112152017001907

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	PW00000476
Company Name	BERJAYA PHILIPPINES INC.
Industry Classification	
Company Type	Stock Corporation

Document Information

Document ID	112152017001907
Document Type	17-Q (FORM 11-Q:QUARTERLY REPORT/FS)
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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 October 2017

(Form Type)

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(Amendment Designation, if applicable)

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S.E.C Registration Number

Central Receiving Unit

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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 October 2017**

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 V.A. Rufino Street (formerly Herera 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**N.A.**

   Former Name:
   Former Address:
   Former Fiscal Year

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 October 2017, attached hereto as Annex "A", and Aging Schedule of Accounts Receivables as of 31 October 2017 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. (PLPI) 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 forty eight point thirty eight percent (48.38%).

In August 2012, the Corporation invested in Bermaz Auto Philippines Inc. ("BAPI"), formerly Berjaya Auto Philippines Inc., 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. In 2017, the Corporation's equity interest in BAPI was diluted from thirty five percent (35%) to twenty five point forty eight percent (25.48%) when the Corporation agreed to take in more investors.

In September 2012, the Corporation invested in Cosway Philippines Inc. (CPI), primarily to engage in the wholesale of various products. As of 31October 2017, 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. ("H.R. Owen") after a series of cash offers from H.R. Owen's existing stockholders. H.R. Owen, 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. H.R. Owen is an investment holding company that provides group services to its four trading subsidiaries that operate H.R. Owen's motor vehicle dealerships. In 2015, H.R. Owen acquired 100% ownership over Bodytechnics in order to enhance its aftersales operations. In 2017, the Corporation acquired shares from Bentley Motor Limited to increase its stake in the profitable business of H.R. Owen. The Corporation's equity in H.R. Owen is equivalent to ninety eight point thirty eight percent 98.38%. In July 2017, H.R. Owen incorporated a wholly owned subsidiary "eDoc Holdings, a private limited company and also owned twenty point fifteen percent 20.15% of Videodoc Limited.

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. On 01 May 2016, SBMPI entered into a Distributorship Agreement with Ssangyong Motor Company of Korea for the distribution of vehicles bearing the Ssangyong brand within the territory of the Philippines. 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.

In April 2017, the Corporation incorporated a wholly owned subsidiary under the name of Berjaya Enviro Philippines Inc. ("BEPI"), a corporation engaged in the service business of protecting, cleaning, and preserving the environment. On 6 December 2017, BEPI amended its name to Floridablanca Enviro Corporation.

Comparable Discussion on Material Changes in Results of Operations for the Six Months' Period Ended 31 October 2017 vs. 31 October 2016

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱15.31 billion for the six months ended 31 October 2017, an increase of ₱438.48million (2.9%) over total revenues of ₱14.88 billion during the same period in 2016. 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 six months ended 31 October 2017 increased by ₱442.40 million (3.1%) to ₱14.76billion from ₱14.32billion for the same period in 2016. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱65.05million (0.5%), (2) salaries and employee benefits increased by ₱67.68 million (7.6%), (3) marketing and selling increased by ₱169.86 million (100.2%), (4) rental increased by ₱13.48 million (8.5%), (5) professional fees increased by ₱44.10 million (42.5%), (6) depreciation expense increased by ₱20.33 million (19.2%), (7) stationary and office supplies increased by ₱57.43 million (141.2%), (8) telecommunications increased by ₱21.68 million (53.6%), (9) communication, light and water increased by ₱6.87 million (14.6%), (10) miscellaneous expenses increased by ₱8.76 million (24.4%), (11) transportation and travel expenses increased by ₱11.25 million (50.5%), (12) cleaning and maintenance increased by ₱21.27 million (1373.7%), and (13) representation and entertainment increased by ₱7.64 million (67.7%). These increases were offset by the following decreases of expenses: (1) taxes and licenses decreased by ₱11.19 million (12.0%), (2) maintenance of computer equipment decreased by ₱1.97 million (3.5%), (3) charitable contribution decreased by ₱14.29 million (31.8%), and (4) repairs and maintenance decreased by ₱21.73 million (56.5%).

Other Charges – net of other income amounted to ₱75.50 million for the six months ended 31 October 2017, an increase of ₱291.63 million (134.9%) from the Other Income (net charges) of ₱216.13 million in the same period in 2016, mainly due to foreign exchange gain.

The Group's net income increased by ₱238.07 million (119.8%) to ₱436.80 million for the six months ended 31 October 2017 from ₱198.74 million in the same period in 2016 under review.

Comparable Discussion on Material Changes in Financial Condition as of 31 October 2017 vs. 30 April 2017

Total assets of the Group decreased by ₱585.29 million (4.0%) to ₱15.34 billion as of 31 October 2017, from ₱14.76 billion as of 30 April 2017.

Trade and other receivables (net) decreased by ₱425.36 million (18.3%) to ₱1.89 billion in 31 October 2017 compared to ₱2.32 billion in 30 April 2017, mainly due to redemption of deposit.

Inventories (net) increased by ₱498.45 million (12.1%) to ₱4.62billion in 31 October 2017 compared to ₱4.13 billion in 30 April 2017, mainly due to additions of vehicle stocks of H.R. Owen.

Advances to associates increased by ₱226.67 million (22.9%) to ₱1.22 billion in 31 October 2017 compared to ₱990.02 million in 30 April 2017 due to additional advances granted to associates.

Prepayments and other current assets (net) decreased by ₱396.73 million (49.1%) to ₱410.70 million in 31 October 2017 compared to ₱807.43 million in 30 April 2017, mainly due to decrease in prepaid expenses.

Available-for-sale financial assets increased by ₱410.18 million (45.5%) to ₱1.31 billion in 31 October 2017 compared to ₱901.81 billion in 30 April 2017, mainly due to acquisition of equity securities.

Property and equipment (net) increased by ₱6.65 million (0.4%) to ₱1.89 billion in 31 October 2017 compared to ₱1.89 billion in 30 April 2017 due to acquisition for the period.

Investment property increased by ₱9.23 million (6.5%) to ₱150.84 million in 31 October 2017 compared to ₱141.61 million in 30 April 2017 due to translation adjustment from Great Britain pounds to Philippine peso.

Investments in associates increased by ₱158.48 million (24.7%) to ₱801.21 million in 31 October 2017 compared to ₱642.73million in 30 April 2017, mainly due to new associated company of H.R. Owen and equity earnings of associates.

Intangible assets increased by ₱92.35 million (5.1%) to ₱1.90 billion in 31 October 2017 compared to ₱1.81 billion in 30 April 2017, primarily due to translation adjustment of H.R. Owen intangible assets.

Meanwhile, Other non-current assets decreased by ₱0.17 million (3.7%) to ₱4.53 million in 31 October 2017 compared to ₱4.71 million in 30 April 2017 due to refund of security deposits.

Total liabilities of the Group increased by ₱9.27 million (0.1%) to ₱7.56 billion as of 31 October 2017, from ₱7.55 billion as of 30 April 2017 mainly due to increase in Trade and other Payables.

Trade and other payable increased by ₱286.39 million (9.1%) to ₱3.45 billion in 31 October 2017 compared to ₱3.17 billion in 30 April 2017, mainly due to increase in trade payables and advances from customers.

Current Loans payable and borrowings decreased by ₱68.68 million (1.8%) to ₱3.79 billion in 31 October 2017 compared to ₱3.86 billion in 30 April 2017, mainly due to decrease in vehicle stocking loans and bank loans.

Income Tax Payable decreased by ₱30.0 million (37.5%) to ₱50.03 million in 31 October 2017 compared to ₱80.04 million in 30 April 2017.

Non-current Loans payable and borrowings decreased by ₱179.86 million (49.0%) to ₱187.54 million in 31 October 2017 compared to ₱367.39 million in 30 April 2017 due to payment of bank loans.

Deferred tax liabilities increased by ₱3.27 million (7.8%) to ₱45.09 million in 31 October 2017 compared to ₱41.82 million in 30 April 2017.

Post-employment benefit obligation decreased by ₱1.85 million (5.0%) to ₱35.26 in 31 October 2017 compared ₱37.12 in 30 April 2017.

Total stockholders' equity of the Group increased by ₱576.02 billion (8.0%) to ₱7.78 billion as of 31 October 2017, from ₱7.20 billion as of 30 April 2017 under review. The book value per share increased to ₱1.76 in 31 October 2017 from ₱1.63 in 30 April 2017.

Comparable Discussion on Material Changes in Cash Flows for the Six Months Period Ended 31 October 2017 vs. 31 October 2016

The consolidated cash and cash equivalents for 31 October 2017 increased by ₱99.48 million (10.28%) to ₱1.07billion as of 31 October 2017 from Php966.97 billion for the same period last year. The increase is mainly attributable to higher revenue reported this period.

Key Performance Indicators

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

	31Oct 2017	30 April 2017
Liquidity Ratio - Current ratio	1.34 : 1.00	1.31 : 1.00
Leverage Ratio - Debt to Equity	0.88 : 1.00	1.05 : 1.00
Activity Ratio - Annualized PPE	16.19 times	15.12 times

	31 Oct 2017	31 Oct 2016
Profitability Ratios		
Return on Equity	11.23%	5.43%
Return on Assets	5.69%	2.92%

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	<u>Net Income</u> Total Assets

<u>Comparable Discussion on Material Changes in Results of Operations for the Six Months' Period Ended 31 October 2016 vs. 31 October 2015</u>

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about₱14.88 billion for the six months ended 31 October 2016, an increase of ₱1.51billion (11.3%) over total revenues of ₱13.37 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 six months ended 31 October 2016 increased by ₱1.51 billion (11.8%) to ₱14.32 billion from ₱12.81billion for the same period in 2015. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱1.49 billion (13.7%), (2) salaries and employee benefits increased by ₱43.39 million (5.1%), (3) rental increased by ₱8.73 million (5.8%), (4) taxes and licenses increased by ₱6.49 million (7.5%), (5) maintenance of computer equipment increased by ₱21.45 million (60.8%), (6) charitable contribution increased by ₱45.0 million (100.0%), (7) insurance expense increased by ₱3.03 million (10.7%), (8) transportation and travel expenses increased by ₱4.33 million (24.1%), (8) sponsorship expenses increased by ₱8.93 million (765.9%), and (9) commissions increased by ₱1.23 million (63.7%). These increases were offset by the following decreases of expenses: (1) marketing and selling decreased by ₱29.6 million (14.8%), (2) depreciation expense decreased by ₱31.16million (22.8%), (3) professional fees decreased by ₱21.49 million (17.2%), (4) management fees decreased by ₱13.69 million (24.0%), (5) stationery and office supplies decreased by ₱5.01 million (11.0%),%), (6) telecommunications decreased by ₱14.79 million (26.8%), (6) miscellaneous expenses decreased by ₱8.59 million (24.9%), and (7) representation and entertainment decreased by ₱5.6 million (33.1%).

Other Charges – net of other income amounted to ₱216.13 million for the six months ended 31 October 2016, a decrease of ₱330.0 million (289.8%) from the Other Income (net charges) of ₱113.87 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 and deemed disposal of equity interest in BAPI from 35% to 25.48% has resulted to loss of ₱99.08 million.

The Group's net income decreased by ₱301.17 million (60.2%) to ₱198.74 million for the six months ended 31 October 2016 from ₱499.91 million in the same period in 2015 under review.

<u>Comparable Discussion on Material Changes in Financial Condition as of 31 October 2016 vs. 30 April 2016</u>

Total assets of the Group decreased by ₱1.98 billion (12.7%) to ₱13.61 billion as of 31 October 2016, from ₱15.60 billion as of 30 April 2016.

Trade and other receivables (net) decreased by ₱260.85 million (8.8%) to ₱2.71 billion in 31 October 2016 compared to ₱2.97 billion in 30 April 2016, mainly due to collection from customers.

Inventories (net) decreased by ₱755.0 million (14.3%) to ₱4.52billion in 31 October 2016 compared to ₱5.28 billion in 30 April 2016, mainly due to increase in provision for slow moving for used car stock and other stocks including accessories, paint oil and etc. of HROwen.

Prepayments and other current assets (net) decreased by ₱474.84 million (56.7%) to ₱361.99 million in 31 October 2016 compared to ₱836.83 million in 30 April 2016, mainly due to decrease prepaid expenses.

Available-for-sale financial assets decreased by P163.68 million (18.8%) to P705.72million in 31 October 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 ₱90.25 million (4.5%) to ₱1.91 billion in 31 October 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 ₱36.14 million (7.7%) to ₱502.86million in 31 October 2016 compared to ₱466.71million in 30 April 2016, mainly due to acquisition of investment in associate and share on income from associates.

Intangible assets decreased by ₱212.26 million (11.1%) to ₱1.70 billion in 31 October 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 ₱1.64 billion (20.6%) to ₱6.29 billion as of 31 October 2016, from ₱7.93 billion as of 30 April 2016 mainly due to 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 ₱3.95 million (9.7%) to ₱36.85 in 31 October 2016 compared ₱40.80 million in 30 April 2016.

Total stockholders' equity of the Group decreased by ₱347.71 billion (4.5%) to ₱7.32 billion as of 31 October 2016, from ₱7.67 billion as of 30 April 2016 under review. The book value per share increased to ₱1.69 in 31 October 2016 from ₱8.04 in 30 April 2016.

Comparable Discussion on Material Changes in Cash Flows for the Six Months Period Ended 31 October 2016 vs. 31 October 2015

The consolidated cash and cash equivalents for 31 October 2016 decreased by ₱241.41 million (20.0%) to ₱966.97 million as of 31 October 2016 from Php1.21 billion 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 Oct 2016	30 April 2016
Liquidity Ratio - Current ratio	1.39 : 1.00	1.39 : 1.00
Leverage Ratio - Debt to Equity	0.86 : 1.00	0.95 : 1.00
Activity Ratio - Annualized PPE	15.57 times	17.50 times

	31 Oct 2016	31 Oct 2015
Profitability Ratios		
Return on Equity	5.43%	13.35%
Return on Assets	2.92%	6.85%

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 14 December 2017.

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
OCTOBER 31, 2017 and APRIL 30, 2017
(Amounts in Philippine Pesos)

	Note		October 31, 2017 Unaudited		April 30, 2017 Audited
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	P	1,066,381,378	P	1,060,850,712
Trade and other receivables-net	6		1,894,627,073		2,319,991,807
Inventories - net	7		4,625,974,422		4,127,528,185
Advances to associates	12		1,216,694,901		990,024,320
Prepayments and other current assets - net	8		410,702,125		807,429,600
Total Current Assets			9,214,379,899		9,305,824,624
NON-CURRENT ASSETS					
Available for sale financial assets	9		1,311,992,485		901,808,762
Property and equipment - net	10		1,891,771,419		1,885,117,390
Investment Property	11		150,843,751		141,608,573
Investment in associates	12		801,210,384		642,726,373
Intangible Assets	13		1,899,307,380		1,806,955,751
Deferred tax assets - net			66,716,137		66,716,137
Other non-current assets	14		4,531,143		4,706,098
Total Non-Current Assets			6,126,372,699		5,449,639,084
TOTAL ASSETS		P	15,340,752,598	P	14,755,463,708
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	15	P	3,449,244,446	P	3,162,847,113
Loans Payable and borrowings	16		3,792,471,548		3,861,157,068
Income tax payable			50,034,684		80,037,505
Total Current Liabilities			7,291,750,678		7,104,041,686
NON-CURRENT LIABILITIES					
Loans Payable and borrowings	16		187,536,563		367,393,973
Deferred Tax Liabilities - net			45,092,446		41,820,538
Post-employment benefit obligation			35,265,878		37,119,233
Total Non-Current Liabilities			267,894,887		446,333,744
Total Liabilities			7,559,645,565		7,550,375,430
EQUITY					
Attributable to Owners of the Parent Company			7,754,005,218		7,185,929,442
Attributable to non-controlling interest			27,101,815		19,156,836
Total Equity			7,781,107,033		7,205,086,278
TOTAL LIABILITIES AND EQUITY		P	15,340,752,598	P	14,755,461,708

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
For the six months ended OCTOBER 31, 2017 and OCTOBER 31, 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended October 31, 2017	6 Months Ended October 31, 2017	3 Months Ended October 31, 2016	6 Months Ended October 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P 187,463,137	P 605,960,276	P 103,290,795	P 341,942,556
Adjustments for:				
Depreciation and amortization	64,281,302	126,020,978	50,969,114	103,672,744
Dividend Income	(8,778,960)	(10,835,158)	(7,394,267)	(9,616,434)
Interest Expense	38,940,698	70,902,908	34,420,097	66,903,062
Interest Income	(18,013,941)	(47,050,878)	(25,777,663)	(51,820,992)
Equity Share in net losses (income) of associates	(14,712,581)	(32,784,925)	14,231,950	(17,945,129)
Loss (gain) on sale of property and equipment	(150,786)	(349,679)	-	(97,973)
Loss (gain) on sale of available-for-sale assets	-	-	-	-
Loss (gain) on deemed disposal	-	-	(99,084,160)	(99,084,160)
Unrealized foreign exchange losses (gain)	(5,771,971)	(42,148,878)	-	112,316,414
Operating income before working capital changes	243,256,898	669,714,644	70,655,866	446,270,088
Decrease / (Increase) in:				
Trade and other receivables	141,551,124	425,364,734	157,732,926	260,849,047
Inventories	(150,197,065)	(498,446,237)	576,580,458	754,996,611
Prepaid expenses and other current assets	227,849,951	396,727,475	189,501,693	474,837,248
Increase / (Decrease) in:			-	
Trade and other payables	884,405,168	581,858,961	(102,597,081)	(1,134,753,633)
Loans Payables and Borrrowings	(154,782,954)	(248,542,930)	(387,775,335)	(543,902,625)
Retirement Obligation	(2,639,156)	(1,853,355)	909,025	(3,950,277)
Cash paid for income taxes	(106,471,199)	(152,642,383)	(57,213,186)	(93,201,687)
Net cash used in operating activities	1,082,972,767	1,172,180,909	447,794,366	161,144,772
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property and equipment	(43,274,845)	(55,657,855)	(186,504,606)	(190,409,120)
Acquisition of Available-for-sale financial assets	(287,249,082)	(473,552,685)	(25,740,000)	(25,740,000)
Acquisition of Investments in associates	-	-	-	(117,283,456)
Proceeds from disposal of property and equipment	170,000	395,000	-	110,849
Interest Received	18,013,941	47,050,878	25,777,663	51,820,992
Cash dividends received	8,778,960	10,835,158	7,394,267	9,616,434
Advances to (collection from) associate - net	-	(186,000,000)	(2,000,000)	(2,000,000)
Net cash provided by investing activities	(303,561,026)	(656,929,504)	(181,072,676)	(273,884,301)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	-		-	173,591,040
Repayment of bank loan and borrowings	(100,808,920)	(460,607,140)	-	(50,000,000)
Interest paid	(38,940,698)	(70,902,908)	(34,420,097)	(66,903,062)
Net cash provided by financing activities	(139,749,618)	(531,510,048)	(34,420,097)	56,687,978
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS	-	(1,898,605)	(2,873,890)	(11,407,437)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	639,662,123	(18,157,248)	229,427,703	(67,458,988)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	403,031,341	1,060,850,712	737,545,428	1,034,432,119
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	P 1,042,693,464	P 1,042,693,464	P 966,973,131	P 966,973,131

(23,687,914)

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six months ended OCTOBER 31, 2017 and OCTOBER 31, 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended October 31, 2017	6 Months Ended October 31, 2017	3 Months Ended October 31, 2016	6 Months Ended October 31, 2016
REVENUES				
Sales of vehicles	P 6,535,941,642	P 14,416,123,563	P 6,786,946,092	P 14,017,758,535
Rental	428,823,658	836,748,805	369,801,907	790,222,742
Hotel Operations	31,731,941	62,943,122	34,158,576	69,355,327
	6,996,497,241	15,315,815,490	7,190,906,575	14,877,336,604
COSTS AND OTHER OPERATING EXPENSES				
Cost of vehicles sold	5,633,383,500	12,410,426,326	5,991,407,872	12,345,372,090
Salaries and employee benefits	469,214,774	957,697,155	430,043,374	890,014,669
Marketing & Selling	181,739,694	339,472,474	80,260,809	169,608,178
Rental	87,782,761	171,983,502	75,820,685	158,500,244
Professional fees	83,597,386	147,776,033	68,456,999	103,672,744
Depreciation and amortization	64,281,302	126,020,978	52,989,842	105,693,472
Stationery and Office Supplies	50,281,578	98,100,165	19,502,251	40,666,827
Taxes and licences	41,702,720	82,384,554	31,598,499	93,580,245
Telecommunications	31,816,476	62,130,248	21,573,041	40,449,302
Maintenance of computer equipment	26,365,259	54,745,330	29,699,007	56,719,183
Communication, light and water	25,792,837	53,784,522	23,437,879	46,914,858
Management fees	21,441,183	41,837,440	17,878,469	43,446,000
Miscellaneous Expenses	18,708,408	44,693,543	19,817,815	35,930,891
Transportation and travel	16,798,461	33,529,190	(2,184,014)	22,282,362
Charitable Contribution	16,643,186	30,709,781	18,000,000	45,000,000
Cleaning and Maintenance	11,535,169	22,819,658	790,848	1,548,509
Insurance	11,150,671	31,732,855	15,339,352	31,406,513
Representation and entertainment	10,013,271	18,916,365	6,278,891	11,279,592
Bank Charges	9,290,236	18,053,338	6,627,571	16,277,958
Repairs and maintenance	8,303,178	16,723,586	22,767,672	38,457,522
Security Services	4,028,320	8,044,940	3,676,525	7,791,513
Cost of food and beverages	3,011,314	6,262,199	2,682,797	5,631,881
Outside Service	2,489,644	4,921,126	3,076,544	5,868,998
Commissions	1,283,014	2,594,580	1,713,435	3,154,215
	6,830,654,342	14,785,359,888	6,941,256,163	14,319,267,766
		(1)		
OPERATING PROFIT	165,842,899	530,455,602	249,650,412	558,068,838
OTHER INCOME (CHARGES)				
Equity share in net income (losses)	14,712,581	32,784,925	(14,231,950)	17,945,129
Loss on deemed disposal	-	-	(99,084,160)	(99,084,160)
Finance Income	28,849,099	57,886,036	25,777,663	51,820,992
Finance Costs	(38,940,698)	(70,902,908)	(34,420,097)	(66,903,062)
Others	16,999,256	55,736,621	(24,401,073)	(119,905,181)
	21,620,238	75,504,674	(146,359,617)	(216,126,282)
PROFIT BEFORE INCOME TAX	187,463,137	605,960,276	103,290,795	341,942,556
TAX EXPENSE	55,661,449	169,155,892	57,230,522	143,204,204
NET PROFIT	131,801,688	436,804,384	46,060,273	198,738,352
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	9,301,157	(27,631,461)	(29,266,731)	(189,424,796)
Translation adjustment	62,873,465	166,847,833	(116,517,722)	(357,027,225)
	72,174,622	139,216,372	(145,784,453)	(546,452,021)
TOTAL COMPREHENSIVE INCOME	203,976,310	576,020,756	(99,724,180)	(347,713,669)
Net profit attributable to:				
Owners of the Parent Company	129,177,948	430,216,836	29,527,151	165,506,258
Non-controlling Interest	2,623,740	6,587,548	16,533,122	33,232,094
	131,801,688	436,804,384	46,060,273	198,738,352
Total comprehensive income attributable to:				
Owners of the Parent Company	200,847,072	568,075,777	(100,313,173)	(333,151,620)
Non-controlling Interest	3,129,238	7,944,979	588,993	(14,562,049)
	203,976,310	576,020,756	(99,724,180)	(347,713,669)
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 0.06	P 0.40	P 0.04	P 0.18

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended OCTOBER 31, 2017 and OCTOBER 31, 2016
(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, 2017	P 4,427,009,132	P (988,150,025)	P (67,236,203)	P (663,742,273)	P (165,125,003)	P 1,773,262,552	P 2,869,911,262	P 7,185,929,442	P 19,156,836	P 7,205,086,278
Capital issuance through stock dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-	430,216,836	430,216,836	6,587,548	436,804,384
Net unrealized fair value gains on available-for-sale securities	-	-	(27,631,461)	-	-	-	-	(27,631,461)	-	(27,631,461)
Translation adjustment	-	-	-	-	165,490,402	-	-	165,490,402	1,357,431	166,847,833
Total equity at October 31, 2017	P 4,427,009,132	P (988,150,025)	P (94,867,664)	P (663,742,273)	P 365,399	P 1,773,262,552	P 3,300,128,098	P 7,754,005,219	P 27,101,815	P 7,781,107,034

	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	-	-	-	-	-	-	165,506,258	165,506,258	33,232,094	198,738,352
Reversal of prior year appropriation						-	-			-
Net unrealized fair value gains on available-for-sale securities	-	-	(189,424,796)	-	-	-	-	(189,424,796)	-	(189,424,796)
Translation adjustment	-	-	-	-	(309,233,082)	-	-	(309,233,082)	(47,794,143)	(357,027,225)
Total equity at October 31, 2016	P 4,427,009,132	P (988,150,025)	P (215,931,031)	P (14,577,611)	P (346,643,258)	P 1,773,262,552	P 2,361,349,680	P 6,996,319,439	P 321,328,025	P 7,317,647,464

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF OCTOBER 31, 2017 and APRIL 30, 2017
(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 October 31, 2017. 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 for the six months ended October 31, 2017 and for the year ended April 30, 2017.

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

In fiscal year 2017, the Group adopted for the first time the following amendments and annual improvements to PFRS that are relevant to the Group and effective for financial statements with annual periods beginning on or after January 1, 2017 which did not have a significant impact on the Group's ICFS:

PAS 7 (Amendments)	:	Statement of Cash Flows – Disclosure Initiative
PAS 12 (Amendments)	:	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses
Annual Improvements	:	Annual Improvement to PFRS (2014 – 2016 cycle)

(b) Effective Subsequent to fiscal year 2017 but are not Adopted Early

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

PAS 40	:	Transfers of Investment Property
PFRS 2 (Amendments)	:	Share-based Payment – Classification and Measurement of Share-based Payment Transactions
PFRS 9 (2014)	:	Financial Instruments
PFRS 10 and PAS 28 (Amendments)	:	Consolidated Financial Statements, and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

PFRS 15	:	Revenue from Contracts with Customers
PFRS 16	:	Leases
Philippine International Financial Reporting Interpretations Committee 22	:	Foreign Currency Transactions and Advance Consideration
Annual Improvements	:	Annual Improvement to PFRS (2014 – 2016 cycle)

Management is currently assessing the impact of these standards and interpretation on the Group's consolidated financial statements and it will conduct a comprehensive study of the potential impact of these standards prior to their mandatory adoption date to assess the impact of all changes.

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 October 31, 2017 and April 30, 2017, 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 October 31, 2017 and April 30, 2017.

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:

		October 31, 2017		April 30, 2017
Php - USD	**P**	**4,834,206**	P	3,931,781
Php - MYR		**4,584,791**		11,310,121
Php - GBP		**448,131,295**		1,106,440,157
Php - EUR		**311,653**		280,605

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.

	October 31, 2017			April 30, 2017		
	Reasonably possible change in rate		**Effect in profit before tax**	Reasonably possible change in rate		Effect in profit before tax
PhP - USD	**7.34%**	**P**	**354,831**	7.69%	P	302,493
PhP - MYR	**7.54%**		**345,693**	11.95%		1,351,041
PhP - GBP	**19.78%**		**88,640,370**	30.14%		333,508,192
PhP - EUR	**17.37%**		**54,134**	17.04%		47,803
		P	**89,395,028**		P	335,209,529

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 +/-8.05% and a +/-40.40% volatility in the market value of the investment for the six months ended October 31, 2017 and for the year ended April 2017, respectively. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in 2017.

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	**October 31, 2017**	April 30, 2017
Cash and cash equivalents	5	**P 1,066,381,378**	P 1,060,850,712
Trade and other receivables – net	6	**1,894,627,073**	3,076,920,330
Advances to associates	12	**1,216,694,901**	199,346,627
Other non-current assets	13	**4,531,143**	4,706,098
		P 4,182,234,495	P 4,341,823,767

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 October 31, 2017 and April 30, 2017 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 October 31, 2017 and April 30, 2017, 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 six months ended October 31, 2017, October 31, 2016 and for the year ended April 30, 2017, and certain assets and liabilities information regarding industry segments as at October 31, 2017, October 31, 2016 and April 30, 2017.

	October 31, 2017					
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 837,510,216	P 64,706,399	P 427,905,917	P14,427,483,527	P -	P15,757,606,059
Inter-segment	-	-	(300,653,589)	677,770	-	(299,975,819)
Total revenues	P 837,510,216	P 64,706,399	P 127,252,328	P 14,428,161,297	P -	P15,457,630,240
Expenses:						
External	P 460,047,308	P 67,355,650	P 33,466,288	P14,290,776,539	P -	P14,851,645,785
Inter-segment	-	-	24,181	-	-	24,181
Total expenses	P 460,047,308	P 67,355,650	P 33,490,470	P14,290,776,539	P -	P14,851,669,966
Profit before tax	P 377,462,908	(P 2,649,251)	P 93,761,859	P 137,384,760	P -	P 605,960,276
Net Profit	P 260,216,508	(P 2,852,331)	P 375,983,316	P 104,134,659	(P 300,677,770)	P 436,804,384
Segment assets	P 772,617,780	P 676,537,084	P 7,739,170,439	P 8,577,666,640	(P 2,425,239,345)	P15,340,752,598
Segment liabilities	P 179,825,243	P 674,554,084	P 430,039,600	P 6,930,537,351	(P 655,310,714)	P 7,559,645,565
Other segment items:						
Capital expenditures	P 10,855,430	P 10,895,418	P -	P 33,907,007	P -	P 55,657,855
Depreciation and amortization	P 5,755,114	P 12,457,536	P 1,250,602	P 106,557,726	P -	P 126,020,978

	October 31, 2016					
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 801,804,530	P 72,373,238	P 424,554,022	P14,027,874,604	P -	P15,326,606,394
Inter-segment	-	-	(350,207,876)	-	-	(350,207,876)
Total revenues	P 801,804,530	P 72,373,238	P 74,346,146	P14,027,874,604	P -	P14,976,398,518
Expenses:						
External	P 384,317,607	P 73,113,616	P 288,031,573	P13,889,225,987	P -	P14,634,688,783
Inter-segment	-	-	-	(232,821)	-	(232,821)
Total expenses	P 384,317,607	P 73,113,616	P 288,031,573	P13,888,993,166	P -	P14,634,455,962
Profit before tax	P 417,486,923	(P 740,378)	(P 213,685,427)	P 138,881,438	(P -)	P 341,942,556
Net Profit	P 295,320,688	(P 794,981)	(P 135,374,350)	P 118,813,350	(P 349,975,055)	P 198,738,352
Segment assets	P 687,838,648	P 758,403,321	P 6,903,957,288	P 7,552,218,898	(P 2,289,481,165)	P13,612,936,990
Segment liabilities	P 483,844,277	P 754,372,129	P 16,182,108	P 6,217,723,037	(P 1,176,832,025)	P 6,295,289,526
Other segment items:						
Capital expenditures	P 22,298,894	P 2,020,995	P -	P 166,089,233	P -	P 190,409,120
Depreciation and amortization	P 1,522,257	P 14,698,400	P 1,250,602	P 88,222,213	P -	P 105,693,472

	April 30, 2017					
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 1,648,911,479	P 150,496,554	P 243,144,496	P 26,784,657,267	P -	P 28,827,209,796
Inter-segment	-	-	173,940,119	-	(173,940,119)	-
Total revenues	P 1,648,911,479	P 150,496,554	P 417,084,615	P26,784,657,267	(P 173,940,119)	P 28,827,209,796
Expenses:						
External	P 854,783,410	P 150,159,120	P 239,286,020	P26,598,812,788	P -	P 27,843,041,338
Inter-segment	-	-	-	3,940,119	(3,940,119)	-
Total expenses	P 854,783,410	P 150,159,120	P 239,286,020	P26,602,752,907	(P 3,940,119)	P 27,843,041,338
Profit before tax	P 794,128,069	P 337,434	P 177,798,595	P 181,904,360	(P 170,000,000)	P 984,168,458
Net profit(loss)	P 547,405,677	(P 526,788)	P 198,417,024	P 128,797,084	(P 170,000,000)	P 704,092,997
Segment assets	P 781,045,030	P 694,397,867	P 7,852,974,022	P 8,421,660,487	(P 2,994,865,698)	P 14,755,461,708
Segment liabilities	P 148,469,001	P 689,812,536	P 859,410,113	P 6,970,265,760	(P 1,117,581,980)	P 7,550,375,430
Other segment items:						
Capital expenditures	P 47,898,706	P 3,870,368	P -	P 279,554,937	P -	P 331,324,011
Depreciation and amortization	P 5,045,627	P 28,853,083	P 2,501,204	P 192,311,587	P -	P 228,711,501

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:

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
Cash on hand and in banks	**P1,032,380,528**	P 886,267,519
Short-term placements	**34,000,850**	174,583,193
	P1,066,381,378	P 1,060,850,712

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 2017.

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	October 31,2017 (Unaudited)	April 30, 2017 (Audited)
Trade receivables	**P 1,075,556,119**	P 772,457,042
Payments for future acquisition of investments	**429,919,619**	1,376,536,843
Advances to officers and employees	**3,955,513**	4,923,970
Other receivables	**396,079,630**	178,718,850
	1,905,510,881	2,332,636,705
Allowance for impairment	**(10,883,808)**	(12,646,898)
	P1,894,627,073	P2,319,989,807

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.

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
At cost:		
Vehicles	**P3,302,395,662**	P2,923,521,725
Parts and components	**301,167,153**	153,099,741
Work in progress	**-**	48,083,466
Spare parts and accessories	**20,609,274**	14,760,988

Hotel supplies	**5,432,517**	5,840,189
	3,629,604,606	3,145,306,109
At net realizable value:		
Vehicles	**1,127,508,715**	1,116,532,836
Parts and components	**38,771,305**	46,555,940
	1,166,280,020	1,163,088,776
Allowance for inventory write down	**(169,910,204)**	(180,866,700)
	P4,625,974,422	P4,127,528,185

Certain vehicles are carried at net realizable value which is lower than their cost. An analysis of the movements in allowance for inventory writedown is presented below.

	October 31, 2017	April 30, 2017
Balance at beginning of year	**P 180,866,700**	P 135,820,397
Additional provision during the year	**(22,249,662)**	52,855,932
Translation adjustment	**11,293,166**	(7,809,629)
Reversal during the year	**-**	-
Balance at end of year	**P 169,910,204**	P 180,866,700

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
Prepaid expenses	**P 228,362,085**	P 661,544,216
Refundable deposits	**31,960,799**	49,089,004
Input VAT	**42,496,501**	30,004,048
Prepaid taxes	**9,675,127**	28,112,139
Advance rental	**12,020,000**	13,070,000
Advances to supplier	**1,637,759**	7,966,115
Creditable withholding tax	**3,589,757**	3,240,421
Other current assets	**80,960,097**	14,403,657
	P 410,702,125	P 807,429,600

Prepaid expenses include subscriptions, refurbishment costs, maintenance expenses, license and support arrangements, prepaid insurance and benefits.

In April 30, 2017, allowance for impairment has been written-off by the Group.

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account consists of the following financial assets:

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
Equity securities	**P 1,313,586,614**	P 891,702,782
Debt securities	**73,887,382**	85,321,583
Others	**15,230,444**	15,496,352
	1,402,704,440	992,520,717
Allowance for impairment	**(90,711,955)**	(90,711,955)
	P 1,311,992,485	P 901,808,762

In October 31, 2017 and April 30, 2017, certain equity securities with carrying amount of P80,288,450 and P77,033,450, respectively are carried at cost as the fair value of these unquoted equity securities is not reliably determinable. Management believes that the cost approximates the fair value of such securities as at April 30, 2017.

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 October 31, 2017 and April 30, 2017 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	Land	Construction in Progress	TOTAL
Oct 31, 2017											
Cost	P 1,502,501,094	P 969,721,622	P 79,491,170	P 755,512,419	P 46,606,866	P 12,935,362	P 3,782,238	P 1,326,249,780	P 88,948,128		P 4,785,748,678
Accumulated depreciation and amortization	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	-	-	([illegible])
Net carrying amount	P 43,879,326	P 859,774,968	P 30,450,168	P 291,786,874	P 7,045,263	P 1,585,851	P 129,643	P 568,171,200	P 88,948,128	-	P 1,891,771,419
April 30, 2017											
Cost	P 1,501,060,111	P 954,450,637	P 65,740,851	P 689,587,568	P 45,182,027	P 12,935,363	P 3,782,237	P 1,236,045,533	P 83,502,415	-	P 4,592,286,742
Accumulated depreciation and amortization	(1,455,057,067)	(101,217,243)	(45,898,668)	(383,043,870)	(38,657,848)	(11,078,715)	(3,628,452)	(668,587,489)	-	-	(2,707,169,352)
Net carrying amount	P 46,003,044	P 853,233,394	P 19,842,183	P 306,543,698	P 6,524,179	P 1,856,648	P 153,785	P 567,458,044	P 83,502,415	-	P 1,885,117,390

	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	Land	Construction in Progress	TOTAL
Balance at May 1, 2017 net of accumulated depreciation and amortization	P 46,003,044	P 853,233,394	P 19,842,183	P 306,543,638	P 6,524,178	P 1,856,649	P 153,786	P 567,458,044	P 83,502,415	-	P 1,885,117,331
Additions	1,440,983	-	15,366,305	20,952,548	1,424,839	-	-	16,473,180	-	-	P 55,657,855
Disposals	-	-	([illegible])	-	-	-	-	-	-	-	(P [illegible])
Depreciation and amortization charges for the year	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	([illegible])	-	-	(P [illegible])
Translation adjustment	-	15,042,679	528,280	18,761,734				35,279,783	5,445,712		P 75,058,188
Balance at Oct 31, 2017 net of accumulated depreciation and amortization	P 43,879,326	P 859,774,967	P 30,450,168	P 291,786,875	P 7,045,263	P 1,585,851	P 129,643	P 568,171,199	P 88,948,127		P 1,891,771,419
Balance at May 1, 2016 net of accumulated depreciation and amortization	P 5,775,739	P 636,586,459	P 9,614,470	312,271,100	P 6,322,332	P 2,371,310	P 202,071	P 674,635,476	P 89,396,781	P 264,584,956	P 2,001,760,694
Additions	42,176,753	-	15,260,030	89,494,861	2,433,470	516,779	-	48,722,012	-	-	198,603,905
Disposals	(22,000)	(699,030)	(6,000)	-	-	-	-	(1,000)	-	-	(728,030)
Reclassifications		252,303,661	-	12,281,295	-		-	-	-	(264,584,956)	-
Depreciation and amortization charges for the year	(1,927,448)	(17,447,373)	(5,009,312)	(85,069,967)	(2,231,623)	(1,031,441)	(48,286)	(110,723,058)	-	-	(223,488,508)
Translation adjustment	-	(17,510,323)	(17,005)	(22,433,591)	-	-	-	(45,175,386)	(5,894,366)		(91,030,671)
Balance at April 30, 2017 net of accumulated depreciation and amortization	P 46,003,044	P 853,233,394	P 19,842,183	P 306,543,698	P 6,524,179	P 1,856,648	P 153,785	P 567,458,044	P 83,502,415	-	P 1,885,117,390

11. INVESTMENT PROPERTY

In April 2017, the Group acquired certain residential property amounting to 2,218,235GBP (about P132,720,106), which is classified by the Group as investment property. The translated amount of investment property as at October 31, 2017 and April 30, 2017 amounted to P150,843,751 and P141,608,573, respectively.

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

These investments are accounted for under the equity method in the consolidated financial statements of the Group:

October 31, 2017
(Unaudited)

	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	VDH	Total
Investment:								
Acquisition Costs								
Initial Investment	P 7,999,997	P 180,400,000	P 178,380,000	P 399,996	P 22,500,000	P 82,283,456	P 125,699,060	P 597,662,509
Reclassification	-	-	-	-	-	-	-	-
Additional Investment	-	-	-	-	-	-	-	-
	7,999,997	180,400,000	178,380,000	399,996	22,500,000	82,283,456	125,699,060	597,662,509
Deduction of interest in associate- Loss on deemed disposal			(99,084,160)					(99,084,160)
Accumulated equity share in net profit (losses)								
Share in net profit (losses) in prior years	35,228,131	(180,400,000)	333,076,497	(399,996)	(5,638,499)	87,980,951	-	269,847,084
Share in net profit (losses) in during year	(1,114,016)	-	47,674,936	-	(3,556,360)	(5,610,972)	(4,608,637)	32,784,952
	34,114,115	(180,400,000)	380,751,433	(399,996)	(9,194,859)	82,369,979	(4,608,637)	302,632,036
Total Investments in associates	42,114,112	-	460,047,273	-	13,305,141	164,653,435	121,090,423	801,210,384
Advances	221,879,789	168,960,000	-	2,623,496	-	813,031,361	10,200,255	1,216,694,901
	P 263,993,901	P 168,960,000	P 460,047,273	P 2,623,496	P 13,305,141	P 977,684,797	P 131,290,678	P 2,017,905,285

April 30, 2017
(Audited)

	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	VDH	Total
Investment:								
Acquisition Costs								
Initial Investment	P 7,999,997	P 117,400,000	P 178,380,000	P 399,996	P 22,500,000	P -	P -	P 326,679,993
Reclassification	-	-	-	-	-	82,283,456	-	82,283,456
Additional Investment	-	63,000,000	-	-	-	-	-	63,000,000
	7,999,997	180,400,000	178,380,000	399,996	22,500,000	82,283,456	-	471,963,449
Deduction of interest in associate- Loss on deemed disposal			(99,084,160)					(99,084,160)
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	619,288	(63,000,000)	109,850,820	-	(5,638,499)	87,980,951	-	129,812,560
	35,228,131	(180,400,000)	333,076,497	(399,996)	(5,638,499)	87,980,951	-	269,847,084
Total Investments in associates	43,228,128	-	412,372,337	-	16,861,501	170,264,407	-	642,726,373
Advances	31,683,131	165,040,000	-	2,623,496	-	790,677,693	-	990,024,320
	P 74,911,259	P 165,040,000	P 412,372,337	P 2,623,496	P 16,861,501	P 960,942,100	P -	P 1,632,750,693

13. INTANGIBLE ASSETS

The compositions of this account are shown below.

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
Goodwill	**P 1,163,233,382**	P 1,114,063,397
Dealership rights	**703,643,375**	660,563,886
Customer relationship	**32,430,623**	32,328,468
	P 1,899,307,380	P 1,806,955,751

14. OTHER NON-CURRENT ASSETS

Other non-current assets of the Group pertain to security deposits refundable from various lessors and utility companies amounting to P4,531,143 and P4,706,098 as at October 31, 2017 and April 30, 2017, respectively.

15. TRADE AND OTHER PAYABLES

This account consists of the following:

	October 31, 2017 (Unaudited)	April 31, 2017 (Audited)
Trade payables	**P1,245,208,500**	P 1,025,537,981
Advances from customers	**1,600,951,239**	1,285,343,581
Accrued expenses	**226,365,922**	314,559,038
Withholding taxes payable	**7,040,939**	40,327,109
Deferred income	**22,361,203**	22,648,754
Deferred output VAT	**49,732,813**	174,161,012
Management fee payable	**19,947,000**	20,223,000
Accrued interest payable	-	1,078,767
Due to a related party	**1,055,256**	512,644
Other payables	**276,581,574**	278,455,227
	P3,449,244,446	P 3,162,847,113

16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
Current:		
Vehicle stocking loans	**P 3,415,270,936**	P 3,230,268,108
Bank loans and mortgages	**377,200,612**	630,888,960
	3,792,471,548	3,861,157,068

Non-Current:		
Bank loans and mortgages	**187,536,563**	367,393,973
	P 3,980,008,111	P 4,228,551,041

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

17.1 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.

		October 31, 2017 (Unaudited)		April 30, 2017 (Audited)	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	5	**P 1,066,381,378**	**P 1,066,381,378**	P 1,060,850,712	P 1,060,850,712
Trade and other receivables - net	6	**2,305,329,198**	**2,305,329,198**	3,076,920,330	3,076,920,330
Advances to associates	11	**1,216,694,901**	**1,216,694,901**	199,346,627	199,346,627
Other non-current assets	13	**4,531,143**	**4,531,143**	4,706,098	4,706,098
		P 4,592,936,620	**P 4,592,936,620**	P 4,341,823,767	P4,341,823,767
AFS financial assets	9	**P 1,311,992,485**	**P 1,311,992,485**	P 901,808,762	P 901,808,762
Financial Liabilities					
Financial liabilities at amortized cost:					
Loans payable and borrowings	15	**P 3,980,008,111**	**P 3,980,008,111**	P 4,228,551,041	P4,228,551,041
Trade and other payables	14	**3,449,244,446**	**3,449,244,446**	1,856,934,874	1,856,934,874
		P 5,420,782,693	**P 5,420,782,693**	P 6,085,485,915	P 6,085,485,915

17.2 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.

18. FAIR VALUE MEASUREMENT AND DISCLOSURES

18.1 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.

18.2 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 P80,288,450 and P77,033,450 which are carried at cost as at October 31, 2017 and April 30, 2017, respectively.

The fair value of these shares decreased by P27,631,461 and P44,375,819 in six months ended October 31, 2017 and 2016, 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 six months ended October 31, 2017 and for the years ended April 30, 2017. There were no transfers across the levels of the fair value hierarchy in both years.

18.3 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 six months ended October 31, 2017 and for the year ended April 30, 2017:

	October 31, 2017 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,066,381,378	P -	P -	P 1,066,381,378
Trade and other receivables	-	-	2,305,329,198	2,305,329,198
Advances to associates	-	-	1,216,694,901	1,216,694,901
Other non-current assets	-	-	4,531,143	4,531,143
	P 1,066,381,378	**P -**	**P 4,592,936,620**	**P 4,592,936,620**
Financial liabilities:				
Loans payable and borrowings	P -	P -	P 3,980,008,111	P 3,980,008,111
Trade and other payables	-	-	3,449,244,446	3,449,244,446
	P -	**P -**	**P 5,420,782,693**	**P 5,420,782,693**

	April 30, 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,060,850,712	P -	P -	P 1,060,850,712
Trade and other receivables	-	-	3,076,920,330	3,076,920,330
Advances to associates	-	-	199,346,627	199,346,627
Other non-current assets	-	-	4,706,098	4,706,098
	P 1,060,850,712	**P -**	**P 3,280,973,055**	**P 4,341,823,767**
Financial liabilities:				
Loans payable and borrowings	P -	P -	P 4,228,551,041	P 4,228,551,041
Trade and other payables	-	-	1,856,934,874	1,856,934,874
	P -	**P -**	**P 6,085,485,915**	**P 6,085,485,915**

19. COMMITMENTS AND CONTINGENCIES

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

19.1 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:

	October 31, 2017 (Unaudited)	April 30, 2017 (Audited)
Within one year	**P 363,062,044**	P 345,186,869
After one year but not more than five years	**1,087,224,897**	1,032,978,854
More than five years	**1,187,523,343**	1,229,742,273
	P2,637,810,284	P 2,607,907,996

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 October 2017**

Type of Accounts Receivables	Neither Past Due nor Impaired	Past Due not Impaired 61-90 days	91-120 days	Over 180 days	Past Due Accts & Items in Litigation	Total
	(Peso)		(Peso)	(Peso)	(Peso)	(Peso)
a) Trade Receivables						
1) PCSO	278,905,750	11,514,549	-	-	-	290,420,299
2) Guest/City Ledger	3,931,099	(25,812)	17,386	331,469	-	4,254,142
3)Vehicle Debtor	769,997,870			10,883,808		780,881,678
3) Others	-	-	-	-	-	-
Subtotal	1,052,834,719	11,488,737	17,386	11,215,277	-	1,075,556,119
Less: Allow. For Doubtful Acct.	-	-	-	10,883,808	-	10,883,808
Net Trade receivable	1,052,834,719	11,488,737	17,386	331,469	-	1,064,672,311
b) Non - Trade Receivables						
1)Advances for stock subscription	-	-	-	429,919,619		429,919,619
2)Payment to other related parties	12,129,297	-	-	-	-	12,129,297
3) Advances to employees	3,955,513			-		3,955,513
4) Other Receivables	366,450,334			17,500,000		383,950,334
				-	-	-
Subtotal	382,535,144	-	-	447,419,619	-	829,954,763
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
Net Non - trade receivable	382,535,144	-	-	447,419,619	-	829,954,763
Net Receivables (a + b)	**1,435,369,863**	**11,488,737**	**17,386**	**447,751,088**	**-**	**1,894,627,074**

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

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

Financial Indicators
October 31, 2017

	Computation		Ratios		Computation	Ratios
Financial Indicators	**Oct 2017**	**Oct 2016**	**Oct 2017**	**Oct 2016**	**April 2017**	**April 2017**
Quick ratio						
Cash and cash equivalents +	1,066,381,378	966,973,131				
Trade and other receivables - net +	1,894,627,073	2,713,730,284				
Advances to associates	1,216,694,901	174,426,627	0.57	0.63	4,370,864,839	0.62
Total Current Liabilities	7,291,750,678	6,083,563,230			7,104,041,686	
Current/liquidity ratio						
Total Current Assets	9,214,379,899	8,741,276,470	1.34	1.39	9,305,822,624	1.31
Total Current Liabilities	6,854,600,748	6,295,289,526			7,104,041,686	
Debt-to-equity ratio						
Total Liabilities	6,854,600,748	6,295,289,526	0.88	0.86	7,550,375,430	1.05
Total Equity	7,781,107,033	7,317,647,464			7,205,086,278	
Debt-to-assets ratio						
Total Liabilities	6,854,600,748	6,295,289,526	0.45	0.46	7,550,375,430	0.51
Total Assets	15,340,752,598	13,612,936,990			14,755,461,708	
Equity-to-assets ratio						
Total Equity	7,781,107,033	7,317,647,464	0.51	0.54	7,205,086,278	0.49
Total Assets	15,340,752,598	13,612,936,990			14,755,461,708	
Annualized PPE Turnover						
Net Revenue	15,315,815,490	14,877,336,604	16.19	15.57	28,501,621,029	15.12
PPE	1,891,771,419	1,911,509,025			1,885,117,390	
Annualized Return on assets						
Net Profit	436,804,384	198,738,352	5.69%	2.92%	704,092,997	4.77%
Total Assets	15,340,752,598	13,612,936,990			14,755,461,708	
Annualized Return on equity						
Net Profit	436,804,384	198,738,352	11.23%	5.43%	704,092,997	9.77%
Total Equity	7,781,107,033	7,317,647,464			7,205,086,278	
Annualized	2	2			1	
Earnings per share						
Net Profit Attributable to Owners of the Parent Company	453,904,750	165,506,258	0.10	0.04	674,067,840	0.16
Weighted Average Number of Outstanding Common Shares	4,341,280,855	4,341,280,855			4,341,280,855	