,461,368,955	7,665,361,133
Stockholders Equity-Parent	7,096,632,612	7,096,632,612	7,114,524,553	7,114,524,553	7,329,471,059
Book Value Per Share	1.71	1.71	7.82	7.82	8.04
Income Statement	**3 mos ended July 31 2016**	**3 mos ended July 31 2016**	**3 mos ended July 31 2015**	**3 mos ended July 31 2015**	**12 mos ended April 30 2016**
Operating Revenue	7,686,430,029	7,686,430,029	6,884,399,609	6,884,399,609	26,501,585,414
Other Revenue	58,220,408	58,220,408	107,170,524	107,170,524	285,553,837
Gross Revenue	7,744,650,437	7,744,650,437	6,991,570,133	6,991,570,133	26,787,139,251
Operating Expense	7,378,011,603	7,378,011,603	6,528,196,185	6,528,196,185	25,547,239,323
Other Expense	127,987,073	127,987,073	26,201,250	26,201,250	308,647,486
Gross Expense	7,505,998,676	7,505,998,676	6,554,397,435	6,554,397,435	25,855,886,809
Net Income/(Loss) Before Tax	238,651,761	238,651,761	437,172,698	437,172,698	931,252,442
Income Tax Expense	85,973,682	85,973,682	112,406,541	112,406,541	224,926,333
Net Income/(Loss) After Tax	152,678,079	152,678,079	324,766,157	324,766,157	706,326,109
Net Income/(Loss) Attributable to Parent Equity Holder	135,979,107	135,979,107	297,597,226	297,597,226	678,320,666
Earnings/(Loss) Per Share (Basic)	0.03	0.03	0.07	0.07	0.16
Earnings/(Loss) Per Share (Diluted)					-

Financial Ratios

Ratio	Formula	Computation	3 mos ended July 31 2016	Computation	3 mos ended July 31 2016	Computation	3 mos ended July 31 2015	Computation	3 mos ended July 31 2015	12 mos ended April 30 2016
Liquidity Analysis Ratios:										
Current Ratio or Working Capital ratio	Current Assets/ Current Liabilities	9,433,703,844 6,732,711,129	1.40	9,433,703,844 6,732,711,129	1.40	9,278,033,858 6,448,820,996	1.44	9,278,033,858 6,448,820,996	1.44	1.31
Quick Ratio	Current Assets-Inventory-Prepayments)/ Current Liabilities	3,781,475,265 6,732,711,129	0.56	3,781,475,265 6,732,711,129	0.56	3,726,073,348 6,448,820,996	0.58	3,726,073,348 6,448,820,996	0.57	0.53
Solvency Ratio	Total Assets/ Total Liabilities	14,375,716,155 6,958,344,511	2.07	14,375,716,155 6,958,344,511	2.07	14,002,775,649 6,541,406,694	2.14	14,002,775,649 6,541,406,694	2.14	1.97
Financial Leverage Ratios										
Debt Ratio	Total Debt/ Total assets	6,958,344,511 14,375,716,155	0.48	6,958,344,511 14,375,716,155	0.48	6,541,406,694 14,002,775,649	0.47	6,541,406,694 14,002,775,649	0.47	0.51
Debt to Equity Ratio	Total Debt/ Total Stckholder's Equity	6,958,344,511 7,417,371,644	0.94	6,958,344,511 7,417,371,644	0.94	6,541,406,694 7,461,368,955	0.88	6,541,406,694 7,461,368,955	0.88	1.03
Interest Coverage	Earnings Before Interest and Taxes (EBIT)/ Interest Charges	238,651,761 32,482,965 32,482,965	8.35	238,651,761 32,482,965 32,482,965	8.35	437,172,698 26,201,250 26,201,250	17.69	437,172,698 26,201,250 26,201,250	17.69	4.22
Assets to Equity Ratio	Total assets/ Total Stockholders Equity	14,375,716,155 7,417,371,644	1.94	14,375,716,155 7,417,371,644	1.94	14,002,775,649 7,461,368,955	1.88	14,002,775,649 7,461,368,955	1.88	2.03
Profitability Ratios										
Gross Profit Margin	Sales-Cost of Goods Sold or Cost of Service/ Sales	7,686,430,029 (6,356,913,302) 7,686,430,029	0.17	7,686,430,029 (6,356,913,302) 7,686,430,029	0.17	6,884,399,609 (5,571,251,910) 6,884,399,609	0.19	6,884,399,609 (5,571,251,910) 6,884,399,609	0.19	0.19
Net Profit Margin	Net Profit/ Sales	152,678,079 7,686,430,029	0.02	152,678,079 7,686,430,029	0.02	324,766,157 6,884,399,609	0.05	324,766,157 6,884,399,609	0.05	0.03
Return of Assets	Net Income/ Total Assets	152,678,079 14,375,716,155	0.04	152,678,079 14,375,716,155	0.04	324,766,157 14,002,775,649	0.02	324,766,157 14,002,775,649	0.02	0.05
Return of Equity	Net Income/ Total Stockholders Equity	152,678,079 7,417,371,644	0.08	152,678,079 7,417,371,644	0.08	324,766,157 7,461,368,955	0.04	324,766,157 7,461,368,955	0.04	0.09
Price/Earnings Ratio	Price Per Share/ Earnings Per Common Share	5.80 0.031	185.17	5.80 0.031	185.17	27.00 0.069	393.87	27.00 0.069	393.87	182.40

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
9th Floor, Rufino Pacific Tower
6784 Ayala Avene, Makati City

Financial Indicators
July 31, 2016

Financial Indicators	Computation July 2016	Computation July 2015	Ratios July 2016	Ratios July 2015	Computation April 2016	Ratios April 2016
Quick ratio						
Cash and cash equivalents +	737,545,428	947,954,181				
Trade and other receivables - net +	2,871,463,210	2,555,192,540				
Advances to associates	172,466,627	222,926,627	0.56	0.57	4,179,318,077	0.53
Total Current Liabilities	6,732,711,129	6,541,406,694			7,845,999,342	
Current/liquidity ratio						
Total Current Assets	9,433,703,844	9,278,033,858	1.36	1.42	10,295,298,364	1.31
Total Current Liabilities	6,958,344,511	6,541,406,694			7,845,999,342	
Debt-to-equity ratio						
Total Liabilities	6,958,344,511	6,541,406,694	0.94	0.88	7,931,571,574	1.03
Total Equity	7,417,371,644	7,461,368,955			7,665,361,133	
Debt-to-assets ratio						
Total Liabilities	6,958,344,511	6,541,406,694	0.48	0.47	7,931,571,574	0.51
Total Assets	14,375,716,155	14,002,775,649			15,596,932,707	
Equity-to-assets ratio						
Total Equity	7,417,371,644	7,461,368,955	0.52	0.53	7,665,361,133	0.49
Total Assets	14,375,716,155	14,002,775,649			15,596,932,707	
Annualized PPE Turnover						
Net Revenue	7,686,430,029	6,884,399,609	16.78	19.79	26,501,585,414	13.24
PPE	1,832,156,807	1,391,490,161			2,001,760,694	
Annualized Return on assets						
Net Profit	152,678,079	324,766,157	4.25%	9.28%	706,326,108	4.53%
Total Assets	14,375,716,155	14,002,775,649			15,596,932,707	
Annualized Return on equity						
Net Profit	152,678,079	324,766,157	8.23%	17.41%	706,326,109	9.21%
Total Equity	7,417,371,644	7,461,368,955			7,665,361,133	
Annualized	4	4			1	
Earnings per share						
Net Profit Attributable to Owners of the Parent Company	135,979,107	892,549,186	0.03	0.21	678,320,666	0.16
Weighted Average Number of Outstanding Common Shares	4,341,280,855	4,341,280,855			4,341,280,855	