SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement Pursuant to Section 20 of the Securities Regulation Code

1. Check the appropriate box:
   ___✓___ Preliminary Information Statement
   ________ Definitive Information Statement

2. Name of Registrant as specified in its charter – BERJAYA PHILIPPINES INC.

3. Province, country or other jurisdiction of incorporation or organization - Manila, Philippines

4. SEC Identification Number – pre war 476

5. BIR Tax Identification Code - 001-289-374

6. Address of principal office - 9/F Rufino Pacific Tower, 6784 Ayala Avenue corner
   V.A. Rufino (formerly Herrera) Street,
   Makati City, Metro Manila 1229

7. Registrant's telephone number, including area code - (632) 811-0668

8. Date, time and place of meeting of security holders -
   The Annual Meeting of the Stockholders of Berjaya Philippines, Inc. (the Corporation) will be held on 2 October 2014, at 9:00 a.m. at the Function Room of the Berjaya Makati Hotel, Philippines located at the corner of Makati Avenue and Eduque Street, Makati City, Metro Manila.

9. Approximate date on which the Information Statement is first to be sent or given to security holders - 11 September 2014

10. *In case of Proxy Solicitations: Not applicable*

    Name of Person Filing the Statement/Solicitor:______________________________

    Address and Telephone No.: ______________________________

11. Securities registered pursuant to Code or Sections 4 and 8 of the RSA (Information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON	**953,984,448**
Amount of Debt Outstanding as of 30 April 2014	**₱ 5,702,164,054**

12. Are any or all of registrant's securities listed on the Philippine Stock Exchange?
Yes __✓___ No _______

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

The shares are listed in the Philippine Stock Exchange and are classified either as common or treasury shares.

GENERAL INFORMATION

Date, time and place of meeting of security holders

The Annual Meeting of the Stockholders of Berjaya Philippines, Inc. (the Corporation) shall be held on 2 October 2014, at 9:00 a.m. at the Function Room of the Berjaya Makati Hotel located at the corner of Makati Avenue and Eduque Street, Makati City, Metro Manila.

The complete mailing address of the principal office of the registrant is 9/F Rufino Pacific Tower, 6784 Ayala Avenue corner V. A. Rufino (formerly Herrera) Street, Makati City, Metro Manila.

The Information Statement will approximately be sent or given first to stockholders of record on 11 September 2014 or at least fifteen (15) business days before the meeting date.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Dissenters' Right of Appraisal

Pursuant to Section 81 of the Corporation Code of the Philippines (the Corporation Code), any stockholder of the Corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and
3. In case of merger or consolidation.

The agenda for the Annual Meeting on 8 October 2013 does not include any of the foregoing instances.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current director or officer of the Corporation, or nominee for election as directors of the Corporation, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.

No director has informed the Corporation in writing that he intends to oppose any action to be taken by the registrant at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

There are nine hundred fifty three million nine hundred eighty four thousand four hundred forty eight (953,984,448) issued and outstanding common shares of stock of the Corporation entitled to vote at the Annual Meeting, each of which is entitled to one (1) vote.

Foreign membership amounts to 770,424,141 shares equivalent to 80.76 % broken down per nationality as follows:

Citizen-ship	Subscribed/ Outstanding	Amount	Paid-Up	Percentage Holdings	Number of Stockholders
Spanish	366,992	366,992.00	366,992.00	0.04	18
Malaysian	122,567,720	122,567,720.00	122,567,720.00	12.85	5
Other Alien	57,638	57,638.00	57,638.00	0.01	8
Filipino	186,616,458	186,616,458.00	186,616,458.00	19.56	98
Swiss	480	480.00	480.00	0.00	1
British	45,984	45,984.00	45,984.00	0.00	2
American	55,200	55,200.00	55,200.00	0.01	5
Chinese	644,273,976	644,273,976.00	644,273,976.00	67.54	3
TOTALS	**953,984,448**	**953,984,448.00**	**953,984,448.00**	**100.00**	**140**

The cut-off date of presented information in this Statement is as of 19 August 2014.

The record date for closing the stock and transfer book of the Corporation in order to determine the stockholders entitled to vote at the Annual Meeting is 19 August 2014.

For purposes of the election of directors, all stockholders of record are entitled to cumulative voting rights as provided by the Corporation Code, and there are no conditions precedent to the exercise thereof. Further, no discretionary authority to cumulate votes is being solicited. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit.

Security Ownership of Certain Record and Beneficial Owners

Holders

There are nine hundred fifty three million nine hundred eighty four thousand four hundred forty eight (953,984,448) common shares of stock of Berjaya Philippines Inc. Out of the issued and outstanding capital, eighty five million seven hundred twenty eight thousand two hundred seventy seven (85,728,277) shares or 8.98% is held by the Berjaya Philippines Inc.

The top twenty (20) stockholders of Berjaya Philippines Inc., including their shares and their percentage of total common shares outstanding held by each as of 19 August 2014 are as follows:

Name	Number of Shares Held	Percentage of Total Shares Held
BERJAYA LOTTERY MANAGEMENT (HK)	644,247,656	67.53%
BERJAYA SPORTS TOTO (CAYMAN) LIMITED	122,041,030	12.79%
BERJAYA PHILIPPINES INC.	85,728,277	8.98%
PCD NOMINEE CORPORATION	78,900,725	8.27%
PCD NOMINEE CORPORATION (NON-FILIPINO)	1,053,697	0.11%
LIM MENG KWONG	526,657	0.05%
FAR EAST MOLASSES CORPORATION	310,976	0.03%
CONCEPCION TEUS VDA.	130,000	0.01%
CHIONG, DANIEL Y.	125,120	0.01%
DOLORES TEUS DE M. VARA	110,400	0.01%
STEINER, NORMA O.	60,064	0.01%
CORPORACION FRANCISCANA	58,784	0.01%
AWAD, A.	53,696	0.01%

THE PHIL.-AMERICAN GEN.	45,280	0.00%
PHIL. REMNANTS CO., INC.	44,832	0.00%
ELIZALDE, FRANCISCO J.	41,360	0.00%
ZERNICHOW, CHRISTIAN D.	34,832	0.00%
ELIZALDE, JOAQUIN M.,	33,760	0.00%
MA. DOLORES VARA DE	29,664	0.00%
MA. TERESA VARA DE REY Y TEUS	29,664	0.00%
ECHEGOYEN, LUIS C.	29,456	0.00%

Treasury Shares

As of 19 August 2014 the Issuer holds in its name a total of eighty five million seven hundred twenty eight thousand two hundred seventy seven (85,728,277) treasury shares.

Dividends

A. Dividends declared by Berjaya Philippines Inc.

On 28 October 2004 the company declared cash dividends to all stockholders on record as of November 17, 2004 amounting to ₱ 87,138,872.

On 5 January 2012, the Issuer declared cash dividends amounting to ten centavos per share to all stockholders of record as of 19 January 2012.

There were no sales of unregistered securities over the last four (4) fiscal years.

B. Dividends Declared by the Issuer's wholly owned subsidiary – PGMC

From 2007 to 2011, the Corporation's subsidiary, PGMC, issued cash dividends amounting to two billion sixty three million pesos (₱ 2.63 billion).

In 2012, the Corporation declared cash dividends amounting to one billion two hundred million pesos (₱1,200,000,000.00).

In July 2013, the Corporation declared cash dividends amounting to one billion four hundred ten million pesos (₱1,410,000,000.00).

On1 April 2014, the Corporation declared cash dividends amounting to seven hundred eighty million pesos (₱ 780,000,000.00)

C. Dividends Declared by the Issuer's wholly owned subsidiary – PHPI

In April 2012, the Corporation declared cash dividends amounting to ten million pesos (₱10,000,000.00).

In August 2013, the Corporation declared cash dividends amounting to four million pesos (₱4,000,000.00).

Recent Sales of Unregistered Securities

There were no sales of unregistered securities over the last four (4) fiscal years.

Security Ownership of Holders of more than 5%

According to the records of the Issuer's stock and transfer agent, security ownership of holders of more than five percent (5%) of the Company's securities as of 19 August 2014 are as follows:

Title of Class	Name and Address of Record Owner	Name of Beneficial Owner / Relationship with Record Owner	Citizenship	Number of Shares Held	Percentage Held
common	Berjaya Lottery Management (H.K.) Ltd. Level 28, Three Pacific Place, 1 Queens Road East, Hongkong	Berjaya Lottery Management (HK) Ltd. /same as record owner * person entitled to vote is Messrs. Lim Meng Kwong, Seow Swee Pin or Tan Eng Hwa, in the said order of preference.	Chinese	644,247,656	67.53%
Common	Berjaya Sports Toto (Cayman) Ltd P.O. Box 1034GT Harbour Place 4th Flr. 103 South Church St., George Town, Grand Cayman Cayman Islands	Berjaya Sports Toto Cayman) Limited (same as record owner) person entitled to vote is Seow Swee Pin	Malaysian	122,041,030 (common shares)	12.79%
Common	Berjaya Philippines Inc 9th Floor Rufino Pacific Tower 6784 Ayala corner V.A. Rufino (Herrera) St. Makati City, M.M.	Berjaya Philippines Inc. (same as record owner) * person entitled to vote is the President of the Corporation, Mr. Lim Meng Kwong	Filipino	85,728,277	8.98%

There has been no change in the control of the Corporation since the beginning of its last fiscal year. The transfer price of the Corporation's outstanding common listed shares decreased as can be seen from its posted prices at the Philippine Stock Exchange. The decrease may be due to the general or prevailing economic situation in the country.

Security Ownership of Management

Security ownership of the directors and officers of the Corporation as of 19 August 2014, are as follows:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Number of Shares Held	Percentage Held
Common	Dato Seri Bin Saad	₱ 19.90	Malaysian	1	0.00%
Common	Lim Meng Kwong	₱ 10,480,474.30	Malaysian	526,657	0.05%
Common	Seow Swee Pin	₱ 318.40	Malaysian	16	0.00%
Common	George T. Yang	₱ 318.40	Filipino	16	0.00%
Common	Jaime Y. Ladao	₱ 318.40	Filipino	16	0.00%
Common	Tan Eng Hwa	₱ 318.40	Malaysian	16	0.00%
Common	Jose A. Bernas	₱ 318.40	Filipino	16	0.00%
Common	Marie Lourdes Bernas	00.00	Filipino	0	0.00%

There are no voting trust holders of five percent (5%) or more of the Corporation's securities. The figures above are based on the current market price as of 19 August 2014 which is Twenty Six Pesos and Forty Centavos (₱ 26.40) per share.

There are no arrangements which may result in a change in control of the Corporation.

Directors and Executive Officers

The current directors and officers of the Corporation are listed below:

	Directors / Officers	Designation	Citizenship
1.	Dato Seri Ibrahim Saad *	Director / Chairman	Malaysian
2.	Lim Meng Kwong	Director / President	Malaysian
3.	Seow Swee Pin	Director	Malaysian
4.	George T. Yang*	Director	Filipino
5.	Jaime Y. Ladao *	Director	Filipino
6.	Tan Eng Hwa	Treasurer	Malaysian
7.	Jose A. Bernas	Corporate Secretary	Filipino
8.	Marie Lourdes Bernas	Asst. Corp Secretary	Filipino

* The independent directors, Dato Seri Ibrahim Saad, Messrs. George T. Yang, and Jaime Y. Ladao are independent minority stockholders who are not employees nor officers of the Corporation, and whose shareholdings are less than two percent (2%) of the Corporation's equity pursuant to Section 38 of the Securities Regulation Code.

Mr. George T. Yang is an independent stockholder of Philippine Gaming Management Corporation. The former treasurer of the Corporation, Mr. Low Siaw Peng, nominated Mr. Yang as independent director. Messrs. Yang and Low are not related to each other.

Mr. Jaime Y. Ladao is the second independent director of the Issuer. Mr. Jose A. Bernas, a stockholder and the Corporate Secretary nominated Mr. Jaime Y. Ladao in a meeting of the Board, to serve the unexpired term of Mr. Val Antonio B. Suarez, Esq. Messrs. Ladao and Bernas are not related to each other.

Dato Seri Ibrahim Saad is the third independent director of the Issuer and is the former Ambassador of Malaysia to the Republic of the Philippines. The President and former Chairman of the Corporation, Mr. Lim Meng Kwong, nominated Dato Seri Ibrahim Saad as Chairman in order for the positions of Chairman and President to be lodged in two persons. Mr. Lim and Dato Seri are not related to each other.

Procedures of SRC Rule 38 have been followed in the nomination and qualification of independent directors.

The Corporation will observe the term limits on independent directors imposed by SEC Memorandum Circular No. 9, Series of 2011.

The independent directors undertake to submit an updated *Certification of Qualification and Disqualification* thirty (30) days after the date of the Annual Stockholders' Meeting.

The term of a Director is for one (1) year and Directors are elected annually during the annual stockholders meeting.

The current Board of Directors are as follows:

	Name	Age	Positions/Offices/Directorships Held for the past Five (5) years
1.	Dato Seri Ibrahim Saad	68	Independent Director and Chairman of the Board: Berjaya Philippines Inc. Former Ambassador of Malaysia to the Philippines Former President (Vice Chancellor) University Kuala Lumpur Chairman: British Malaysian Institute Former Deputy Transport Minister Former State Executive Councilor of Penang Malaysia Former Member of Parliament: Tasek Gelugor Penang Former Political Secretary Minister of Education, Culture, Youth & Sports Former Dean: National University of Malaysia Former Vice President: Olympic Council Malaysia Former UMNO Division Head Batu Kawan, Penang

2.	Lim Meng Kwong	61	Director, President: Berjaya Philippines, Inc. Former Chairman: Berjaya Philippines Inc. Chairman: Cosway Philippines Inc. Trustee and Chairman : Berjaya Foundation, Inc. Director: Philippine Gaming Management Corporation Friendster Philippines Inc. Berjaya Pizza (Philippines) Inc. MOL AccessPortal Inc. Uniwiz Trade Sales Inc. Friendster Philippines Inc. Director of Special Projects for Berjaya Group Bhd. Member : Malaysian Institute of Certified Public Accountants
3.	Seow Swee Pin	57	Director: Berjaya Philippines Inc. Director and Chairman of the Board: Philippine Gaming Management Corporation Executive Director: Sports Toto Malaysia Sdn. Bhd. Berjaya Sports Toto Berhad Member: Malaysian Institute of Accountants and Certified Practicing Accountants, Australia Malaysian Institute of Certified Public Accountants
4.	George T. Yang	74	Independent Director: Berjaya Philippines Inc. Philippine Gaming Management Corporation Chairman of the Board & President: First Georgetown Ventures, Inc. Fun Characters International Pte. Ltd. (marketing Licensee of Walt Disney Company for Asean countries) HAVI Foods Services (Philippines), Inc Chairman of the Board: Golden Arches Development Corporation (McDonald’s Philippines) Ronald McDonald House Charities (Philippines) Trojan Computer Forms, Inc.

		Construction Strategies & Management Corp. GEC Land Development Corporation Member of the Board of Governors: The Tower Club, Inc. Consul General *ad honorem*: State of Eritrea
5. Jaime Y. Ladao	75	Independent Director: Berjaya Philippines Inc. Director: Corporate Governance Institute of the Phils. Chairman: Dun Bradstreet Phils. Inc. Member of the Board of Advisers: Philippine Dispute Resolution Center, Inc. Founder, Director and Vice President: Financial Executive Institute of the Philippines National President (1991-1992) and Member: Boy Scouts of the Philippines Past Board Member Management Association of the Philippines Fellow: Australian Institute of Corporate Directors
6. Tan Eng Hwa	44	Treasurer: Berjaya Philippines Inc. Director, Vice President and Treasurer: Philippine Gaming Management Corporation Director and Treasurer: Friendster Philippines Inc. Perdana Hotel Philippines Inc. Perdana Land Philippines Inc. Berjaya Pizza (Philippines) Inc. Berjaya Auto Philippines Inc. MOL AccessPortal Inc. Uniwiz Trade Sales Inc. Cosway Philippines Inc. Trustee and Treasurer: Berjaya Foundation, Inc. Member: Malaysian Institute of Accountants
7. Jose A. Bernas	54	Corporate Secretary: Berjaya Philippines Inc. Philippine Gaming Management Corporation Berjaya Pizza (Philippines) Inc. Berjaya Auto Philippines Inc. Friendster Philippines Inc. Perdana Hotel Philippines Inc.

		MOL AccessPortal Inc. Uniwiz Trade Sales Inc. Cosway Philippines Inc. Steven Leach Jr. + Associates (Consultants) Inc Swift Foods, Inc. Philippine National Construction Corporation Director and President: Discovery Centre Condominium Corporation Chairman of the Board and Director: Dun and Bradstreet Philippines, Inc. Automation Specialists & Power Exponents Inc. Perdana Land Philippines Inc. Director: MSI-ECS Philippines Inc. Trustee and Corporate Secretary: Berjaya Foundation, Inc. Professorial Lecturer: Ateneo de Manila University School of Law Managing Partner: Bernas Law Offices
8. Marie Lourdes Sia-Bernas	48	Assistant Corporate Secretary: Berjaya Philippines Inc. Philippine Gaming Management Corporation Berjaya Pizza (Philippines) Inc. Berjaya Foundation Inc. Berjaya Auto Philippines Inc. Friendster Philippines Inc. Perdana Land Philippines Inc. Perdana Hotel Philippines Inc. MOL AccessPortal Inc. Uniwiz Trade Sales Inc. Cosway Philippines Inc. Swift Foods, Inc. Steven Leach Jr. + Associates (Consultants) Inc Corporate Secretary and Director: Micros-Fidelio Software Phils., Inc. Corporate Secretary: Automation Specialists & Power Exponents Inc. Juillet Trading Corporation Ultasaurus Philippine Trading Inc Neptune Holdings Inc. Discovery Centre Condominium Corporation Administrative Partner: Bernas Law Offices

There are no family relationships between and among the directors and officers of the Corporation, except for the Corporate Secretary and the Assistant Corporate Secretary who are married to each other.

There is no person who is not an officer who is expected by the Corporation to make a significant contribution to the business. Neither is there an arrangement that may result in the change in control of the Corporation.

Involvement in legal proceedings of directors

None of the directors are involved in any bankruptcy petition, have been convicted by final judgment or are subject to any court order, judgment or decree, including the violation of a securities or commodities law during the past five (5) years up to the filing of this report.

Directors and Executive Officers as a Group

(1) Title of Class	(2) Name of Record/ Beneficial Owner	(3) Amount and Nature of Record/ Beneficial Ownership	(4) Percentage Held
common shares	Directors and Executive Officers As a Group	526,738	0.06 %
	T o t a l :	526,738	0.06 %

Certain Relationships and Related Transactions

There has been no material related transactions during the past two years, nor is any material transaction presently proposed, to which any director, executive officer of the Corporation or security holder of more than five percent (5%) of the Corporation's voting securities, any relative or spouse of any director or executive officer or owner of more than five percent (5%) of the Corporation's voting securities had or is to have direct or indirect material interest.

Sixty Seven point fifty three percent (67.53%) of the equity of the Corporation is owned by Berjaya Lottery Management (H.K.) Limited. Berjaya Lottery Management (H.K.) Limited is one hundred percent (100%) owned by Berjaya Sports Toto (Cayman) Ltd. who is in turn one hundred percent (100%) owned by Magna Mahsuri Sdn Bhd.

No voting trusts or change in control arrangements are recorded in the books of the Corporation.

Compensation of Directors and Executive Officers

The members of the Board of Directors of the Corporation are entitled to reasonable per diem for actual attendance of any regular or special meeting of the Board of Directors. The directors were paid a per diem of Two Hundred Fifty Thousand Pesos (₱250,000.00) each in fiscal year ended 30 April 2014. Members of the Audit Committee were also paid One Hundred Twenty Thousand Pesos (₱120,000.00) each in fiscal year ended 30 April 2014.

There is no need to disclose a summary compensation table because the Issuer does not have employees and does not pay out salaries. There are no standard agreements for the compensation of directors and the top four executive officers as there are no salaries paid, except for Dato Seri Ibrahim Saad who receives a monthly compensation of Ten Thousand Ringgit Malaysia or its equivalent in Philippine pesos. The officers are either directors who receive only their reasonable per diems issued to all directors or are engaged by the corporation on a professional basis like the law firm of the corporate secretary and assistant corporate secretary who are not employees of the Corporation.

There are no warrants or options on re-pricing or employment contracts or termination of employment contracts entered into by the Corporation. , Neither is there a change in the control arrangement between the Corporation and the executive officers.

There is no pending litigation in which the Corporation is involved either directly or indirectly in the past five years. Neither has the Corporation filed a petition for bankruptcy, been subject to any order, judgment or decree or convicted by final judgment.

Material Pending Legal Proceedings

There is no material pending legal proceeding to which the Corporation is a party to up to the time of the preparation of this report that undersigned is aware of, except for a suit filed by Philippine Gaming Management Corporation (PGMC), the Corporation's wholly owned subsidiary against the Philippine Charity Sweepstakes (PCSO).

Violation of a Securities or Commodities Law

To its knowledge, the Corporation is not in violation of a Securities or Commodities Law.

Independent Public Accountants

For professional services rendered on the audit of the financial statements of the Corporation and its subsidiary, Punongbayan & Araullo was paid the amounts of Php165,000.00 for its audit on the Corporation, Php420,000.00 and Php185,000.00 for its audit on PGMC and PHPI, the wholly owned subsidiaries of the corporation for the financial year ended 30 April 2014.

There are no other services other than the audit and review of the Corporation's financial statements rendered by the external auditor for tax accounting, compliance, advice, planning and other form of tax services.

The election, approval or ratification of the registrant's public accountant shall be discussed during the Annual Meeting. Punongbayan & Araullo, which is the principal accountant for the fiscal year ending 30 April 2014, was selected during the Annual Meeting held on 8 October 2013 and is being recommended for re-appointment.

Representatives of Punongbayan & Araullo are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

As a matter of procedure, Punongbayan & Araullo submits the corporation's Audited Financial Statements to the Audit Committee, which in turn submits the same Audited Financial Statements to the Board of Directors for approval.

There are no changes in or disagreements with accountants on accounting and financial disclosure.

The partner at Punongbayan & Araullo assigned to the Issuer is changed or rotated in compliance with SRC Rule 68 (3) (b) (iv).

Recent Sales of Unregistered or Exempt Securities

There is no sale of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

Audit Committee

The members of the Audit Committee are as follows:

Chairman	-	Jaime Y. Ladao
Member	-	George T. Yang
Member	-	Seow Swee Pin

There is no Nomination Committee but the Board screens nominees for independent directors pursuant to Sec. 38 of the Securities Regulation Code on the qualification and disqualification of independent directors.

Compensation Plans

There are no compensation plans.

OTHER MATTERS

The Chairman will render a Report during the Annual Meeting.

The stockholders will be asked to ratify the corporate acts of the Board for the year ending 30 April 2014, all of which are operational matters, in accordance with the purposes of the Corporation, and have been disclosed in the current reports submitted to the Securities and Exchange Commission and the Philippine Stock Exchange.

Other than the election of the board members and members of the audit committee, and the amendment of the Articles of Incorporation to (i) increase the number of directors from five to six; and (ii) amend the address of the Corporation from "Metro Manila" to a specific address, there are no material matters that need approval by the stockholders in the stockholders meeting.

Plans to Improve Corporate Governance of the Corporation

The Corporation will continue monitoring compliance with its Manual on Corporate Governance to ensure full compliance thereto.

The Corporation shall implement its corporate governance rules in accordance with the Revised Code of Corporate Governance under SEC Memorandum Circular No. 06-2009. The Revised Manual on Corporate Governance is available for inspection by and shareholder at reasonable hours on business days.

Voting Procedures

The election of the Board of Directors, as well as the appointment of the external auditors shall be decided by the plurality vote of stockholders present in person and entitled to vote thereat, provided that quorum is present.

Voting shall be by ballot unless the number of nominees does not exceed the number of directors to be elected in which case, voting by ballot may be dispensed with. Each ballot shall be signed by the stockholder voting, and shall state the number of shares voted by him. The votes will be counted manually and will be supervised by the transfer agent.

Voting shall be by ballot. Each ballot shall be signed by the stockholder voting, and shall state the number of shares voted by him. The votes will be counted manually and will be supervised by the transfer agent.

The Quarterly Report under SEC Form 17-Q for the quarter ended 31 July 2014 shall be available without charge to stockholders requesting for a copy.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto authorized on 28 August 2014.

BERJAYA PHILIPPINES INC.

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

BERJAYA PHILIPPINES INC.
9/F, Rufino Pacific Tower, 6784 Ayala Ave., cor. V.A. Rufino (Herrera) St.,
Makati City, Metro Manila

M A N A G E M E N T   R E P O R T

Dear Stockholders,

Business

Berjaya Philippines, Inc. (the Corporation) was incorporated on 31 October 1924 as Central Azucarera de Pilar mainly for the purpose of production of sugar.

It subsequently changed its primary purpose to a holding corporation and changed its name to Prime Gaming Philippines, Inc. (PGPI) and completed the acquisition of its subsidiary corporation, Philippine Gaming Management Corporation ("PGMC") in 1998.

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

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

In July 2010, the Corporation invested thirty percent (30%) equity interest in Berjaya Pizza Philippines Inc. (BPPI), a company 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 current Corporation's equity or interest in BPPI is unchanged.

In December 2010, the Corporation acquired a 232 room hotel which operated previously as Best Western Astor Hotel. The acquisition was made by the Corporation's subsidiary Perdana Hotel Philippines Inc. (PHPI) under the business name Berjaya Makati Hotel. The Corporation subscribed to forty percent (40%) of the shares of stock of Perdana Land Philippines Inc. which owns the land leased by Perdana Hotel Philippines Inc.

In August 2012, the Corporation invested in Berjaya Auto Philippines Inc., a corporation engaged in the sale and distribution of all types of motor vehicles. On 12 September 2012, Berjaya Auto Philippines Inc. entered into a Distributorship Agreement with Mazda Motor Corporation of Japan for the distribution of vehicles bearing the Mazda brand within the territory of the Philippines. As of 30 April 2014, the Corporation has a 30% equity in Berjaya Auto Philippines Inc.

In September 2012, the Corporation invested in Cosway Philippines Inc. (CPI), primarily to engage in wholesale of carious products. As of 30 April 2014, CPI has not yet started its commercial operations and also, the Corporation's equity or interest in CPI is equivalent to 40%.

In 2014, the Corporation obtained control over H.R. Owen Plc (HRO) after a series of cash offers from H.R. Owen's existing stockholders from July to October 2013. Total additional investments during the year amounted to P1,763,644,329. Consequently, the Corporation's investment in H.R. Owen amounting to P1,795,190,801 was reclassified as investment in a subsidiary at its fair market value of P1,975,896,516 as of October 31, 2013.

As of 30 April 2014, the Corporation does not have employees. Its subsidiary, PGMC, PHPI, and HRO have ninety two (92), one hundred eight (108), and three hundred seventy five (375) employees, respectively. The Corporation does not anticipate any substantial increase in the number of its employees within the ensuing twelve (12) months. The number of employees in PGMC's operations, security and administrative are forty five (45), eight (8) and thirty nine (39), respectively. PHPI's number of employees i**n** operations, security and administrative **are** seventy five (75), **two (2), and** thirty one (31). As for HRO, there are sixty three (63) and three hundred twelve (312) employees for administrative and operations, respectively. There are no supplemental benefits or incentive arrangements the subsidiary has or will have with its employees.

Financial Statements

The Audited Financial Statements of the Corporation as of 30 April 2014 is attached.

Disagreements with Accountants on Accounting and Financial Disclosures

There are no disagreements with the accountants on accounting and financial disclosures.

Management's Discussion and Analysis of Financial Conditions and Results of Operations

The Corporation's principal activity is investment holding. Since 1998, it owns 100% equity ownership of PGMC whose principal activity is leasing on-line lottery equipment and providing software support. Another subsidiary, Perdana Hotel Philippines Inc. (PHPI) was incorporated in 2009 primarily to engage and operate hotels or other buildings, to own, lease and operate one or more hotels, and adjuncts and accessories thereto.

Since the end of the last financial year ended 30 April 2014, the Corporation continues to be an investment-holding company with underlying interests in its subsidiaries. There was no change in the operations of PGMC, PHPI, HRO or the Corporation during the year under review.

The top five key performance indicators (KPIs) of the Corporation and its sole subsidiary are: (1) to ensure the prompt collection of receivables from the customers, (2) review the annual budget to monitor and explain any material variances above 10% in the overall operating results, (3) scrutinize and monitor all the controllable budgeted expenses and analyze any material variances above 10%, (4) review all capital expenditures in compliance with the approved budget, and (5) to manage the timely placements of surplus funds to ensure the highest possible bank interest income in view of the appropriate tolerable risks.

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	Net Revenues / Property, Plant & Equipment (Net)
Return on Average Equity	Net Income / Average Equity
Return on Average Assets	Net Income / Average Total Assets

At the company level, the Corporation's dividend income increased to Php 2,269,037,259 in financial year 2014 from Php 1,205,917,748 in financial year 2013. The increase in dividend income is attributable to higher dividend income received from PGMC in financial year 2014.

The Corporation's net income increased to Php 2,418,274,166 in financial year 2014 from Php 1,316,745,796 in financial year 2013. This is mainly due to higher dividend income received from PGMC and net gain in the fair value of available for sale investments.

In financial year 2014, at the subsidiary level, revenues of PGMC decreased by 12.75% as a consequence of a decrease in lottery ticket sales from Php1,973,382,154 in 2013 to Php1,721,851,230 in 2014.

At the Consolidated level, revenue increased by 489.10% to Php12,487,382,170 from Php2,119,799,892 due to increase in revenue from newly acquired subsidiary, HR Owen.

The Corporation's consolidated net income in financial year 2014 amounted to Php 1,130,600,253 representing an increase of 2.5% over financial year 2013's net income of Php 1,103,544,747. This is attributed to the additional net income contributed by its new subsidiary H.R. Owen.

In financial year 2014, finance income increased to Php 192,745,242 from Php 57,310,986 in financial year 2013, due to an increase in foreign currency gains (net) and dividend income as reported in its audited financial statements.

The higher operating expenses of Php 11,508,441,993 in financial year 2014 as against to Php 940,579,943 in financial year 2013, resulted primarily from the expenses attributable to HR Owen. The increase in cost of vehicles sold, salaries and employee benefits, body shop and repairs and parts, professional fees, depreciation and amortization, rental, telecommunication, taxes and licenses, communication, light and water, maintenance of computer equipment, representation and entertainment, food and beverage expenses and other operating expenses were offset against the decrease in charitable contributions and transportation and travel.

Financial Position

On a consolidated basis, Total Assets as of 30 April 2014 were Php 12,116,608,702 and Total Assets as of 30 April 2013 were Php 4,990,117,812.

Current assets increased to Php 7,556,330,146 in 2014 from Php 2,751,845,161 in 2013. This increase in financial year 2014 is attributed to the increase in trade and other receivables, advances to associates, inventories and prepayments and other current assets.

In financial year 2014, trade and other receivables increased to Php 2,098,395,710 compared to Php 1,174,698,838 in financial year 2013, mainly due to trade receivables attributed by HR Owen, loan receivable and payment for future acquisition of investment securities. The collections of income by the subsidiary are usually due within 60 days.

Prepayments and other current assets increased to Php 540,940,091 in 2014 from Php 90,549,701 in 2013 due to the prepayments and other current assets of HR Owen.

Available-for-sale financial assets increased to Php 979,758,710 from Php 575,928,787 due to acquisition of investment securities.

Property and equipment increased to Php 1,493,463,293 from Php 1,071,810,826, mainly due to the additional property and equipments related to HR Owen.

Goodwill increased by Php 1,822,152,263 representing an excess in the acquisition cost over the fair value of (a) identifiable net assets of H.R. Owen and PGMC at the date the Parent company acquired control over them and, (b) H.R. Owen's subsidiaries identifiable assets.

Meanwhile, other non-current assets decreased to Php 2,438,102 in financial year 2014 from Php 2,665,796 in financial year 2013.

Total Consolidated Liabilities increased to Php 5,702,164,054 in financial year 2014 from Php 191,625,039 in financial year 2013, mainly due to trade and other payables, loan payables and borrowings of HR Owen and income tax payable.

Arising from the above, the current ratio of the Corporation decreased to 1.35:1 from 17.31:1 in financial year 2013. The Corporation and its subsidiary are still in good liquidity position. There is no long-term debt except for the provision of Php 47,240,181 in 2014 and Php 32,682,167 in 2013 for retirement benefits as mandated under Republic Act 7641 (Retirement Law).

Total stockholders' equity increased to Php 6,414,444,648 from Php 4,798,492,773 in financial year 2014 and 2013, respectively. The book value per share increased to Php 7.37 in 2014 from Php 5.51 in 2013.

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

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

ii) The liquidity of the subsidiary would continue to be generated from the collections of revenues 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.

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

v) 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.

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

vii) There is no event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation; and

viii) There is no material off-balance sheet transactions, arrangements, obligations (including contingent liabilities), and other relationships of the company with unconsolidated entities or persons created during the reporting period.

Information on Independent Accountant

For professional services rendered on the audit of the financial statements of the Corporation and its subsidiary, Punongbayan & Araullo was paid the amounts of Php165,000.00 for its audit on the Corporation, Php420,000.00 and Php185,000.00 for its audit on PGMC and PHPI, the wholly owned subsidiaries of the corporation for the financial year ended 30 April 2014.

Punongbayan & Araullo prepared the Corporation and its subsidiary's financial position, and the results of its operations and its cash flows for the years in accordance with generally accepted accounting principles in the Philippines.

As part of the audit process, Punongbayan & Araullo made specific inquiries from the Management of the Corporation and its subsidiary and requested Management's written confirmation concerning representations contained in the financial statements and the effectiveness of the internal control structure. The responses to the inquiries, the written representations, and the results of their audit tests comprised the evidential matter relied upon in forming an opinion on the financial statements.

The income tax return (ITR), other tax returns and the publicly held financial statements (PHFS) and the information contained therein were the responsibilities of the Corporation. Punongbayan & Araullo ascertained that the income and expenses agree with the Corporation's and its subsidiary's books of accounts.

Discussion on Compliance with leading practice on Corporate Governance

The Corporation's evaluation system is headed by its Chief Financial Officer Mr. Tan Eng Hwa assisted by the Assistant Corporate Secretary Ms. Marie Lourdes Sia-Bernas in determining the level of compliance of the Board of Directors with its *Manual of Corporate Governance*.

The Corporation shall implement its Corporate Governance Rules in accordance with the Revised Code of Corporate Governance under SEC Memorandum Circular No. 06-2009. The Corporation submitted its Revised *Manual on Corporate Governance* on 31 July 2014 and 18 January 2010. The Revised Manual is available for inspection by shareholders at reasonable hours on business days.

The Corporation submitted its Annual Corporate Governance Report on 1 July 2013 since 30 June 2013. The Annual Corporate Governance Report is available for inspection by shareholders at reasonable hours on business days.

There is no deviation from the corporation's *Revised Manual on Corporate Governance*.

Market Price of the Company's Shares of Stock

The shares of stock of Berjaya Philippines Inc. are traded on the Philippine Stock Exchange (PSE). The high and low sales prices for certain dates commencing January 2011 to August 2014 are as follows:

DATE	HIGH	LOW	CLOSE
27 Jan 2011	₱ 21.00	₱ 21.00	₱ 21.00
27 Apr 2011	₱ 20.00	₱ 20.00	₱ 20.00
23 Jun 2011	₱ 17.04	₱ 17.00	₱ 17.00
15 Sep 2011	₱ 21.00	₱ 19.40	₱ 21.00
28 Oct 2011	₱ 21.00	₱21.00	₱21.00
03 Nov 2011	₱21.50	₱21.00	₱21.50
29 Dec 2011	₱25.00	₱21.00	₱25.00
25 Jan 2012	₱22.50	₱22.50	₱22.50
30 Apr 2012	₱19.00	₱19.00	₱19.00
29 Jun 2012	₱27.00	₱25.00	₱27.00
26 Sep 2012	₱ 27.00	₱ 26.00	₱ 27.00
31 Oct 2012	₱ 27.00	₱ 26.00	₱ 27.00
30 Nov 2012	₱ 28.00	₱ 25.00	₱ 28.00
28 Dec 2012	₱ 28.00	₱ 22.50	₱ 28.00
31 Jan 2013	₱ 31.00	₱ 26.00	₱ 31.00
30 Apr 2013	₱ 24.90	₱ 22.00	₱ 24.90
28 June 2013	₱ 22.00	₱ 20.00	₱ 22.00
30 Sept 2013	₱ 21.80	₱ 21.80	₱ 21.80
31 Oct 2013	₱ 21.80	₱ 21.80	₱ 21.80
25 Nov 2013	₱ 18.00	₱ 18.00	₱ 18.00
29 Nov 2013	₱ 23.80	₱ 23.80	₱ 23.80
6 Dec 2013	₱ 18.00	₱ 18.00	₱ 18.00
17 Dec 2013	₱ 23.00	₱ 23.00	₱ 23.00
27 Dec 2013	₱ 28.50	₱ 28.50	₱ 28.50
30 Jan 2014	₱ 27.00	₱ 27.00	₱ 27.00
28 Feb 2014	₱ 27.00	₱ 18.10	₱ 27.00
5 Mar 2014	₱ 25.50	₱ 19.00	₱ 25.50
6 Mar 2014	₱ 20.00	₱ 19.50	₱ 20.00
24 Mar 2014	₱ 21.00	₱ 21.00	₱ 21.00
3 Apr 2014	₱ 28.00	₱ 28.00	₱ 28.00
7 May 2014	₱ 26.00	₱ 19.10	₱ 26.00
8 May 2014	₱ 21.70	₱ 18.88	₱ 21.60
14 May 2014	₱ 22.05	₱ 22.05	₱ 22.05
26 Jun 2014	₱ 22.00	₱ 22.00	₱ 22.00
30 Jun 2014	₱ 26.00	₱ 26.00	₱ 26.00
1 Jul 2014	₱ 25.25	₱ 25.25	₱ 25.25
15 Jul 2014	₱ 24.90	₱ 24.90	₱ 24.90
21 Jul 2014	₱ 20.05	₱ 20.05	₱ 20.05
31 Jul 2014	₱ 26.40	₱ 26.40	₱ 26.40
14 Aug 2014	₱ 26.40	₱ 26.40	₱ 26.40
19 Aug 2014	₱ 26.40	₱ 26.40	₱ 26.40

The price as of the last trading date for this report is Twenty Six Pesos and Forty Centavos (₱ 26.40) on 19 August 2014.

There are no restrictions or limitations on Berjaya Philippines Inc.'s ability to pay dividends on common equity. There are no such likely restrictions or limitations foreseen in the future.

Upon the written request of any stockholder, the Company will provide without charge to the requesting stockholder, a copy of the Company's annual report on SEC Form 17-A.

ALL REQUESTS MUST BE ADDRESSED TO:

JOSE A. BERNAS, Esq.
The Corporate Secretary
Berjaya Philippines Inc.
c/o Bernas Law Offices
8/F Raha Sulayman Building
108 Benavidez Street, Legaspi Village, Makati City
Metro Manila

For and on behalf of the Board:

(original signed)
LIM MENG KWONG
President

BERJAYA PHILIPPINES INC.
9/F Rufino Pacific Tower, 6784 Ayala Ave cor. V.A. Rufino St. Makati City, M.M.

28 August 2014

Dear Stockholder,

Please take notice that this year's annual meeting of the stockholders of BERJAYA PHILIPPINES INC. will be held on 2 October 2014 at 9:00 a.m. at the Function Room of the Berjaya Makati Hotel, Philippines located at the corner of Makati Avenue and Eduque Street, Makati City, Metro Manila. The Agenda for the meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Ratification of the Minutes of the Annual Stockholders Meeting held on 8 October 2013
4. Ratification of Corporate Acts of the Board of Directors for the year ended 30 April 2014
5. Amendment of the sixth article of the Corporation's Articles of Incorporation to increase the number of directors from five (5) to six (6)
6. Amendment of the third article of the Corporation's Articles of Incorporation in order to reflect the address of the Corporation with particularity, in compliance with SEC's Memorandum Circular Number 6, Series of 2014
7. Report of the Chairman
8. Election of the Board of Directors of the Corporation
9. Appointment of External Auditors
10. Other Matters
11. Adjournment

(original signed)
JOSE A. BERNAS
Corporate Secretary

BERJAYA

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **BERJAYA PHILIPPINES INC. AND SUBSIDIARIES** is responsible for the preparation and fair presentation of the financial statements for the year(s) ended **April 30, 2014 & 2013** in accordance with Philippine Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements free from material misstatement, whether due to fraud or error.

The Board of Directors and approves reviews the financial statements and submit the same to the stockholders.

Punongbayan & Araullo, the independent auditors and appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the Board of Directors and stockholders has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed under oath by the following:

Chairman — **Dato Seri Ibrahim Bin Saad**

President — **Lim Meng Kwong**

Treasurer — **Tan Eng Hwa**

BERJAYA PHILIPPINES INC.
9/F Rufino Pacific Tower 6784 Ayala Ave., Cor. V.A. Rufino St., Makati City
Tel. No.: (632) 811-0668 * Fax No.: (632) 811-0538

SUBSCRIBED AND SWORN to before me this _____ day of AUG 28 2014, 2014 at MAKATI CITY, with the affiants exhibiting to me the following:

NAME	PASSPORT/LICENSE NO.	DATE OF EXPIRY	PLACE OF ISSUE
Ibrahim Bin Saad	D00040366	15 Jun 2015	Putrajaya (HQ)
Lim Meng Kwong	A26509046	09 May 2017	Kuala Lumpur
Tan Eng Hwa	X01-05-001599	15 Oct 2016	Quezon City

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Doc. No. 312
Page No. 64
Book No. 93
Series of 2014

ATTY. HOBERT N. CRUZ
NOTARY PUBLIC
Until December 31, 2015
Appt. No. M-44, Makati City
IBP #942830, Nov. 12, 2013-RSM
PTR #4225542, Jan. 02, 2014-Makati
S.C. Roll No. 59597
MCLE Compliance No. IV-0011330
Unit 301 3rd Flr. Campos Rueda Bldg.
101 Urban Avenue, Brgy. Pio del Pilar
Makati City

BERJAYA

CERTIFICATION

Securities and Exchange Commission
SEC Building
EDSA, Greenhills
Mandaluyong

Gentlemen:

In compliance with Memorandum Circular No. 02 March 12, 2001, issued by Securities and Exchange Commission (SEC), requiring the submission by registered corporations of SEC reportorial requirements, we submit herewith the Consolidated Audited Financial Statements (CAFS) diskette for **BERJAYA PHILIPPINES, INC. & SUBSIDIARIES** for the years ended April 30, 2014 and 2013 consisting of the following:

Table 1.	Balance Sheets
Table 2.	Income Statements / (Profit and Loss Statement) and Retained Earnings Statement
Table 2b.	Statement of Cash Flows

I certify that the CAFS diskette of the Company contains the basic and material data in the hard copies of the financial statements of the Company for the years ended April 30, 2014 and 2013.

TAN ENG HWA
Treasurer

SUBSCRIBED AND SWORN to before me this _____ day of JUN 27 2014, 2014, at MAKATI CITY with affiant exhibiting to me his Passport No. A19876017, issued on January 28, 2009 at Malaysia.

NOTARY PUBLIC

Book No. 86 :
Doc. No. 454 :
Page No. 92 :
Series of 2014

ATTY. ROBERT N. LLUZ
NOTARY PUBLIC
Until December 31, 2015
Appt No. M-44, Makati City
IBP #942830, Nov. 12, 2013-RSM
PTR #4225542, Jan. 02, 2014-Makati
S.C. Roll No. 59597
MCLE Compliance No. IV-0011330
Unit 301 3rd Flr. Campos Rueda Bldg.
101 Urban Avenue, Brgy. Pio del Pilar
Makati City

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 **FAX NO.:** 811-0538
COMPANY TYPE : INVESTMENT COMPANY OPERATION **PSIC:** 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)	**12,116,609**	**4,990,118**
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	7,556,330	2,751,845
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	1,318,707	1,409,737
A.1.1.1 On hand	525	442
A.1.1.2 In domestic banks/entities	1,318,182	1,409,295
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	2,098,396	1,174,699
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)	2,098,396	1,174,699
A.1.2.1.1 Due from customers (trade)	535,678	215,765
A.1.2.1.2 Due from related parties	1,347,260	892,902
A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)	222,866	67,888
A.1.2.1.3.1 Receivable from supplier	92,670	4,098
A.1.2.1.3.2 Advances to officers and employees	8,175	9,266
A.1.2.1.3.3 Other receivables	122,021	54,525
A.1.2.1.4 Allowance for doubtful accounts (**negative entry**)	(7,408)	(1,857)
A.1.2.2 Due from foreign entities, specify (A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4)		
A.1.2.2.1		
A.1.2.2.2		
A.1.2.2.3		
A.1.2.2.4 Allowance for doubtful accounts (**negative entry**)		
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)	3,565,622	50,176
A.1.3.1 Vehicles	3,325,466	0
A.1.3.2 Parts and components	178,760	0
A.1.3.3 Spare parts and accessories	37,753	43,564
A.1.3.4 Work-in-progress	16,488	0
A.1.3.5 Hotel supplies	7,155	6,612
A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2)		
A.1.3.6.1		
A.1.3.6.2		
A.1.4 Financial Assets other than Cash/Receivables/Equity investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)		
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities: (A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)		
A.1.4.1.1 National Government		
A.1.4.1.2 Public Financial Institutions		
A.1.4.1.3 Public Non-Financial Institutions		
A.1.4.1.4 Private Financial Institutions		
A.1.4.1.5 Private Non-Financial Institutions		
A.1.4.2 Held to Maturity Investments - issued by domestic entities: (A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)		
A.1.4.2.1 National Government		
A.1.4.2.2 Public Financial Institutions		
A.1.4.2.3 Public Non-Financial Institutions		
A.1.4.2.4 Private Financial Institutions		
A.1.4.2.5 Private Non-Financial Institutions		

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

Control No.:
Form Type: PHFS (rev 2006)

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 **FAX NO.:** 811-0538
COMPANY TYPE : INVESTMENT COMPANY OPERATION **PSIC:** 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)		
A.1.4.3.1 National Government		
A.1.4.3.2 Public Financial Institutions		
A.1.4.3.3 Public Non-Financial Institutions		
A.1.4.3.4 Private Financial Institutions		
A.1.4.3.5 Private Non-Financial Institutions		
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)		
A.1.4.4.1 National Government		
A.1.4.4.2 Public Financial Institutions		
A.1.4.4.3 Public Non-Financial Institutions		
A.1.4.4.4 Private Financial Institutions		
A.1.4.4.5 Private Non-Financial Institutions		
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1+A.1.4.5.2+A.1.4.5.3+A.1.4.5.4)		
A.1.4.5.1 Financial Assets at fair value through profit or loss		
A.1.4.5.2 Held-to-maturity investments		
A.1.4.5.3 Loans and Receivables		
A.1.4.5.4 Available-for-sale financial assets		
A.1.4.6 Allowance for decline in market value (negative entry)		
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)	573,605	117,233
A.1.5.1 Advances to associate	32,665	26,683
A.1.5.2 Prepaid expenses	145,181	0
A.1.5.3 Prepaid taxes, input VAT and creditable withholding taxes	187,282	61,658
A.1.5.4 Refundable deposits and advance rental	182,708	4,991
A.1.5.5 Other current assets	35,144	23,901
A.1.5.6 Allowance for impairment (negative entry)	(9,375)	
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7+ A.2.8)	1,493,463	1,071,811
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement	1,656,839	795,466
A.2.3 Machinery and equipment (on hand and in transit)	1,863,348	1,486,328
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment	51,872	43,757
A.2.5 Others, specify (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)	37,284	36,584
A..2.5.1 Furniture and fixture	37,284	36,584
A..2.5.2		
A..2.5.3		
A..2.5.4		
A..2.5.5		
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5)		
A..2.6.1		
A..2.6.2		
A..2.6.3		
A..2.6.4		
A..2.6.5		
A.2.7 Accumulated Depreciation (negative entry)	(2,115,880)	(1,290,324)
A.2.8 Impairment Loss or Reversal (if loss, negative entry)		
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 + A.3.4)		
A.3.1 Equity in domestic subsidiaries/affiliates		
A.3.2 Equity in foreign branches/subsidiaries/affiliates		
A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5)		
A.3.3.1		
A.3.3.2		
A.3.3.3		
A.3.3.4		
A.3.3.5		
A.4 Investment Property		
A.5 Biological Assets		
A.6 Intangible Assets	1,822,152	360,110
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)	1,822,152	360,110
A.6.1.1 Goodwill	1,822,152	360,110
A.6.1.2		
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)		
A.6.2.1		
A.6.2.2		
A.7 Assets Classified as Held for Sale		
A.8 Assets included in Disposal Groups Classified as Held for Sale		

Control No.:
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SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 FAX NO.: 811-0538
COMPANY TYPE : INVESTMENT COMPANY OPERATION PSIC: 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)		
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)	1,244,663	806,352
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax	0	10,135
A.10.3 Advance/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4+A.10.4.5)	1,244,663	796,216
A.10.4.1 Available-for-sale financial assets	979,759	575,929
A.10.4.2 Investment in associates	138,946	101,941
A.10.4.3 Advances to an associate	123,520	115,680
A.10.4.4 Other non-current assets	2,438	2,666
A.10.4.5		
A.10.5 Allowance for write-down of deferred charges/bad accounts (negative entry)	0	0
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)	**5,702,164**	**191,625**
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	5,592,838	158,943
B.1.1 Trade and Other Payables to Domestic Entities (B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6)	2,421,130	99,295
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	845,871	36,392
B.1.1.3 Payables to Related Parties	1,979	4,299
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders		
B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)	343,219	1,654
B.1.1.5.1 Accrued expenses	343,219	1,654
B.1.1.5.2		
B.1.1.5.3		
B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3)	1,230,061	56,949
B.1.1.6.1 Advances from customer	929,988	0
B.1.1.6.2 Withholding taxes payable	146,162	2,894
B.1.1.6.3 Liability on stock vehicles	21,561	0
B.1.1.6.4 Management fee payable	26,539	21,172
B.1.1.6.4 Deferred output vat	11,737	22,951
B.1.1.6.4 Other payables	94,074	9,932
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)		
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.3 Provisions		
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions) (B.1.4.1 + B.1.4.2 + B.1.4.3 + B.1.4.4 + B.1.4.5)	3,077,288	0
B.1.4.1 Loans payable and borrowings	3,077,288	0
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.4.5		
B.1.5 Liabilities for Current Tax	94,420	59,648
B.1.6 Deferred Tax Liabilities		
B.1.7 Others, specify (If material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6)		
B.1.7.1 Dividends declared and not paid at balance sheet date		
B.1.7.2 Acceptances Payable		
B.1.7.3 Liabilities under Trust Receipts		
B.1.7.4 Portion of Long-term Debt Due within one year		
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabiilities, specify:		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		

Control No.:
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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 **FAX NO.:** 811-0538
COMPANY TYPE : INVESTMENT COMPANY OPERATION **PSIC:** 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)		
B.2.1 Domestic Public Financial Institutions		
B.2.2 Domestic Public Non-Financial Institutions		
B.2.3 Domestic Private Financial Institutions		
B.2.4 Domestic Private Non-Financial Institutions		
B.2.5 Foreign Financial Institutions		
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)		
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale		
B.5 Other Liabilities (B.5.1 + B.5.2)	109,326	32,682
B.5.1 Deferred Tax	62,086	0
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5)	47,240	32,682
B.5.2.1 Post-employment benefit obligation	47,240	32,682
B.5.2.2		
B.5.2.3		
B.5.2.4		
B.5.2.5		
C. EQUITY (C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9+C.10)	**6,414,445**	**4,798,493**
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1+C.1.2+C.1.3)	0	0
C.1.1 Common shares		
C.1.2 Preferred Shares		
C.1.3 Others		
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)		
C.2.1 Common shares		
C.2.2 Preferred Shares		
C.2.3 Others		
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)	0	0
C.3.1 Common shares		
C.3.2 Preferred Shares		
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		
C.5 Minority Interest	350,610	0
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)	6,063,835	4,798,493
C.6.1 Attributable to owners of parent company	6,063,835	4,798,493
C.6.2		
C.6.3		
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus		
C.8 Retained Earnings (C.8.1 + C.8.2)	0	0
C.8.1 Appropriated		
C.8.2 Unappropriated		
C.9 Head / Home Office Account (for Foreign Branches only)		
C.10 Cost of Stocks Held in Treasury (**negative entry**)		
TOTAL LIABILITIES AND EQUITY (B + C)	**12,116,609**	**4,990,118**

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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: BERJAYA PHILIPPINES INC. AND SUBSIDIARIES

CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY

TEL. NO.: 811-0668 **FAX NO.:** 811-0538

COMPANY TYPE : INVESTMENT COMPANY OPERATION **PSIC:** 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)	
A. REVENUE / INCOME (A.1 + A.2 + A.3)	13,094,561	2,351,343	
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity)	12,487,382	2,119,800	
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for	13,005	(19,965)	
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)			
A.3.1 Rental Income from Land and Buildings			
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)			
A.3.3 Sale of Real Estate or other Property and Equipment			
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)			
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7 + A.3.5.8)			
A.3.5.1			
A.3.5.2			
A.3.5.3			
A.3.5.4			
A.3.5.5			
A.3.5.6			
A.3.5.7			
A.3.5.8			
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	594,175	251,507	
A.4.1 Interest Income	25,885	51,393	
A.4.2 Dividend Income	75,037	5,918	
A.4.3 Gain / (**Loss**) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4)	125,385	132,591	
A.4.3.1 Gain on sale of available-for-sale financial assets	118,295	131,230	
A.4.3.2 Gain on sale of property and equipment	7,089	1,361	
A.4.3.3			
A.4.3.4			
A.4.4 Others, specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)	367,868	61,605	
A.4.4.1 Gain / (**Loss**) on Foreign Exchange	91,823	(966)	
A.4.4.2 Remeasurement of gain on reclassification of AFS	180,706		
A.4.4.3 Excess 7% standard input vat over actual input vat	70,845	56,830	
A.4.4.4 Income from forfeited customer deposits	16,249		
A.4.4.5 Others	8,244	5,741	
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)			
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)			
B.1.1 Direct Material Used			
B.1.2 Direct Labor			
B.1.3 Other Manufacturing Cost / Overhead			
B.1.4 Goods in Process, Beginning			
B.1.5 Goods in Process, End (**negative entry**)			
B.2 Finished Goods, Beginning			
B.3 Finished Goods, End (**negative entry**)			
C. COST OF SALES (C.1 + C.2 + C.3)			
C.1 Purchases			
C.2 Merchandise Inventory, Beginning			
C.3 Merchandise Inventory, End (**negative entry**)			
D. GROSS PROFIT (A - B - C)	13,094,561	2,351,343	

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: BERJAYA PHILIPPINES INC. AND SUBSIDIARIES

CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY

TEL. NO.: 811-0668 FAX NO.: 811-0538

COMPANY TYPE : INVESTMENT COMPANY OPERATION PSIC: 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)	
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	**11,508,442**	**940,580**	
E.1 Selling or Marketing Expenses			
E.2 Administrative Expenses			
E.3 General Expenses			
E.4 Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + E.4.8 + E.4.9 + E.4.10)	11,508,442	940,580	
E.4.1 Cost of vehicles sold	8,311,730	0	
E.4.2 Salaries and employee benefits	809,576	112,980	
E.4.3 Bodyshop repairs and parts	767,243	0	
E.4.4 Professional fees	332,508	185,551	
E.4.5 Depreciation and amortization	266,793	219,297	
E.4.6 Rental	147,029	17,742	
E.4.7 Telecommunication	119,491	103,017	
E.4.8 Taxes and licenses	85,470	24,593	
E.4.9 Communication, light and water	59,155	32,776	
E.4.10 Maintenance of computer equipment	53,413	53,020	
E.4.11 Charitable contributions	31,780	44,000	
E.4.12 Transportation and travel	24,308	25,483	
E.4.13 Representation and entertainment	21,173	16,928	
E.4.14 Food and beverages	13,267	12,798	
E.4.15 Others	465,505	92,393	
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)	**122,718**	**0**	
F.1 Interest on Short-Term Promissory Notes			
F.2 Interest on Long-Term Promissory Notes			
F.3 Interest on bonds, mortgages and other long-term loans			
F.4 Amortization			
F.5 Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5)	122,718	0	
F.5.1 Interest expense	85,676	0	
F.5.2 Bank charges	24,170	0	
F.5.3 Bad debts expense	12,872		
F.5.4			
F.5.5			
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	**1,463,402**	**1,410,763**	
H. INCOME TAX EXPENSE (negative entry)	**(332,802)**	**(307,218)**	
I. INCOME(LOSS) AFTER TAX	**1,130,600**	**1,103,545**	
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on theMeasurement of Fair Value less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)			
J.1			
J.2			
K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST	**36,577**	**0**	
L PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	**1,094,023**	**1,103,545**	
M. EARNINGS (LOSS) PER SHARE			
M.1 Basic	1.298	1.267	
M.2 Diluted			

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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

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CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 **FAX NO.:** 811-0538
COMPANY TYPE INVESTMENT COMPANY OPERATION **PSIC:** 66910

If these are based on consolidated financial statements, please so indicate in the caption.

Table 3. Cash Flow Statements

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) Before Tax and Extraordinary Items	1,463,402	1,410,763
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	266,793	219,297
Amortization, specify		
Others, specify: Dividend income	(75,037)	(5,918)
Remeasurement gain of available-for-sale financial assets	(180,706)	0
Net gain on sale of available-for-sale financial assets	(118,295)	(131,230)
Interest expense	85,676	0
Interest income	(25,885)	(51,393)
Unrealized foreign currency loss(gain)	(91,823)	966
Equity share in net losses(income) of associates	(13,005)	19,965
Gain on disposal of propert and equipment	(7,089)	(1,361)
Bad debts expense	3,497	0
Write-down of Property, Plant, and Equipment		
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Trade and other receivables	(235,111)	(888,154)
Prepayments and other current assets	(425,844)	2,139
Other non-current assets	228	(21)
Others, specify:		
Increase (Decrease) in:		
Inventories	(39,463)	0
Trade and other payables	225,459	7,179
Post-employment benefit obligation	10,220	6,200
Others, specify: Cash paid for income taxes	(240,857)	(315,394)
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	**602,158**	**273,037**
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Long-Term Receivables		
(Increase) Decrease in Investment		
Reductions/(Additions) to Property, Plant, and Equipment	(51,502)	(75,711)
Others, specify Acquisition of available-for-sale financial assets/investment in associates	(2,220,587)	(493,065)
Cash dividends received	75,037	5,918
Proceeds from sale of available-for-sale financial assets	243,556	171,707
Collection from associates	(13,822)	(7,187)
Payments to previous stockholders of H.R. Owen	(2,387)	0
Interest received	25,885	51,393
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	**(1,943,820)**	**(346,944)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Bank loans and borrowings	1,000,000	
Long-term Debt		
Issuance of Securities		
Others, specify:		
Payments of:		
(Loans and Bank Borrowings)	(450,000)	
(Long-term Debt)		
(Stock Subscriptions)		
Others, specify (**negative entry**):		
Interest paid	(84,323)	
Acquisition of treasury shares		(85,722)
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	**465,677**	**(85,722)**
D. Effect of Exchange Rate Changes to Cash and Cash Equivalents	**10,141**	**(966)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(865,844)	(160,595)
Cash and Cash Equivalents		
Beginning of year	1,409,737	1,570,332
Beginning balance from newly acquired subsidiary	774,814	
End of year	1,318,707	1,409,737

***NOTE:** Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.*

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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

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CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 FAX NO.: 811-0538
COMPANY TYPE : INVESTMENT COMPANY OPERATION PSIC: 0

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

(Amount in P'000)

FINANCIAL DATA	Capital Stock	Treasury Shares	Revaluation Reserve	Retained Earnings		Non-controlling Interest	TOTAL
				Appropriated	Unappropriated		
A. Balance, 2012	953,984	(902,428)	164,475	2,832,540	843,132	0	3,891,704
A.1 Correction of Error(s)							
A.2 Changes in Accounting Policy							
B. Restated Balance							
C. Surplus							
C.1 Surplus (**Deficit**) on Revaluation of Properties							
C.2 Surplus (**Deficit**) on Revaluation of Investments							
C.3 Currency Translation Differences							
C.4 Other Surplus (specify)							
C.4.1 Net unrealized fair value gains			(111,034)				(111,034)
C.4.2							
C.4.3							
C.4.4							
C.4.5							
D. Net Income (Loss) for the Period					1,103,545		1,103,545
E. Dividends (negative entry)							
F. Appropriation for (specify)							
F.1 Reversal of appropriation				(210,000)	210,000		0
F.2 Appropriation during the year				725,000	(725,000)		0
F.3							
F.4							
F.5							
G. Issuance of Capital Stock							
G.1 Common Stock							
G.2 Preferred Stock							
G.3 Additional treasury shares acquired		(85,722)		85,722	(85,722)		(85,722)
H. Balance, 2013	953,984	(988,150)	53,441	3,433,263	1,345,955	0	4,798,493
H.1 Correction of Error (s)							
H.2 Changes in Accounting Policy							
I. Restated Balance							
J. Surplus							
J.1 Surplus (**Deficit**) on Revaluation of Properties							
J.2 Surplus (**Deficit**) on Revaluation of Investments							
J.3 Currency Translation Differences			61,410			24,852	86,263
J.4 Other Surplus (specify)							
J.4.1 Non-controlling interest in acquired						292,647	292,647
J.4.2 Change in equity share in a			(14,578)				(14,578)
J.4.3 Actuarial loss on remeasurement			187			(3,467)	(3,280)
J.4.4 Net unrealized fair value gains			366,575				366,575
J.4.5 Reclassification adjustments			(242,276)				(242,276)
K. Net Income (Loss) for the Period					1,094,023	36,577	1,130,600
L. Dividends (negative entry)							
M. Appropriation for (specify)							
M.1 Reversal of appropriation				(1,410,000)	1,410,000		0
M.2 Appropriation during the year				2,600,000	(2,600,000)		0
M.3							
M.4							
M.5							
N. Issuance of Capital Stock							
N.1 Common Stock							
N.2 Preferred Stock							
N.3 Others							
O. Balance, 2014	953,984	(988,150)	224,760	4,623,263	1,249,978	350,610	6,414,445

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SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

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CURRENT ADDRESS: 9F RUFINO PACIFIC TOWER, 6784 AYALA AVE., MAKATI CITY
TEL. NO.: 811-0668 FAX NO.: 811-0538
COMPANY TYPE : INVESTMENT COMPANY OPERATION PSIC: 0

If these are based on consolidated financial statements, please so indicate in the caption.

Table 5. Details of Income and Expenses, by source

(applicable to corporations transacting with foreign corporations/entities)

FINANCIAL DATA	2014 (in P'000)	2013 (in P'000)	
A. REVENUE / INCOME (A.1 + A.2)	**13,081,557**	**2,371,307**	
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining,utilities, trade, services, etc.) (from Primary Activity) (A.1.1 +A.1.2)	12,487,382	2,119,800	
A.1.1 Domestic	1,861,415	2,119,800	
A.1.2 Foreign	10,625,967	0	
A.2 Other Revenue (A.2.1 +A.2.2)	594,175	251,507	
A.2.1 Domestic	297,740	251,507	
A.2.2 Foreign, specify (A.2.2.1+A.2.2.2+ A.2.2.3+ A.2.2.4+ A.2.2.5+ A.2.2.6+ A.2.2.7+ A.2.2.8+A.2.2.9+A.2.2.10)	296,435	0	
A.2.2.1 Gain on sale of available-for-sale financial assets - BPI	92,456	0	
A.2.2.2 Remeasurement of gain on reclassification of AFS - BPI	180,706	0	
A.2.2.3 Interest Income - HRO	2,293	0	
A.2.2.4 Other Income - HRO	20,980	0	
A.2.2.5			
A.2.2.6			
A.2.2.7			
A.2.2.8			
A.2.2.9			
A.2.2.10			
B. EXPENSES (B.1 + B.2)	**11,631,160**	**940,580**	
B.1 Domestic	1,046,627	940,580	
B.2 Foreign, specify (B.2.1+B.2.2+B.2.3+B.2.4+B.2.5+B.2.6+B.2.7+B.2.8+B.2.9+B.2.10)	10,584,532	0	
B.2.1 Finance Cost - HRO	57,005	0	
B.2.2 Operating Expenses - New Subsidiary - HRO	10,418,051	0	
B.2.3 Expenses incurred in relation to HRO offer - BPI	109,476	0	
B.2.4		0	
B.2.5		0	
B.2.6		0	
B.2.7		0	
B.2.8		0	
B.2.9		0	
B.2.10		0	

Punongbayan & Araullo

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Report of Independent Auditors

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The Board of Directors
Berjaya Philippines Inc. and Subsidiaries
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited the accompanying consolidated financial statements of Berjaya Philippines Inc. and subsidiaries, which comprise the consolidated statements of financial position as at April 30, 2014 and 2013, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended April 30, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Berjaya Philippines Inc. and subsidiaries as at April 30, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended April 30, 2014 in accordance with Philippine Financial Reporting Standards.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 4225009, January 2, 2014, Makati City
SEC Group A Accreditation
Partner - 0395-AR-2 (until Feb. 10, 2016)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-19-2012 (until May 15, 2015)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

July 15, 2014

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2014	2013
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	7	**P 1,318,707,122**	P 1,409,737,406
Trade and other receivables - net	8	**2,098,395,710**	1,174,698,838
Inventories	9	**3,565,621,926**	50,176,085
Advances to associates	13, 22	**32,665,297**	26,683,131
Prepayments and other current assets	10	**540,940,091**	90,549,701
Total Current Assets		**7,556,330,146**	2,751,845,161
NON-CURRENT ASSETS			
Available-for-sale financial assets	11	**979,758,710**	575,928,787
Property and equipment - net	12	**1,493,463,293**	1,071,810,826
Investments in associates	13	**138,946,188**	101,941,496
Advances to an associate	13, 22	**123,520,000**	115,680,000
Goodwill	14	**1,822,152,263**	360,110,253
Deferred tax assets - net	24	**-**	10,135,493
Other non-current assets	15	**2,438,102**	2,665,796
Total Non-current Assets		**4,560,278,556**	2,238,272,651
TOTAL ASSETS		**P 12,116,608,702**	P 4,990,117,812
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	17	**P 2,421,129,843**	P 99,294,930
Loans payable and borrowings	18	**3,077,288,336**	-
Income tax payable		**94,419,972**	59,647,942
Total Current Liabilities		**5,592,838,151**	158,942,872
NON-CURRENT LIABILITIES			
Deferred tax liabilities - net	24	**62,085,722**	-
Post-employment benefit obligation	20	**47,240,181**	32,682,167
Total Non-current Liabilities		**109,325,903**	32,682,167
Total Liabilities		**5,702,164,054**	191,625,039
EQUITY	23		
Attributable to Owners of the Parent Company		**6,063,834,577**	4,798,492,773
Attributable to non-controlling interest		**350,610,071**	-
Total equity		**6,414,444,648**	4,798,492,773
TOTAL LIABILITIES AND EQUITY		**P 12,116,608,702**	**P 4,990,117,812**

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED APRIL 30, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
REVENUES				
Sale of vehicles	2	P 10,625,966,825	P -	P -
Rental	6	1,721,851,230	1,973,382,154	1,941,553,798
Hotel operations	2	139,564,115	146,417,738	140,518,410
		12,487,382,170	2,119,799,892	2,082,072,208
COSTS AND OPERATING EXPENSES				
Cost of vehicles sold	2	8,311,729,837	-	-
Salaries and employee benefits	20	809,576,175	112,979,750	103,654,210
Bodyshop repairs and parts	2	767,242,897	-	-
Professional fees	22	332,508,113	185,551,176	178,043,632
Depreciation and amortization	12	266,793,322	219,297,161	174,507,008
Rental	22, 28	147,028,531	17,742,259	14,564,568
Telecommunication		119,491,314	103,017,417	118,946,861
Taxes and licenses		85,470,485	24,593,309	23,560,112
Communication, light and water		59,155,333	32,776,252	34,509,787
Maintenance of computer equipment	22	53,412,883	53,020,446	80,475,011
Charitable contributions		31,780,000	44,000,000	22,000,000
Transportation and travel		24,307,970	25,482,692	21,596,011
Representation and entertainment		21,173,262	16,928,161	14,158,492
Food and beverages		13,266,772	12,797,947	15,398,994
Others	19	465,505,099	92,393,373	63,926,085
		11,508,441,993	940,579,943	865,340,771
OPERATING PROFIT		978,940,177	1,179,219,949	1,216,731,437
OTHER INCOME (CHARGES)				
Finance income	11, 21	192,745,242	57,310,986	47,696,850
Remeasurement gain on reclassification of available-for-sale financial assets to investment in subsidiary	23	180,705,716	-	-
Finance costs and other charges	21	(122,717,563)	(965,582)	(4,016,821)
Net gain on sale of available-for-sale financial assets	11	118,295,452	131,229,875	-
Equity share in net income (losses) of associates	13	13,004,692	(19,964,557)	21,406,057
Others	19	102,428,111	63,932,110	122,966,557
		484,461,650	231,542,832	188,052,643
PROFIT BEFORE TAX		1,463,401,827	1,410,762,781	1,404,784,080
TAX EXPENSE	24	332,801,574	307,218,034	313,129,130
NET PROFIT		1,130,600,253	1,103,544,747	1,091,654,950
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Actuarial loss on remeasurement of retirement benefit obligation - net of tax	20	(3,280,018)	-	-
Items that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains on available-for-sale financial assets	23, 27	366,574,662	42,922,081	136,511,171
Reclassification adjustments to profit or loss	23	(242,275,508)	(153,956,044)	-
Translation adjustment	2	86,262,743	-	-
		210,561,897	(111,033,963)	136,511,171
TOTAL COMPREHENSIVE INCOME		P 1,337,882,132	P 992,510,784	P 1,228,166,121
Balance carried forward		P 1,337,882,132	P 992,510,784	P 1,228,166,121

	Notes	2014	2013	2012
Balance brought forward		**P 1,337,882,132**	P 992,510,784	P 1,228,166,121
Net profit attibutable to:				
Owners of the Parent Company		**P 1,094,023,187**	P 1,103,544,747	P 1,091,654,950
Non-controlling interest	13	**36,577,066**	-	-
		P 1,130,600,253	P 1,103,544,747	P 1,091,654,950
Total comprehensive income attributable to:				
Owners of the Parent Company		**P 1,279,919,415**	P 992,510,784	P 1,228,166,121
Non-controlling interest		**57,962,717**	-	-
		P 1,337,882,132	P 992,510,784	P 1,228,166,121
Earnings Per Share	25	**P 1.298**	P 1.267	P 1.234

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED APRIL 30, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

		Attributable Owners of the Parent Company									
							Retained Earnings				
	Note	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Appropriated	Unappropriated	Total	Non-controlling Interest	Total
Balance at May 1, 2013	23	P 953,984,448	(P 988,150,025)	P 53,440,953	P -	P -	P 3,433,262,552	P 1,345,954,845	P 4,798,492,773	P -	P 4,798,492,773
Non-controlling interest in acquired subsidiary		-	-	-	-	-	-	-	-	292,647,354	292,647,354
Change in equity share in a subsidiary		-	-	-	(14,577,611)	-	-	-	(14,577,611)	-	(14,577,611)
Reversal of prior year appropriation		-	-	-	-	-	(1,410,000,000)	1,410,000,000	-	-	-
Appropriation during the year		-	-	-	-	-	2,600,000,000	(2,600,000,000)	-	-	-
Net profit for the year		-	-	-	-	-	-	1,094,023,187	1,094,023,187	36,577,066	1,130,600,253
Actuarial loss on remeasurement of retirement benefit obligation - net of tax		-	-	186,627	-	-	-	-	186,627	(3,466,645)	(3,280,018)
Net unrealized fair value gains on available-for-sale securities		-	-	366,574,662	-	-	-	-	366,574,662	-	366,574,662
Reclassification adjustments to profit or loss		-	-	(242,275,508)	-	-	-	-	(242,275,508)	-	(242,275,508)
Translation adjustment		-	-	-	-	61,410,447	-	-	61,410,447	24,852,296	86,262,743
Total equity at April 30, 2014		**P 953,984,448**	**(P 988,150,025)**	**P 177,926,734**	**(P 14,577,611)**	**P 61,410,447**	**P 4,623,262,552**	**P 1,249,978,032**	**P 6,063,834,577**	**P 350,610,071**	**P 6,414,444,648**
Balance at May 1, 2012	23	P 953,984,448	(P 902,427,725)	P 164,474,916	P -	P -	P 2,832,540,252	P 843,132,398	P 3,891,704,289	P -	P 3,891,704,289
Additional treasury shares acquired		-	(85,722,300)	-	-	-	85,722,300	(85,722,300)	(85,722,300)	-	(85,722,300)
Reversal of prior year appropriation		-	-	-	-	-	(210,000,000)	210,000,000	-	-	-
Appropriation during the year		-	-	-	-	-	725,000,000	(725,000,000)	-	-	-
Net profit for the year		-	-	-	-	-	-	1,103,544,747	1,103,544,747	-	1,103,544,747
Net unrealized fair value gains on available-for-sale securities		-	-	(111,033,963)	-	-	-	-	(111,033,963)	-	(111,033,963)
Total equity at April 30, 2013		P 953,984,448	(P 988,150,025)	P 53,440,953	P -	P -	P 3,433,262,552	P 1,345,954,845	P 4,798,492,773	P -	P 4,798,492,773
Balance at May 1, 2011	23	P 953,984,448	(P 501,387,473)	P 27,963,745	P -	P -	P 1,922,200,000	P 748,985,317	P 3,151,746,037	P -	P 3,151,746,037
Additional treasury shares acquired		-	(401,040,252)	-	-	-	401,040,252	(401,040,252)	(401,040,252)	-	(401,040,252)
Dividends declared during the year		-	-	-	-	-	-	(87,167,617)	(87,167,617)	-	(87,167,617)
Reversal of prior year appropriation		-	-	-	-	-	(2,200,000)	2,200,000	-	-	-
Appropriation during the year		-	-	-	-	-	511,500,000	(511,500,000)	-	-	-
Net profit for the year		-	-	-	-	-	-	1,091,654,950	1,091,654,950	-	1,091,654,950
Net unrealized fair value gains on available-for-sale securities		-	-	136,511,171	-	-	-	-	136,511,171	-	136,511,171
Total equity at April 30, 2012		P 953,984,448	(P 902,427,725)	P 164,474,916	P -	P -	P 2,832,540,252	P 843,132,398	P 3,891,704,289	P -	P 3,891,704,289

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 1,463,401,827	P 1,410,762,781	P 1,404,784,080
Adjustments for:				
Depreciation and amortization	12	266,793,322	219,297,161	174,507,008
Remeasurement gain of available-for-sale financial assets	23	(180,705,716)	-	-
Net gain on sale of available-for-sale financial assets	11	(118,295,452)	(131,229,875)	-
Unrealized foreign currency loss (gain)	21	(91,822,863)	965,582	4,016,821
Interest expense	21	85,675,573	-	-
Dividend income	21	(75,037,259)	(5,917,748)	(394,526)
Interest income	21	(25,885,120)	(51,393,238)	(47,302,324)
Equity share in net losses (income) of associates	13	(13,004,692)	19,964,557	(21,406,057)
Gain on disposal of property and equipment	12	(7,089,112)	(1,361,103)	(345,080)
Bad debts expense	21	3,496,522	-	-
Operating income before working capital changes		1,307,527,030	1,461,088,117	1,513,859,922
Decrease (increase) in trade and other receivables		(235,110,590)	(888,154,107)	317,086,907
Increase in inventories		(39,463,416)	-	-
Decrease (increase) in prepayments and other current assets		(425,843,977)	2,139,216	(70,386,837)
Decrease (increase) in other non-current assets		227,694	(20,804)	(21,149)
Increase (decrease) in trade and other payables		225,458,579	7,179,123	(24,520,674)
Increase in post-employment benefit obligation		10,219,887	6,199,969	3,887,018
Cash generated from operations		843,015,207	588,431,514	1,739,905,187
Cash paid for income taxes		(240,857,107)	(315,394,098)	(301,665,870)
Net Cash From Operating Activities		602,158,100	273,037,416	1,438,239,317
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of available-for-sale financial assets	11	(2,220,587,190)	(429,965,143)	(92,163,603)
Proceeds from sale of available-for-sale financial assets	11	243,556,184	171,707,410	-
Dividends received	11, 21	75,037,259	5,917,748	394,526
Acquisitions of property and equipment	12	(59,526,209)	(77,072,914)	(212,232,343)
Interest received	21	25,885,120	51,393,238	47,302,324
Additional advances granted to associates	22	(13,822,166)	(7,186,666)	(3,030,314)
Proceeds from disposal of property and equipment		8,024,182	1,362,103	757,367
Payments to previous stockholders of H.R. Owen		(2,386,994)	-	-
Acquisition of investment in associates	13	-	(63,099,996)	(26,000,000)
Net Cash Used in Investing Activities		(1,943,819,814)	(346,944,220)	(284,972,043)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	18	1,000,000,000	-	-
Repayment of bank loans and borrowings		(450,000,000)	-	-
Interest paid		(84,322,634)		
Acquisition of treasury shares	23	-	(85,722,300)	(401,040,252)
Dividends paid	22	-	-	(87,167,617)
Net Cash From (Used) in Financing Activities		465,677,366	(85,722,300)	(488,207,869)
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS		10,140,553	(965,582)	(4,016,821)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(865,843,795)	(160,594,686)	661,042,584
Balance carried forward		(P 865,843,795)	(P 160,594,686)	P 661,042,584

	2014	2013	2012
Balance brought forward	(P 865,843,795)	(P 160,594,686)	P 661,042,584
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,409,737,406	1,570,332,092	909,289,508
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS OF NEWLY ACQUIRED SUBSIDIARY	774,813,511	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 1,318,707,122	P 1,409,737,406	P 1,570,332,092

Supplemental Information on a Non-cash Operating and Investing Activities:

1. In 2013, the acquisition of on-line lottery equipment includes the utilization of P11.6 million advances to suppliers (see Notes 10 and 12).

2. In 2014, Parent Company obtained control over H.R. Owen Plc. (H.R. Owen) after a series of cash offers from H.R. Owen's existing stockholders from July to October 2013. Total additional investments during the year amounted to P1,763,644,329. Consequently, the Parent Company's investment in H.R. Owen totaling P1,795,190,801 was reclassified as investment in subsidiary at its fair market value of P1,975,896,516 as of October 31, 2013 (see Notes 1 and 11).

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
APRIL 30, 2014, 2013 AND 2012
(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 of April 30, 2014. The Parent Company's ultimate parent is Berjaya Corporation Berhad of Malaysia, a publicly listed company in the Main Market of Bursa Malaysia Securities Berhad.

The registered office of Berjaya Philippines Inc. and Subsidiaries (the Group) is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. BLML's registered address is Level 28 Three Pacific Place 1 Queen's Road East, Hong Kong and the ultimate parent's registered office is at Lot13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi 55100 Kuala Lumpur, Malaysia.

1.2 Subsidiaries and Associates

The Parent Company holds ownership interest in the following entities as of April 30:

Subsidiaries/Associates	Short Name	Explanatory Notes	Effective % of Ownership 2014	2013
Subsidiaries:				
Leasing -				
Philippine Gaming Management Corporation	PGMC	*(a)*	**100.00%**	100.00%
Services -				
Perdana Hotel Philippines Inc.	PHPI	*(b)*	**100.00%**	100.00%
Motor Vehicle Dealership:				
H.R. Owen Plc	H.R. Owen	*(c)*	**72.03%**	-
Broughtons of Cheltenham Limited		*(d)*	**72.03%**	-
H.R. Owen Dealership Limited		*(d)*	**72.03%**	-
Jack Barclay Limited		*(d)*	**72.03%**	-
Holland Park Limited		*(d)*	**72.03%**	-

Subsidiaries/Associates	Short Name	Explanatory Notes	Effective % of Ownership 2014	2013
Associates:				
Perdana Land Philippines Inc.	PLPI	*(e)*	**40.00%**	40.00%
Berjaya Pizza Philippines Inc.	BPPI	*(f)*	**30.00%**	30.00%
Berjaya Auto Philippines Inc.	BAPI	*(g)*	**30.00%**	30.00%
Cosway Philippines Inc.	CPI	*(h)*	**40.00%**	40.00%

(a) PGMC is involved principally in the business of leasing on-line lottery equipment and providing software support. PGMC was organized in April 1993 in the Philippines and started commercial operations in February 1995.

(b) PHPI was incorporated in the Philippines on December 11, 2009 primarily to manage and/or operate hotels or other buildings, and to sell, lease or otherwise dispose of the same; to own, lease, and operate one or more hotels, and all adjuncts and accessories thereto. PHPI started its commercial operations on May 1, 2010.

(c) In October 2013, the Group gained control over H.R. Owen through acquisition of additional shares. 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.

(d) These are wholly owned subsidiaries of H.R. Owen which were incorporated and are currently operating in England and Wales. The subsidiaries of H.R. Owen, except Holland Park Limited, are engaged in luxury motor vehicle retail and provision of aftersales services, whereas, Holland Park Limited only provides aftersales services.

(e) PLPI was incorporated in the Philippines primarily to acquire, hold, develop and dispose of, by purchase or sale, exchange, mortgage, lease or in any other manner, real estate or any interest therein, either together with or exclusive of their appurtenances. PLPI started its commercial operations on May 1, 2010.

(f) BPPI was organized as part of BPI's strategy to acquire an interest in a chain of restaurants. BPPI was incorporated on July 12, 2010 in the Philippines and started commercial operations on December 10, 2010.

(g) BAPI was incorporated in the Philippines primarily to engage in purchasing, acquiring, owning, leasing, selling, transferring, encumbering, and generally dealing in all types of new automobiles, trucks, and other motor vehicles and dealing in all types of supplies used by all types of motor vehicles. BAPI was incorporated on August 10, 2012 and started commercial operations on January 1, 2013.

(b) CPI was incorporated in the Philippines on September 28, 2012 primarily to engage in, operate, conduct and maintain the business of manufacturing, importing, exporting or buying, selling or otherwise dealing in such goods as cosmetics, perfumery, toilet preparation and requisites, disinfectants, detergents, cleaning agents, merchandise commodities and other articles of consumption, supplies used or employed in or related to the manufacturing of such finished products. As of April 30, 2014, CPI has not yet started its commercial operations.

The Parent Company, its subsidiaries and associates were incorporated in the Philippines and have principal place of business in Metro Manila, Philippines, except for H.R. Owen and its subsidiaries which are incorporated and has principal place of business in London, England.

1.3 Approval of Consolidated Financial Statements

The consolidated financial statements of the Group for the year ended April 30, 2014 (including the comparatives for the years ended April 30, 2013 and 2012) were authorized for issue by the BOD on July 15, 2014.

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 Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

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

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

(b) Presentation of Consolidated Financial Statements

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

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

In 2014, the Group adopted certain amendments and revisions to existing standards [see Note 2.2(a)] and the most relevant of which is with respect to employee benefits because of the adoption of PAS 19 (Revised), *Employee Benefits*. Management, however, concluded that the amount of restatement to certain accounts as of April 30, 2013 and May 1, 2012 in relation to the Group's transition to and adoption of PAS 19 (Revised) is not significant to the consolidated financial statements; hence, the Group applied the transition and adoption of PAS 19 (Revised) prospectively and did not present two comparative periods for the consolidated statement of financial position.

Certain accounts in the 2013 and 2012 consolidated statements of financial position and statements of comprehensive income were reclassified to conform to the current year presentation, which did not have a material impact on the Group's consolidated financial statements.

(c) Functional and Presentation Currency

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

Items included in the consolidated financial statements of the Group are measured using its functional currency (see Note 2.17). Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New Interpretations, Revisions and Amendments to PFRS

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

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

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

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

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

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

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

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

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

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

The Group has applied PAS 19 (Revised) prospectively as the revised standard did not have a material effect on the Group's consolidated financial statements [see also Note 2.1(b)]. Consequently, it did not restate the comparative amounts disclosed in prior years (see Note 20.2).

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

(iv) Consolidation, Joint Arrangements, Associates and Disclosures

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

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

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

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

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

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

The Group has evaluated the various facts and circumstances related to its interests in other entities and it has determined that the adoption of the foregoing standards, revisions and amendments had no material impact on the amounts recognized in the consolidated financial statements. Additional information, however, are disclosed in compliance with the requirements of PAS 27 (Revised) with respect to principal place of business and incorporation of the significant subsidiaries and associates (see Note 1).

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

Other than the additional disclosures presented in Notes 26 and 27, the application of this new standard had no significant impact on the amounts recognized in the consolidated financial statements.

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

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

The amendment had no significant impact on the Group's consolidated financial statements since the Group did not have any retrospective restatements or reclassification of material items in the consolidated financial statements affecting the financial position at the beginning of the preceding period [see Note 2.1(b)].

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To date, the remaining chapter of IFRS/PFRS 9 dealing with impairment methodology is still being completed. Further, the IASB is currently discussing some limited modifications to address certain application issues regarding classification of financial assets and to provide other considerations in determining business model.

The Group does not expect to implement and adopt PFRS 9 until its effective date. In addition, management is currently assessing the impact of PFRS 9 on the consolidated financial statements of the Group and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

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

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

Annual Improvements to PFRS (2010-2012 Cycle)

- PAS 16 (Amendment), *Property, Plant and Equipment* and PAS 38 (Amendment), *Intangible Assets*. The amendments clarify that when an item of property, plant and equipment, and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.

- PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also requires and clarifies that the information required to be disclosed in the consolidated financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and should not the amounts of compensation paid or payable by the key management entity to its employees or directors.

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

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

Annual Improvements to PFRS (2011-2013 Cycle)

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

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

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

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries as enumerated in Note 1, after the elimination of material intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Parent Company accounts for its investments in subsidiaries and associates as follows:

(a) Investments in Subsidiaries

Subsidiaries are all entities (including structured entities, if any) over which the Group has control. The Group controls an entity when it is has the power over the investee, it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Group obtains control. The Group reassesess whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill (see also Note 2.10). If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly gain in profit or loss.

(b) Investments in Associates

Associates are those entities over which the Parent Company is able to exert significant influence but which are neither subsidiaries nor interests in a joint venture. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method.

Acquired investment in associate is subject to the purchase method. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the consolidated financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the Group's share of the identifiable net assets of the acquiree at the date of acquisition. Any goodwill or fair value adjustment attributable to the Parent Company's share in the associate is included in the amount recognized as investment in an associate.

All subsequent changes to the ownership interest in the equity of the associates are recognized in the Parent Company's carrying amount of the investments. Changes resulting from the profit or loss generated by the associates are credited or charged against the Equity Share in Net Income (Losses) of Associates account in the consolidated statement of income.

Impairment loss is provided when there is objective evidence that the investment in an associate will not be recovered (see Note 2.16).

Changes resulting from other comprehensive income of the associates or items recognized directly in the associates' equity are recognized in other comprehensive income or equity of the Parent Company, as applicable. However, when the Parent Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Parent Company does not recognize further losses, unless it has commitments, has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profit, the investor resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized.

Distributions received from the associates are accounted for as a reduction of the carrying value of the investment.

(c) Transactions with Non-controlling interests

The Group applies a policy of treating transactions with non-controlling interests as transactions with equity owners of the Group. Any difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests result in gains and losses that are also recognized in equity.

When the Parent Company ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amount previously recognized in other comprehensive income in respect of that entity is accounted for as if the Parent Company had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

2.4 Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale (AFS) financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

A more detailed description of categories of financial assets relevant to the Group is as follows:

(a) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets.

The Group's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Trade and Other Receivables, Advances to Associates and Refundable deposits under Other Non-Current Assets in the consolidated statement of financial position. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets under the Available-for-Sale Financial Assets account in the consolidated statement of financial position unless management intends to dispose of the investment within 12 months from the end of the reporting period. All of the Group's AFS financial assets as of April 30, 2014 are listed equity securities.

All financial assets within this category are subsequently measured at fair value. Gains and losses from changes in fair value are recognized in other comprehensive income, net of any income tax effects, and are reported as part of the Net Unrealized Gains on Available-for-Sale Financial Assets account in equity. When the financial asset is disposed of or is determined to be impaired, the cumulative fair value gains or losses recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as reclassification adjustment within other comprehensive income.

Reversal of impairment losses are recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Income or Finance Costs in the consolidated statement of comprehensive income.

For investments that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market bid prices at the close of business at the end of the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows (such as dividend income) of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party.

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using specific identification for vehicles, moving average cost method for spare parts and accessories and first-in, first-out method for all other inventories. The cost of inventories include all costs directly attributable to acquisitions, such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities.

Vehicles on consignment from manufacturers are included in inventories when substantially all of the principal benefits and inherent risks rest with the Group. The corresponding consignment liability after deducting any deposits is included under loans and borrowings, as manufacturers' vehicle stocking loans.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value of inventories is the current replacement cost.

2.6 Prepayments and Other Assets

Prepayments and other assets pertain to other resources controlled by the Group as a result of past events. They are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period (or in the normal operating cycle of the business, if longer), are classified as non-current assets.

2.7 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Computers and on-line lottery equipment are depreciated over the shorter of eight years or the remaining term of the lease agreement with Philippine Charity Sweepstakes Office (PCSO).

Leasehold improvements are amortized over the shorter of the lease term or estimated useful lives of the improvements.

Depreciation on all other classes of property and equipment is computed using the straight-line basis over the estimated useful lives of the assets as follows:

Building	50 years
Communication equipment	8 years
Workshop equipment	5-10 years
Office furniture, fixtures and equipment	5-10 years
Hotel and kitchen equipment and utensils	5 years
Transportation equipment	3-5 years

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction and other direct costs. The account is not depreciated and amortized until such time that the assets are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.16).

The residual values and estimated useful lives of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment loss, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

2.8 Financial Liabilities

Financial liabilities, which pertain to Trade and Other Payables (except for tax-related liabilities) and Loans Payable and Borrowings are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under the caption Finance Costs and Other Charges in the consolidated statement of comprehensive income.

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Loans and borrowings are raised for support of long-term funding of operations. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss except for any capitalized borrowing cost, on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Trade and Other Payables are initially recognized at their fair values and subsequently measured at amortized cost using effective interest method for maturities beyond one year, less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration of paid or payable is recognized in profit or loss.

2.9 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

2.10 Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Notes 2.16).

On the other hand, the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information obtained about facts and circumstances that existed as of those assets and liabilities as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the acquirer receives the information it was seeking about acts and circumstances that existed as of the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date [see Note 3.2(e)].

2.11 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Strategic Steering Committee (SSC), its chief operating decision-maker. The SSC is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 5, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8 are the same as those used in its consolidated financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.12 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.13 Equity

Capital stock represents the nominal value of shares that have been issued.

Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of.

Revaluation reserves represents unrealized fair value gains and losses on AFS financial assets and accumulated actuarial gains and losses arising from remeasurement of post-employment benefit obligation, net of tax.

Other reserves represents the gain or loss on change in equity share in a subsidiary.

Translation adjustments represents the adjustments resulting from the translation of foreign-currency denominated financial statements of a foreign subsidiary into the Group's functional and presentation currency.

Retained earnings represent all current and prior period results of operations as reported in the profit or loss section of the consolidated statement of comprehensive income, reduced by the amounts of dividends declared.

2.14 Revenue and Expense Recognition

Revenue comprises revenue from the rendering of services measured by reference to the fair value of consideration received or receivable by the Group from services rendered, excluding value-added tax (VAT) and trade discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Group; and, the costs incurred or to be incurred can be measured reliably. The following specific recognition criteria must also be met before revenues are recognized:

(a) *Rental revenue from lease of on-line lottery equipment, maintenance and repair services, and telecommunication and integration services* – Revenue is recognized when services to the customer were performed based on certain percentages of gross receipts from lottery ticket sales.

(b) *Revenue from motor distribution and dealership operations* – Revenue from distributions and dealership operations is recognized as follows:

  (i) *Sales of vehicles, parts and accessories* – Revenue is recognized when substantially all the risks and rewards of ownership have been transferred to the customer.

  (ii) *Servicing and bodyshop sales* – Revenue is recognized on completion of the agreed work.

(c) *Revenue from hotel operations* – Revenue from hotel operations is categorized as follows:

  (i) *Room revenues* – Revenue is recognized when the services are rendered.

  (ii) *Sale of food, beverages and others* – Revenue is recognized upon delivery to and receipt of goods by the customer.

(d) *Interest income* – Revenue is recognized as the interest accrues taking into account the effective yield on the asset.

(e) *Dividends* – Revenue is recognized when the right to receive payments is established

(f) *Other income* – Revenue is recognized as the excess standard input VAT over actual input VAT on transactions with the government.

Costs and expenses are recognized in profit or loss upon utilization of the goods or services or at the date these are incurred. All finance costs are reported in profit or loss on an accrual basis.

2.15 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

(b) *Group as Lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.16 Impairment of Non-financial Assets

The Group's inventories, property and equipment, investments in associates, goodwill, and other non-financial assets are subject to impairment testing. Goodwill is tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

All assets, except goodwill, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

2.17 Foreign Currency Transactions and Translation

(a) *Transactions and Balances*

Except for H.R. Owen which use the British Pounds (GBP) as their functional currency, the accounting records of the Parent Company and its subsidiaries are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized under Other Income (Charges) section in the consolidated statement of income.

(b) *Translation of Financial Statements of Foreign Subsidiaries*

The operating results and financial position of H.R. Owen, which are measured using the GBP, their functional currency, are translated to Philippine pesos, the Group's functional currency, as follows:

(i) Assets and liabilities for each statement of financial position account presented are translated at the closing rate at the end reporting period;

(ii) Income and expenses for each profit or loss account are translated at the annual average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,

(iii) All resulting exchange differences are recognized as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in H.R. Owen are recognized as Translation Adjustments in the consolidated statement of comprehensive income. As this entity is not a wholly owned subsidiary, the translation adjustments are allocated between the Parent Company's shareholders and minority interest. When a foreign operation is partially disposed of or sold, such exchange differences are recognized in the consolidated statement of comprehensive income as part of gains or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

The translation of the financial statements into Philippine pesos should not be construed as a representation that the GBP amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

2.18 Related Party Relationships and Transactions

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the Group's post-employment plan.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.19 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan, as well as various defined benefit contribution plans.

(a) Post-employment Defined Benefit Obligations

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, noncontributory and administered by a trustee.

The liability recognized in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period less the fair value of plan assets. The DBO is calculated annually by independent actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using a discount rate derived from the interest rates of a zero coupon government bonds as published by Philippine Dealing & Exchange Corporation, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance Costs or Finance Income account in the consolidated statement of profit or loss.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment.

(b) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in the Trade and Other Payables account of the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.20 Borrowing Costs

For financial reporting purposes, borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

For income tax purposes, interest and other borrowing costs are charged to expense when incurred.

2.21 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.22 Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net profit attributable to equity holders of the Parent Company by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares (see Note 25).

2.23 Events After the End of the Reporting Period

Any post year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Group's consolidated financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) *Impairment of AFS Financial Assets*

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Based on the recent evaluation of information and circumstances affecting the Group's AFS financial assets, management concluded that the assets are not impaired as of April 30, 2014 and 2013. Future changes in those information and circumstances might significantly affect the carrying amount of the assets.

(b) *Distinction between Operating and Finance Leases*

The Group has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements.

(c) *Recognition of Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and contingencies are discussed in Note 2.12 and relevant disclosures are presented in Note 28.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) *Impairment of Trade and Other Receivables and Advances to Associates*

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Group's relationship with the customers, the customers' current credit status, average age of accounts, collection experience and historical loss experience. The carrying value of trade and other receivables and its analysis of allowance for impairment and the carrying value of advances to associates are shown in Notes 8 and 13, respectively.

(b) Estimating Useful Lives of Property and Equipment

The Group estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment are analyzed in Note 12. Based on management's assessment as at April 30, 2014 and 2013, there is no change in estimated useful lives of property and equipment during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) Valuation of Financial Assets Other than Trade and Other Receivables and Advances to Associates

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument.

The carrying amount of AFS financial assets is disclosed in Note 11.

(d) Determining Net Realizable Value of Inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The Group's inventories, are affected by certain factors which may cause inventory obsolescence. Moreover, future realization of the carrying amounts of inventories as presented in Note 9 is affected by price changes in different market segments of the food, transportation and hotel industry. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's inventories within the next financial year.

Considering the Group's pricing policy, the net realizable values of vehicles are higher than their related costs.

The carrying values of the Group's inventories are disclosed in Note 9.

(e) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in profit or loss in the subsequent period.

During the measurement period, the management shall recognize adjustments to the provisional amounts as if the accounting for the business combination had been completed at the acquisition date. Thus, management shall revise comparative information for prior periods presented in financial statements as needed, in accordance with PAS 8.

Management assessment on the initial recognition of the acquired subsidiary is disclosed in Note 14.

(f) Impairment of Goodwill

The Group follows the guidance of PAS 36, *Impairment of Assets*, on determining when goodwill is impaired. This determination requires significant judgment. In making this judgment, the Group evaluates the recoverable amount of its goodwill as the value in use, based on an internal discounted cash flow evaluation, and the recoverable amount of goodwill is more than its carrying amount.

Though management believes that the assumptions used in the estimation of the recoverable amount are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Management assessment on impairment of goodwill is disclosed in Note 14.

(g) Determining Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

In 2014 and 2013, management has taken a conservative position of not recognizing additional deferred tax assets arising from net operating loss carry over (NOLCO) and minimum corporate income tax (MCIT) of the Parent Company, since it does not expect to have sufficient taxable profit against which the deferred tax assets can be utilized.

The carrying amount of deferred tax assets as of April 30, 2014 and 2013 is disclosed in Note 24.

(h) Estimating Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.16). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There were no impairment losses required to be recognized in 2014 and 2013 based on management's assessment.

(i) Valuation of Post-employment Defined Benefit Obligations

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit obligation are presented in Note 20.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarized in Note 26. The main types of risks are market risk, credit risk and liquidity risk.

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

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

4.1 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 of April 30, 2014 and 2013, the Group is exposed to changes in market interest rates through short-term placements included as part of Cash and Cash Equivalents account and short term loans of H.R. Owen presented as Loans and Borrowings, which are subject to variable interest rates, in the consolidated statements of financial position (see Note 7 and 18).

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

(b) Foreign Currency Risk

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

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

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

	2014			2013		
	USD	**MYR**	**GBP**	USD	MYR	GBP
Financial assets	**P 4,943,174**	**P 60,422,247**	**P 1,446,008,977**	P 1,349,664,456	P 412,194,852	P 387,752
Financial liabilities	**-**	**-**	**(4,716,654,837)**	-	-	-
Total net exposure	**P 4,943,174**	**P 60,422,247**	**(P 3,270,645,860)**	P 1,349,664,456	P 412,194,852	P 387,752

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

	2014			2013		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity after tax**	Reasonably possible change in rate	Effect in profit before tax	Effect in equity after tax
PhP - USD	**17.66%**	**P 872,965**	**P 611,075**	13.43%	P 181,259,936	P 126,881,955
PhP - MYR	**5.99%**	**3,619,293**	**2,533,505**	11.41%	47,031,432	32,922,002
PhP - GBP	**38.43%**	**(1,256,909,203)**	**(879,836,442)**	20.90%	81,040	56,728
		(P 1,252,416,945)	**(P 876,691,862)**		P 228,372,408	P 159,860,685

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 +/-10.70% and +/-10.61% volatility in the market value of the investment for the fiscal years ended April 30, 2014 and 2013, respectively (see Note 11). The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in fiscal years 2014 and 2013. Based on the observed volatility rate, the estimated impact to other comprehensive income amounted to P104,834,182 and P61,106,044 for the fiscal years 2014 and 2013, respectively.

4.2 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	**2014**	2013
Cash and cash equivalents	7	**P 1,318,707,122**	P 1,409,737,406
Trade and other receivables – net	8	**1,285,411,667**	740,857,209
Advances to associates	13	**156,185,297**	142,363,131
Other non-current assets	15	**2,438,102**	2,665,796
		P 2,762,742,188	P 2,295,623,542

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

(a) Cash and Cash Equivalents

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

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

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

As of April 30, 2013 trade receivables are due mainly from PCSO. As such, the Group mitigates the concentration of its credit risk by regularly monitoring the age of its receivables from PCSO and ensuring that collections are received within the agreed credit period. In addition, the risk is reduced to the extent that PCSO has no history of significant defaults. These objectives, policies and strategies are consistently applied in the previous year up to the current year.

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

(c) Other Non-current Assets

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

4.3 Liquidity Risk

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

Liquidity risk is also managed by borrowing with a spread of maturity periods. The Group has significant fluctuations in short-term borrowings due to industry specific factors. The Group mitigates any potential liquidity risk through maintaining substantial unutilized banking and used vehicle stocking loan facilities. As of April 30, 2014, the Group had undrawn floating rate borrowing facilities of P225,329,539 represented by used and demonstrator vehicle stocking loans, all of which would be repayable on demand.

As of April 30, 2014 and 2013, 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.

5. SEGMENT REPORTING

5.1 Business Segments

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

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

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

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

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

5.2 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.

5.3 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 which are the same as the policies described in Note 2.

5.4 Analysis of Segment Information

The following tables present revenue and profit information regarding business segments for the years ended April 30, 2014, 2013 and 2012, and certain assets and liabilities information regarding industry segments at April 30, 2014, 2013 and 2012.

	2014					
	Leasing	**Services**	**Holding and Investments**	**Motor Vehicle Dealership**	**Elimination**	**Consolidated**
Revenues:						
External	P 1,803,429,328	P 144,215,418	P 497,676,498	P10,649,240,139	P -	P13,094,561,383
Inter-segment	-	-	2,194,000,000	10,471,887	(2,204,471,887)	-
Total revenues	P 1,803,429,328	P 144,215,418	P 2,691,676,498	P10,659,712,026	(P 2,204,471,887)	P13,094,561,383
Expenses:						
External	P 780,177,629	P 146,257,705	P 229,667,856	P10,475,056,366	P -	P11,631,159,556
Inter-segment	-	456,046	-	8,901,104	(9,357,150)	-
Total expenses	P 780,177,629	P 146,713,751	P 229,667,856	P10,483,957,470	(P 9,357,150)	P11,631,159,556
Profit before tax	P 1,023,251,699	(P 2,498,333)	P 2,462,008,642	P 175,754,556	(P 2,195,114,737)	P 1,463,401,827
Net Profit	P 769,189,941	(P 1,713,425)	P 2,431,278,858	P 126,959,616	(P 2,195,114,737)	P 1,130,600,253
Segment assets	P 706,242,448	P 813,149,882	P 6,616,712,744	P 6,237,913,866	(P 2,257,410,238)	P12,116,608,702
Segment liabilities	P 664,422,884	P 813,591,458	P 574,260,689	P 4,984,320,951	(P 1,334,431,928)	P 5,702,164,054
Other segment items:						
Capital expenditures	P 3,706,335	P 25,188,990	P 12,507,015	P 21,729,783	(P 3,605,914)	P 59,526,209
Depreciation and amortization	P 165,187,938	P 28,521,901	P -	P 73,539,529	(P 456,046)	P 266,793,322

	2013					
	Leasing	**Services**	**Holding and Investments**	**Motor Vehicle Dealership**	**Elimination**	**Consolidated**
Revenues:						
External	P 2,066,632,302	P 153,087,197	P 152,553,364	P -	P -	P 2,372,272,863
Inter-segment	-	-	1,200,000,000	-	(1,200,000,000)	-
Total revenues	P 2,066,632,302	P 153,087,197	P 1,352,553,364	P -	(P 1,200,000,000)	P 2,372,272,863
Expenses:						
External	P 758,752,887	P 149,822,028	P 52,935,167	P -	P -	P 961,510,082
Inter-segment	-	-	-	-	-	-
Total expenses	P 758,752,887	P 149,822,028	P 52,935,167	P -	P -	P 961,510,082
Profit before tax	P 1,307,879,415	P 3,265,169	P 1,299,618,197	P -	(P 1,200,000,000)	P 1,410,762,781
Net Profit	P 1,004,620,080	P 2,143,428	P 1,296,781,239	P -	(P 1,200,000,000)	P 1,103,544,747
Segment assets	P 1,627,192,847	P 794,763,779	P 3,503,491,546	P -	(P 935,330,360)	P 4,990,117,812
Segment liabilities	P 173,340,245	P 789,467,675	P 3,612,811	P -	(P 774,795,692)	P 191,625,039
Other segment items:						
Capital expenditures	P 49,613,951	P 39,087,656	P -	P -	P -	P 88,701,607
Depreciation and amortization	P 193,898,741	P 25,398,420	P -	P -	P -	P 219,297,161

	2012					
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 2,087,272,608	P 142,232,796	P 23,230,211	P -	P -	P 2,252,735,615
Inter-segment	693,426	-	910,000,000	-	(910,693,426)	-
Total revenues	P 2,087,966,034	P 142,232,796	P 933,230,211	P -	(P 910,693,426)	P 2,252,735,615
Expenses:						
External	P 693,284,950	P 129,288,010	P 25,378,575	P -	P -	P 847,951,535
Inter-segment	-		-	-	-	-
Total expenses	P 693,284,950	P 129,288,010	P 25,378,575	P -	P	P 847,951,535
Profit (loss) before tax	P 1,394,681,084	P 12,944,786	P 907,851,636	P -	(P 910,693,426)	P 1,404,784,080
Net Profit (Loss)	P 1,088,882,425	P 8,919,408	P 904,546,543	P -	(P 910,693,426)	P 1,091,654,950
Segment assets	P 1,805,237,368	P 791,222,259	P 2,380,118,585	P -	(P 895,279,234)	P 4,081,298,978
Segment liabilities	P 156,004,846	P 787,970,702	P 229,383,	P -	(P 754,610,242)	P 189,594,689
Other segment items:						
Capital expenditures	P 152,647,876	P 60,909,467	P -	P -	(P 1,325,000)	P 212,232,343
Depreciation and amortization	P 157,940,716	P 16,566,292	P -	P -	P -	P 174,507,008

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

5.5 Reconciliations

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	2014	2013	2012
Revenues			
Total segment revenues	**P 15,299,033,270**	P 3,572,272,863	P 3,163,429,041
Elimination of intersegment revenues	**(2,204,471,887)**	(1,200,000,000)	(910,693,426)
Revenues as reported in profit or loss	**P 13,094,561,383**	P 2,372,272,863	P 2,252,735,615
Profit or loss			
Segment profit before tax	**P 3,658,516,564**	P 2,610,762,781	P 2,315,477,506
Elimination of intersegment revenues	**(2,204,471,887)**	(1,200,000,000)	(910,693,426)
Elimination of intersegment expenses	**9,357,150**	-	-
Profit before tax as reported in profit or loss	**P 1,463,401,827**	P 1,410,762,781	P 1,404,784,080

	2014	2013
Assets		
Segment assets	**P 14,374,018,940**	P 5,925,448,172
Elimination of intercompany accounts	**(2,257,410,238)**	(935,330,360)
Total assets reported in consolidated statements of financial position	**P 12,116,608,702**	P 4,990,117,812
Liabilities		
Segment liabilities	**P 7,036,595,982**	P 966,420,731
Elimination of intercompany accounts	**(1,334,431,928)**	(774,795,692)
Total liabilities as reported in consolidated statements of financial position	**P 5,702,164,054**	P 191,625,039

6. CONTRACTS WITH PCSO

PGMC is a party to the Equipment Lease Agreement (ELA) with PCSO covering the lease of PGMC's on-line lottery equipment (see Note 12) to PCSO under certain conditions. Under the ELA, PGMC is entitled to fees equal to a certain percentage of the gross receipts from all PCSO on-line lottery operations (the ticket sales) within a specified territory subject to an annual minimum fee as prescribed in the ELA. PGMC's revenues are derived from the ELA with PCSO.

In addition, PGMC also has an agreement with PCSO whereby PGMC agreed to provide maintenance and repair services on the equipment under the ELA. This agreement will run concurrently with the ELA. Any extension or termination of the ELA by PCSO will have a similar effect on this agreement.

On December 29, 2004, the ELA and maintenance and repair services agreement was extended for another eight years commencing on August 23, 2007. The terms of the extension agreement provide for the upgrade and replacement of the computer and lottery equipment used in the on-line lottery in Luzon. In line with such upgrade and replacement of equipment, the parties agreed on the inclusion of telecommunication services to be provided by PGMC to PCSO.

Fees, maintenance and repair services, and telecommunication and integration services revenues recognized by PGMC from the foregoing ELA and related agreements amounted to P1,721,851,230, P1,973,382,154 and P1,941,553,798 in 2014, 2013 and 2012, respectively, and are presented as Rental in the Revenues section of the consolidated statements of comprehensive income (see Note 28.2). The related receivables amounting to P145,943,272 and P210,306,891 in 2014 and 2013, respectively, are shown as part of Trade and Other Receivables in the consolidated statements of financial position (see Note 8).

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2014	2013
Cash on hand and in banks	**P1,020,667,799**	P 150,654,625
Short-term placements	**298,039,323**	1,259,082,781
	P1,318,707,122	P 1,409,737,406

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have an average maturity of 7 to 32 days and average annual effective interest ranging from 1.00% to 1.55% in 2014, 1.50% to 3.00% in 2013 and 2.72% to 3.95% in 2012 (see Note 21).

8. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	2014	2013
Trade	6	**P 535,677,531**	P 215,764,749
Loans receivable		**538,226,337**	471,039,787
Payment for future acquisition of investments	22.3	**645,819,247**	379,579,136
Advances for stock subscriptions	22.2	**150,905,651**	42,283,456
Receivable from suppliers	12, 22.5	**92,669,887**	4,097,519
Interest receivable		**12,056,270**	-
Advances to officers and employees	22.13	**8,174,505**	9,265,921
Other receivables	22.9	**122,274,047**	54,524,790
		2,105,803,475	1,176,555,358
Allowance for impairment		**(7,407,765)**	(1,856,520)
		P2,098,395,710	P1,174,698,838

Loans receivable pertains to a loan granted to a certain company in 2013. The loan is payable on demand subject to interest, which commenced on January 1, 2014. During the year, additional loan was granted to such company amounting to P67,186,550. Unpaid interest as of April 30, 2014 amounted to P12,056,270.

Payment for future acquisition of investments pertain represent deposits made by the Company to Tormen Finance, Inc. and Inter-Pacific Securities SDN Berhad (IPSSB) for future acquisition of investment securities (see Note 22.3). IPSSB is a related party under common ownership who acts as stockbroker of the Company.

Advances for stock subscription represent deposits made by the Group for future stock subscription on various entities. In 2014, the Group also made advance payments to its associates for additional subscription on the associate's future increase on authorized capital stock (see Note 22.2).

Other receivables include receivables from TF Ventures, Inc. (TF) arising from payment made by the Group on behalf of TF. The outstanding receivable from TF, which is due upon demand, amounted to P43,750,000 and P52,500,000 as of April 30, 2014 and 2013, respectively (see Note 16).

Other receivables as of April 30, 2014, also include advance payments to King and Spalding for professional services, which amounted to P70,205,093. Other receivables as of April 30, 2013, on the other hand, include receivable from the sale of the Group's investment in Roadhouse Grill, Inc. (RGI), which was provided with full allowance since 2008. Such receivable from the sale of investment in RGI was written-off by the Group in 2014.

Trade receivables are usually due within 60 days and do not bear any interest.

All of the Group's trade and other receivables have been reviewed for indications of impairment. Certain receivables were found to be impaired, hence, adequate amounts of allowance for impairment have been recognized accordingly.

A reconciliation of the allowance for impairment at the beginning and end of fiscal years 2014 and 2013 is shown below.

	Note	**2014**	2013
Balance at beginning of year		**P 1,856,520**	P 1,856,520
Beginning balance from newly acquired subsidiary		**4,267,872**	-
Provision during the year	21.2	**3,496,522**	-
Write-off during the year		**(2,213,149)**	-
Balance at end of year		**P 7,407,765**	P 1,856,520

The provisions for receivable impairment during the year has been included as part of Finance Costs and Other Charges under Other Income (Charges) in the 2014 consolidated statement of comprehensive income (see Note 21).

9. INVENTORIES

The compositions of this account are shown below.

	2014	2013
Vehicles	**P3,325,466,126**	P -
Parts and components	**178,759,839**	-
Spare parts and accessories	**37,753,045**	43,564,244
Work in progress	**16,487,558**	-
Hotel supplies	**7,155,358**	6,611,841
	P3,565,621,926	P 50,176,085

The Group's inventories of new vehicles are held on consignment from manufacturers and are not included within the consolidated statements of financial position until either the vehicles are registered or the manufacturers' free stocking period has expired. Inventories of vehicles as of April 30, 2014 include P1,602,462,331 vehicles held on consignment from manufacturers.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	Note	2014	2013
Prepaid expenses		**P 145,181,124**	P -
Prepaid taxes		**148,978,987**	35,910,734
Refundable deposits		**134,249,044**	-
Advance rental	22.10	**48,459,108**	4,990,733
Input VAT		**36,428,042**	22,972,330
Creditable withholding tax		**1,874,794**	2,775,325
Other current assets		**35,143,992**	23,900,579
		550,315,091	90,549,701
Allowance for impairment		**(9,375,000)**	-
		P 540,940,091	P 90,549,701

In 2014, certain advance payments amounting to P9,375,000 was provided with full allowance for impairment due to several economic factors. The related expense is presented as Bad debts expense as part of Finance Costs and Other Charges under Other Income (Charges) in the 2014 statement of comprehensive income [see Note 21.2(b)].

Prepaid expenses include prepaid insurance, subscriptions and maintenance expenses.

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

This account consists of the following financial assets as of April 30:

	2014	2013
Equity securities	**P 954,507,320**	P 553,932,751
Warrants	**13,376,412**	8,146,680
Loan stocks	**11,874,978**	13,849,356
	P 979,758,710	P 575,928,787

In 2014 and 2013, the Group disposed certain AFS financial assets at a selling price of P243,556,184 and P171,707,410, respectively. Accordingly, the cumulative fair value gains recognized in other comprehensive income amounting to P242,275,508 and P153,956,044 are reclassified from equity to profit or loss and presented as Reclassification Adjustments to Profit or Loss account in the 2014 and 2013 consolidated statements of comprehensive income. Consequently, net realized gains from the sale transaction amounting to P97,690,562 and P131,229,875 in 2014 and 2013, respectively, are shown as part of Net Gain on Sale of Available-for-sale Financial Assets account in the 2014 and 2013 consolidated statements of comprehensive income (see Note 23.4).

The reconciliation of the carrying amounts of AFS financial assets are as follows:

	Note	**2014**	2013
Balance at beginning of year		**P 575,928,787**	P 297,475,142
Additions during the year		**2,220,587,190**	429,965,143
Disposals during the year		**(207,435,413)**	(194,433,579)
Fair value gain	23.4	**366,574,662**	42,922,081
Reclassification to investment in subsidiary		**(1,975,896,516)**	-
Balance at end of year		**P 979,758,710**	P 575,928,787

Dividend income from these shares amounted to P75,037,259, P5,917,748 and P394,526 in 2014, 2013 and 2012, respectively and are presented as part of Finance Income under Other Income (Charges) in the consolidated statements of comprehensive income (see Note 21.1). The fair values of all of the Group's investments are categorized under level one, since these have been determined directly by reference to published prices in active markets (see Note 27.1).

In 2014, Parent Company obtained control over H.R. Owen after a series of cash offers from H.R. Owen's existing stockholders from July to October 2013. Total additional investments during the year amounted to P1,763,644,329. Consequently, the Parent Company's investment in H.R. Owen totaling P1,795,190,801 was reclassified as investment in subsidiary at its fair market value of P1,975,896,516 as of October 31, 2013.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of fiscal year 2014 and 2013 are shown below.

	Computers and On-line Lottery Equipment	Buildings	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils	Communication Equipment	Leasehold Improvements	Construction in Progress	TOTAL
April 30, 2014										
Cost	P 1,465,082,125	P 717,742,232	P 51,871,863	P 383,125,791	P 37,284,106	P 11,604,459	P 3,535,809	P 939,097,164	**P** -	P 3,609,343,549
Accumulated depreciation and amortization	(1,295,049,033)	(54,811,248)	(30,797,091)	(217,039,364)	(30,217,171)	(5,753,149)	(3,519,809)	(478,693,391)	-	(2,115,880,256)
Net carrying amount	**P 170,033,092**	**P 662,930,984**	**P 21,074,772**	**P 166,086,427**	**P 7,066,935**	**P 5,851,310**	**P 16,000**	**P 460,403,773**	**P -**	**P 1,493,463,293**
April 30, 2013										
Cost	P 1,471,982,237	P 708,742,232	P 43,757,447	P -	P 36,583,984	P 10,809,552	P 3,535,809	P 86,723,871	P -	P 2,362,135,132
Accumulated depreciation and amortization	(1,147,292,128)	(40,475,724)	(27,505,293)	-	(26,864,086)	(3,563,959)	(3,499,059)	(41,124,057)	-	(1,290,324,306)
Net carrying amount	P 324,690,109	P 668,266,508	P 16,252,154	P -	P 9,719,898	P 7,245,593	P 36,750	P 45,599,814	P -	P 1,071,810,826
May 1, 2012										
Cost	P 1,426,561,581	P 685,661,607	P 45,862,102	P -	P 34,003,404	P 9,367,090	P 3,535,809	P 46,903,642	P 26,659,017	P 2,278,554,252
Accumulated depreciation and amortization	(964,097,819)	(26,661,146)	(26,568,945)	-	(23,411,169)	(1,667,288)	(3,391,790)	(30,348,715)	-	(1,076,146,872)
Net carrying amount	P 462,463,762	P 659,000,461	P 19,293,157	P -	P 10,592,235	P 7,699,802	P 144,019	P 16,554,927	P 26,659,017	P 1,202,407,380

The reconciliation of the carrying amounts at the beginning and end of fiscal year 2014 and 2013, of property and equipment is shown below.

	Computers and On-line Lottery Equipment	Buildings	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils	Communication Equipment	Leasehold Improvements	Construction in Progress	TOTAL
Balance at May 1, 2013 net of accumulated depreciation and amortization	P 324,690,109	P 668,266,508	P 16,252,154	P -	P 9,719,898	P 7,245,593	P 36,750	P 45,599,814	P -	P 1,071,810,826
Property, plant and equipment of new subsidiary	-	-	-	162,799,881	-	-	-	421,082,892	-	583,882,773
Additions	361,919	9,000,000	11,076,102	21,729,783	774,943	794,906	-	15,788,556	-	59,526,209
Disposals	(123,315)	-	(398,673)	(300,447)	(60,057)	-	-	(52,578)	-	(935,070)
Depreciation and amortization charges for the year	(154,895,621)	(14,335,524)	(5,854,811)	(30,825,500)	(3,367,849)	(2,189,189)	(20,750)	(55,304,078)	-	(266,793,322)
Translation adjustment	-	-	-	12,682,710	-	-	-	33,289,167	-	45,971,877
Balance at April 30, 2014 net of accumulated depreciation and amortization	**P 170,033,092**	**P 662,930,984**	**P 21,074,772**	**P 166,086,427**	**P 7,066,935**	**P 5,851,310**	**P 16,000**	**P 460,403,773**	P -	**P 1,493,463,293**
Balance at May 1, 2012 net of accumulated depreciation and amortization	P 462,463,762	P 659,000,461	P 19,293,157	P -	P 10,592,235	P 7,699,802	P 144,019	P 16,554,927	P 26,659,017	P 1,202,407,380
Additions	45,420,657	23,080,625	3,016,072	-	2,580,580	1,442,461	-	10,972,071	2,189,141	88,701,607
Reclassifications during the year	-	-	-	-	-	-	-	28,848,158	(28,848,158)	-
Disposals	-	-	(1,000)	-	-	-	-	-	-	(1,000)
Depreciation and amortization charges for the year	(183,194,310)	(13,814,578)	(6,056,075)	-	(3,452,917)	(1,896,670)	(107,269)	(10,775,342)	-	(219,297,161)
Balance at April 30, 2013 net of accumulated depreciation and amortization	P 324,690,109	P 668,266,508	P 16,252,154	P -	P 9,719,898	P 7,245,593	P 36,750	P 45,599,814	P -	P 1,071,810,826
Balance at May 1, 2011 net of accumulated depreciation and amortization	P 468,713,614	P 652,348,395	P 12,731,000	P -	P 10,645,655	P 5,162,784	P 312,763	P 15,180,121	P -	P 1,165,094,332
Additions	138,130,459	20,000,000	11,920,941	-	3,739,089	4,060,853	-	7,721,984	26,659,017	212,232,343
Reclassifications during the year	-	-	-	-	-	-	-	-	-	-
Disposals	(412,287)	-	-	-	-	-	-	-	-	(412,287)
Depreciation and amortization charges for the year	(143,968,024)	(13,347,934)	(5,358,784)	-	(3,792,509)	(1,523,835)	(168,744)	(6,347,178)	-	(174,507,008)
Balance at April 30, 2012 net of accumulated depreciation	P 462,463,762	P 659,000,461	P 19,293,157	P -	P 10,592,235	P 7,699,802	P 144,019	P 16,554,927	P 26,659,017	P 1,202,407,380

Workshop equipment includes fixtures and fittings utilized for bodyshop works.

The acquisition of on-line lottery equipment in 2013 includes a utilization of P11,613,465 advances to suppliers (see Notes 10 and 22.5).

The Group recognized a gain on disposal of certain property and equipment totaling P7,089,112, P1,361,103, and P345,080 in 2014, 2013 and 2012, respectively and are presented as part of Others account under Other Income (Charges) in the consolidated statement of comprehensive income [see Note 19(a)].

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

13.1 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 these consolidated financial statements of the Group:

	Notes	PLPI	BPPI	BAPI	CPI	Total
April 30, 2014						
Investment:						
Acquisition costs						
Initial investment		P 399,997	P 26,000,000	P 62,700,000	P 399,996	P 89,499,993
Reclassification		-	11,400,000	-	-	11,400,000
		399,997	37,400,000	62,700,000	399,996	100,899,993
Additional interest						
Deposits for future stock subscription	22.2	-	24,000,000	-	-	24,000,000
Accumulated equity share in net profit (losses)						
Share in net profit (losses) in prior years		30,755,647	(40,265,694)	10,834,009	(282,459)	1,041,503
Share in net profit (losses) during the year		1,109,254	(21,134,306)	33,147,281	(117,537)	13,004,692
		31,864,901	(61,400,000)	43,981,290	(399,996)	14,046,195
Total investments in associates		32,264,898	-	106,681,290	-	138,946,188
Advances	22.1	31,848,436	123,520,000	-	816,861	156,185,297
		P 64,113,334	**P 123,520,000**	**P 106,681,290**	**P 816,861**	**P 295,131,485**
April 30, 2013						
Investment:						
Acquisition costs						
Initial investment		P 399,997	P 26,000,000	P 62,700,000	P 399,996	P 89,499,993
Reclassification		-	11,400,000	-	-	11,400,000
		399,997	37,400,000	62,700,000	399,996	100,899,993
Accumulated equity share in net profit (losses)						
Share in net profit (losses) in prior years		29,539,873	(8,533,813)	-	-	21,006,060
Share in net profit (losses) during the year		1,215,774	(31,731,881)	10,834,009	(282,459)	(19,964,557)
		30,755,647	(40,265,694)	10,834,009	(282,459)	1,041,503
Total investments in associates		31,155,644	(2,865,694)	73,534,009	117,537	101,941,496
Advances	22.1	26,683,131	115,680,000	-	-	142,363,131
		P 57,838,775	P 112,814,306	P 73,534,009	P 117,537	P 244,304,627

The accumulated equity share in net profit (losses) relates to the Group's equity in the net income or loss of its associates.

13.2 Summarized Financial Information

Significant financial information as of and for the years ended April 30 is presented as follows:

2014

	PLPI	**BPPI**	**BAPI**	**CPI**	**Total**
Total Assets	P 217,584,536	P 226,005,802	P 755,309,013	P 269,340	P 1,199,168,961
Total Liabilities	137,091,570	458,354,294	384,381,792	862,403	980,690,059
Total Equity (Capital Deficiency)	80,492,966	(232,348,492)	370,927,221	(593,063)	218,478, 662
Net Profit (Loss)	2,773,135	(139,037,516)	110,490,938	(886,915)	(26,660,358)

2013

	PLPI	BPPI	BAPI	CPI	Total
Total Assets	P 205,502,624	P 219,878,008	P 498,798,999	P 334,372	P 924,514,003
Total Liabilities	127,782,793	313,197,312	250,851,093	40,520	691,871,718
Total Equity (Capital Deficiency)	77,719,831	(93,319,304)	247,947,906	293,852	232,642,285
Net Profit (Loss)	3,039,434	(105,772,938)	38,947,906	(706,148)	(64,491,746)

13.3 Subsidiary with Material Non-controlling Interest

H.R. Owen has the whole NCI of the Group. As of April 30, 2014, H.R. Owen's NCI held 27.97% interest. Profit allocated to NCI amounted to P36,577,066. No dividends were paid to the NCI in 2014.

The summarized financial information of H.R. Owen, before intragroup eliminations, as of and for the year ended April 30, 2014 is shown below.

Assets	P 6,237,913,866
Liabilities	P 5,010,199,774
Equity	1,227,714,092
	P 6,237,913,866
Revenues	P10,636,438,712
Net profit	126,959,616
Other comprehensive income	(12,032,782)

14. GOODWILL

Goodwill represents the excess of the acquisition cost over the fair value of (a) identifiable net assets of H.R. Owen and PGMC at the date the Parent Company acquired control over them and, (b) H.R. Owen's subsidiaries' identifiable assets.

Goodwill is classified as intangible asset with indefinite useful life, and thus, not subject to amortization but would require an annual test for impairment. Goodwill is subsequently carried at cost less accumulated impairment losses. No impairment loss was recognized in 2014, 2013 and 2012 based on management's assessment.

The amount of goodwill and all other assets and liabilities initially recognized from the acquisition of H.R. Owen are assessed to be provisional amounts subject to completion and finalization of the purchase price allocation being performed by an independent appraiser.

15. OTHER NON-CURRENT ASSETS

Other non-current assets of the Group pertain to security deposits refundable from various lessors and utility companies amounting to P2,438,102 and P2,665,796 as of April 30, 2014 and 2013, respectively.

16. MEMORANDUM OF AGREEMENT AND DEED OF ASSIGNMENTS

In December 2009, the Parent Company entered into a Memorandum of Agreement (MOA) with the stockholders of TF, whereby the stockholders agreed to sell all their interest in TF and to consent to the sale of TF's assets to PHPI and PLPI for a total consideration of P785.0 million.

Previously, both the hotel building and land were attached as a lien to an obligation of TF, which was then under court rehabilitation. Subsequently, the court approved the sale of the hotel to PHPI and the land to PLPI together with the settling of the lien over the hotel building and land. Accordingly in 2010, the Parent Company advanced funds to PHPI for the acquisition of the hotel building. On the other hand, the land was acquired by PLPI for an amount of P70,000,000 payable in equal installments over eight years (see Note 22.1).

17. TRADE AND OTHER PAYABLES

This account consists of the following:

	Notes	**2014**	2013
Advances from customers		**P 929,988,160**	P -
Trade payables	22.6	**845,871,226**	36,392,414
Accrued expenses		**343,219,104**	1,654,097
Withholding taxes payable		**146,162,367**	2,894,153
Management fee payable	22.4	**26,538,693**	21,172,362
Liability on stock vehicles		**21,560,590**	-
Deferred output VAT		**11,736,779**	22,951,215
Due to a related party	22.8	**1,978,870**	4,299,027
Other payables	16	**94,074,054**	9,931,662
		P 2,421,129,843	P 99,294,930

Advances from customers pertain to amounts received as deposits in anticipation of future sale of vehicles before title passes to the customer. Other payables include liabilities to TF amounting to P5,375,449 as of April 30, 2013 and nil in 2014 (see Note 16).

Accrued expenses include unpaid salaries and wages, commissions, utilities, supplies, and other operating expenses of the Group.

18. LOANS PAYABLE AND BORROWINGS

18.1 Bank Loans

In 2014, the Parent Company obtained a secured loan amounting to P1,000,000,000 from a local bank for its working capital requirements. Such loan bears a fixed annual interest based on prevailing market rate. Outstanding balance of such loan amounted to P550,000,000 as of April 30, 2014.

Interest expense related to this loan in 2014 amounted to P44,800,000 and is presented as part of Finance Cost and Other Charges under Other Income (Charges) in the 2014 consolidated statement of comprehensive income (see Note 21.2). There was no unpaid interest as of April 30, 2014.

The loan was secured by real estate mortgage over parcels of land owned by PLPI including the improvements therein; chattel mortgage over all movable properties located at the principal place of business of PHPI; and, surety from PGMC.

18.1 Vehicle Stocking Loans

H.R. Owen's loans are secured by fixed and floating charges over the assets of the 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.

Manufacturers' vehicle stocking loans and other loans amounting to P1,916,327,282 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 amounting to P610,961,054 are secured by fixed and floating charges on stocks of used cars.

Finance costs incurred related to H.R. Owen's vehicle stocking loans amounted to P39,073,400 and is presented as part of Finance Costs and Other Charges under Other Income (Charges) in the 2014 consolidated statement of comprehensive income (see Note 21.2).

19. OTHER INCOME AND EXPENSES

(a) Other Income

Other income consists of the following:

	Note	**2014**	2013	2012
Excess of 7% standard input VAT over actual input VAT related to revenues with the PCSO		**P 70,845,423**	P 56,830,034	P 122,075,294
Income from forfeited customer deposits		**16,249,247**	-	-
Gain on sale of property and equipment	12	**7,089,112**	1,361,103	345,080
Miscellaneous		**8,244,329**	5,740,973	546,183
		P 102,428,111	P 63,932,110	P 122,966,557

Income from Excess of 7% standard input VAT over actual input VAT consists of the excess of 7% standard input VAT over actual input VAT on purchases related to revenues with the PCSO.

(b) Other Operating Expenses

Other Operating Expenses account is composed of the following:

	2014	2013	2012
Advertising and promotions	**P 102,630,880**	P 1,154,108	P 1,534,309
Commissions	**73,925,809**	4,890,836	4,138,076
Outside services	**64,866,682**	15,988,216	9,778,712
Computer supplies	**31,889,541**	1,977,741	1,701,603
Insurance	**29,762,742**	4,327,920	4,265,121
Repairs and maintenance	**22,701,294**	4,902,838	4,670,329
Sponsorships	**18,829,245**	10,232,462	-
Stationery and office supplies	**14,127,116**	2,149,550	1,720,921
Reversal of receivables	**11,480,180**	-	-
Hotel supplies	**8,427,149**	10,859,917	11,043,893
Security services	**6,131,738**	3,545,918	3,158,141
Membership fees, dues and subscription	**2,804,325**	2,804,466	2,431,773
Laundry	**2,579,893**	2,567,426	3,138,151
Listing fees	**2,008,000**	2,000,000	2,240,000
Miscellaneous expenses	**73,340,505**	24,991,975	14,105,056
	P 465,505,099	P 92,393,373	P 63,926,085

Miscellaneous expenses include gas and oil, store supplies consumable and vehicle storage.

20. EMPLOYEE BENEFITS

20.1 Salaries and Employee Benefits

Details of Salaries and Employee Benefits are presented below.

	2014	2013	2012
Salaries	**P 662,995,235**	P 63,302,430	P 59,895,502
Social security cost	**76,696,754**	2,075,807	2,078,149
Post-employment benefits	**19,664,564**	6,199,969	3,887,018
Bonuses	**14,793,564**	17,809,039	13,310,810
Compensated absences	**2,418,125**	2,123,856	2,252,058
Fringe benefits	**2,042,360**	5,870,257	2,058,207
Health benefits	**2,141,855**	2,125,326	1,943,370
Others	**28,823,718**	13,473,066	18,229,096
	P 809,576,175	P 112,979,750	P 103,654,210

20.2 Post-employment Benefit Obligation

(a) Characteristics of Defined Benefit Plan

PGMC maintains a tax-qualified, non-contributory retirement plan that is being administered by a trustee bank covering all regular and full-time employees. PHPI, on the other hand has an unfunded, non-contributory defined benefit plan covering all regular and full-time employees while H.R. Owen has a funded, defined benefit retirement plan covering certain employees.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below are based on the actuarial valuation report obtained from independent actuaries in 2014.

The amounts of post-employment benefit obligation recognized in the consolidated statements of financial position are determined as follows.

	2014	2013
Present value of the obligation	**P 885,658,022**	P 41,805,017
Fair value of plan assets	**(838,417,841)**	(5,891,147)
Deficiency of plan assets	**47,240,181**	35,913,870
Unrecognized actuarial loss	**-**	(3,231,703)
	P 47,240,181	P 32,682,167

The movements in present value of the post-employment benefit obligation recognized in the books are as follows:

	2014	2013
Balance at beginning of year	**P 41,805,017**	P 42,069,858
Addition due to consolidation of a new subsidiary	**750,746,339**	-
Translation adjustment	**60,498,559**	-
Current service and interest costs	**25,458,956**	6,088,859
Actuarial loss (gain)	**17,736,247**	(5,816,542)
Benefits paid by the plan	**(12,561,672)**	(537,158)
Transitional adjustment	**1,899,974**	-
Members' contribution	**74,602**	-
Balance at end of year	**P 885,658,022**	P 41,805,017

The movements in the fair value of plan assets are presented below.

	2014	2013
Balance at beginning of year	**P 5,891,147**	P 5,339,743
Additions due to consolidation of new subsidiary	**749,015,377**	-
Translation adjustment	**60,480,572**	-
Interest income	**17,063,606**	-
Benefits paid by the plan	**(12,561,672)**	(537,158)
Employer's contribution	**9,749,968**	-
Expected return on plan assets	**9,109,511**	320,385
Actuarial losses (gains)	**(405,270)**	768,177
Members' contribution	**74,602**	-
Balance at end of year	**P 838,417,841**	P 5,891,147

The plan assets consist of the following:

	2014	2013
Equity securities and debt instruments	**P 828,163,992**	P 1,520,654
Government bonds	**4,748,159**	2,823,474
Cash in bank	**4,132,945**	81,716
Unit Investment Trust Funds	**1,232,614**	1,399,326
Miscellaneous receivables	**140,131**	65,977
	P 838,417,841	P 5,891,147

Cash in bank includes deposit to a trustee bank and a special deposit account with Bangko Sentral ng Pilipinas. The fair values of the above debt and equity securities are determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

The plan asset does not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The components of amounts recognized in profit or loss and in other comprehensive income in respect of the defined benefit post-employment plan are as follows:

	2014	2013	2012
Reported in consolidated profit or loss:			
Current service costs	**P 8,661,338**	P 3,396,388	P 2,175,821
Net interest costs	**1,802,173**	2,692,471	2,260,700
Transitional adjustment	**11,003,226**	-	-
Net actuarial loss (gain)	**-**	431,495	(207,990)
Expected return on plan assets	**-**	(320,385)	(341,513)
	P 21,466,737	P 6,199,969	P 3,887,018

	2014	2013	2012
Reported in consolidated other comprehensive income:			
Remeasurement losses arising from changes in:			
Financial assumptions	**(P 22,275,113)**	P -	P -
Demographic assumptions	**(288,033)**	-	-
Return on plan assets	**8,823,662**	-	-
Translational adjustment	**5,871,549**	-	-
Experience adjustments	**5,260,770**	-	-
Tax effect	**(672,853)**	-	-
	(P 3,280,018)	P -	P -

Current service cost is allocated and presented as part of Salaries and Employee Benefits under Costs and Other Operating Expenses section in the consolidated statements of comprehensive income. The net interest cost is included in Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income.

Amounts recognized in other comprehensive income were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined post-employment benefit obligation, the discount rate used ranges from 4.20 to 5.07% in 2014 and 3.60%, which only pertain to PGMC, in 2013.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, majority of the plan asset has been invested in equity and debt securities.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as at April 30, 2014:

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	+/- 1.00%	(5,330,292)	5,330,292
Turn-over rate	+/-10.00%	(44,691)	44,691

The above sensitivity analysis pertains solely to PGMC since the latter holds majority of the Group's post-employment benefit obligation.

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

The Group, through its BOD, envisions that the investment positions shall be managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This aims to match the plan assets to the retirement obligations by investing in equities and maintaining cash and cash equivalents that match the benefit payments as they fall due and in the appropriate currency.

21. FINANCE INCOME AND FINANCE COSTS

The components of this account follow:

21.1 Finance Income

	Notes	2014	2013	2012
Foreign currency gains - net		**P 91,822,863**	P -	P -
Dividend income	11	**75,037,259**	5,917,748	394,526
Interest income	7, 22.1	**25,885,120**	51,393,238	47,302,324
		P192,745,242	P 57,310,986	P 47,696,850

21.2 Finance Costs and Other Charges

	Notes	2014	2013	2012
Interest expense	18	**P 85,675,573**	P -	P -
Bank charges		**24,170,468**	-	-
Bad debts expense	8, 10	**12,871,522**	-	-
Foreign currency losses – net	7, 22.1	**-**	965,582	4,016,821
		P122,717,563	P 965,582	P 4,016,821

22. RELATED PARTY TRANSACTIONS

The significant transactions of the Group with related parties are described below.

		2014		2013	
	Notes	**Amount of Transactions**	**Outstanding Balance**	Amount of Transactions	Outstanding Balance
Associates:					
Cash advances given	13.1, 22.1	**P 13,822,166**	**P 156,185,297**	P 7,186,666	P 142,363,131
Advances for future stock subscription	8, 22.2	**31,600,000**	**31,600,000**	-	-
Related party under common indirect ownership:					
Payments for future acquisition of investment securities	8, 22.3	**(303,562,924)**	**84,585,975**	378,194,733	378,194,733
Purchase of spare parts and accessories	10, 12, 22.5	**-**	**-**	37,657,443	-
Software support services	22.7	**18,725,927**	**-**	17,890,895	-
Advance payment for on-line lottery equipment	22.5	**-**	**-**	(11,613,465)	-
Rental	22.10	**6,000,000**	**-**	6,000,000	-
Share in allocated expenses	17, 22.8	**2,320,157**	**1,978,870**	2,799,650	4,299,027
Payment for certain expenses (net)	8, 22.9	**(1,132,489)**	**251,914**	(1,201,498)	1,384,403
Advance rental	10, 22.10	**(4,990,733)**	**12,000,000**	1,076,464	4,990,733
Stockholders:					
Purchase of inventories	17, 22.6	**3,385,445,011**	**103,656,328**	-	-
Buy-back of shares	22.11, 22.3	**-**	**-**	85,722,300	-
Directors, officers and employees:					
Key management compensation	22.12	**90,068,167**	**-**	20,504,527	-
Advances	8, 22.13	**(1,234,781)**	**8,174,505**	749,691	9,265,921
Purchase of car	22.13	**7,947,353**	**-**	-	-
Entity owned by a key management personnel -					
Management services	17, 22.4	**91,964,417**	**26,538,693**	121,506,359	21,172,362

22.1 Advances to Associates

The Group grants advances to its associates for working capital purposes. These advances are unsecured, non-interest bearing and due on demand, except for the loan granted to BPPI. The balances of these advances, presented as Advances to Associates account in the consolidated statements of financial position as of April 30, are shown below.

	2014	2013
Current :		
PLPI	**P 31,848,436**	P 26,683,131
CPI	**816,861**	-
	32,665,297	26,683,131
Non-current -		
BPPI	**123,520,000**	115,680,000
	P 156,185,297	P 142,363,131

In 2009, the Group granted advances to PLPI as a result of the execution of a MOA, which is part of the Group's strategy to acquire an interest in the operation of a hotel located in Makati City (see Note 16). Advances to PLPI as of April 30, 2014 and 2013 amounted to P31,848,436 and P26,683,131, respectively, are presented as part of Advances to Associates account under current assets section of the consolidated statement of financial position.

In 2011, the Group provided P100,000,000 secured loan to BPPI, bearing an annual interest rate of 7.00% payable within two years from the borrowing date. In 2013, the Group extended the term of this loan for an additional three years. Interest earned from this transaction amounted to P7,000,000 in 2014, 2013 and 2012 and are presented as part of Interest income under Finance Income account in the consolidated statements of comprehensive income (see Note 21.1). Outstanding receivable from this transaction amounted to P123,520,000 and P115,680,000 as of April 30, 2014 and 2013, respectively, and is presented as Advances to an Associate account under the non-current assets section of the consolidated statements of financial position.

In 2014, the Group made advances to CPI which amounted to P816,861 for its pre-operating activites. This loan presented as part of Advances to an Associate account under current assets section of the consolidated statement of financial position.

The movements of Advances to Associates recognized in the books are as follows:

	Note	**2014**	2013
Balance at beginning of year		**P 142,363,131**	P 135,176,465
Interest recognized during the year		**7,000,000**	7,000,000
Additions during the year:			
BPPI		**840,000**	186,666
CPI		**1,812,598**	-
PLPI		**5,165,305**	-
		157,181,034	142,363,131
Payments during the year		**(995,737)**	-
Balance at end of year	13	**P 156,185,297**	P 142,363,131

22.2 Advances for Future Stock Subscription

In 2014, the Group advanced P7,600,000 and P24,000,000 to PLPI and BPPI, respectively, for future stock subscription. Advances to PLPI is presented as part of Advances for future stock subscription under Trade and Other Receivables account in the 2014 consolidated statement of financial position (see Note 8) while advances to BPPI was added to the Investment in Associate account per management intention (see Note 13).

22.3 Payment for Future Acquisition of Investments

In 2013, the Group deposited funds to IPSSB on client trust basis for future acquisition of investment securities. IPSSB, a related party under common ownership, is principally engaged in the business of stock brokerage. Outstanding payments to IPSSB as of April 30, 2014 and 2013 amounted to P84,585,975 and P378,194,733, respectively, and are presented as part of Payments to other related parties under Trade and Other Receivables account in the consolidated statement of financial position (see Note 8).

22.4 Management Services Agreement

Total management fees paid to an entity owned by a key management personnel of the Group based on Management Services Agreement amounted to P91,964,417, P121,506,359 and P125,065,531 in 2014, 2013 and 2012, respectively, and are shown as part of Professional Fees under Costs and Other Operating Expenses in the consolidated statements of comprehensive income. The net outstanding liability arising from this transaction amounted to P26,538,693 and P21,172,362 as of April 30, 2014 and 2013, respectively, and is presented as Management Fee Payable under the Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

22.5 Purchases of Goods and Services

In 2013, the Group made purchases from International Lottery Totalizator System (ILTS) of spare parts and accessories amounting to USD 885,369 (P37,657,443) (nil in 2014). The Group has no outstanding trade payables arising from purchases from ILTS as of April 30, 2014 and 2013.

In 2012, the Group made an advance payment for additional acquisition of on-line lottery equipment from ILTS amounting to P11,613,465, which was delivered and installed in 2013. These advances were fully utilized for the purchase of lotto equipment (see Notes 10 and 12). The Group has no outstanding advances to ILTS as of April 30, 2014 and 2013.

22.6 Purchase of Inventories

Bentley Motors Limited (Bentley Motors) holds shares in H.R. Owen equivalent to the minority interest. In 2014, the Group purchased a total value of vehicles and parts from Bentley Motors of P3,385,445,011. As of April 30, 2014, an amount of P103,656,328 was owed by the Group to Bentley Motors, which is presented as part of Trade payables under Trade and Other Payables account in the 2014 consolidated statement of financial position (see Note 17).

22.7 Software Support Services Agreement

The Group entered into a Software Support Services Agreement (Software Agreement) with Sports Toto Malaysia Sdn Bhd, also a related party under common indirect ownership, for the Group's on-line lottery equipment. The Software Agreement is automatically renewed annually unless terminated by either party. In 2014, 2013 and 2012, the Group recognized royalty expenses arising from the transaction amounting to P18,725,927, P17,890,895 and P20,870,439, respectively, and are presented as part of Maintenance of Computer Equipment under Costs and Other Operating Expenses in the consolidated statements of comprehensive income. The Group has no outstanding balance related to this transaction in both years.

22.8 Due to a Related Party

Berjaya Resorts Management Services Sdn Bhd (Berjaya Resorts), a related party under common ownership, allocates costs and expenses to the Group related to advertising and promotion among others. Total amount of reimbursed expenses by Berjaya Resorts as of 2014, 2013 and 2012 amounted to P2,320,157, P2,799,650 and P1,499,377, respectively. The outstanding allocated expenses amounting to P1,978,870 and P4,299,027, respectively, are presented as Due to a related party under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

The details of the Group's transactions with Berjaya Resorts are presented below.

	2014	2013
Balance at beginning of year	**P 4,299,027**	P 1,499,377
Expenses incurred during the year	**187,038**	4,022,033
Payments made during the year	**(2,507,195)**	(1,222,383)
Balance at end of year	**P 1,978,870**	P 4,299,027

22.9 Due from Other Related Parties

In 2014 and 2013, the Group paid certain expenses in behalf of Taaras Beach & Spa Resort (Taaras) and Berjaya Hills Berhad (Berjaya Hills), related parties under common ownership. The outstanding balance as of April 30, 2014 and 2013 amounting to P251,914 and P1,384,403, respectively, are presented as part of Other receivables under Trade and Other Receivables account in the consolidated statements of financial position (see Note 8).

The details of the Group's transactions with Taaras and Berjaya Hills are presented below.

	2014	2013
Taaras:		
Balance at beginning of year	**P 588,289**	P 2,183,478
Expenses paid during the year	**24,243**	-
Collections during the year	**(588,289)**	(1,595,189)
Balance at end of year	**24,243**	588,289
Berjaya Hills:		
Balance at beginning of year	**796,114**	402,423
Expenses paid during the year	**227,671**	779,222
Collections during the year	**(796,114)**	(385,531)
Balance at end of year	**227,671**	796,114
Total	**P 251,914**	P 1,384,403

22.10 Lease Agreement with PLPI

In 2012, the Group and PLPI amended its existing lease agreement making the lease term good for one year for an annual rental of P6,000,000 but renewable annually, at the option of the lessee, for a maximum of 25 years.

Total rent expense related to this lease agreement amounted to P6,000,000 in 2014 and 2013 and P3,875,200 in 2012, and is presented as part of Rental account in the consolidated statements of comprehensive income. The Group also has advance rentals to PLPI amounting to P12,000,000 and P4,990,733 as of April 30, 2014 and 2013, respectively, which are presented as part of Advance Rentals under Prepayments and Other Current Assets in the consolidated statements of financial position (see Note 10). The entire outstanding advance rental in 2013 from PHPI was applied as payment for rent in 2014.

22.11 Buy-back of Shares

In prior years, the Parent Company reacquired 63,255,814 shares (with total cost of P501,387,473) from various stockholders after the Parent Company reduced its par value from P10 per share to P1 per share.

In February 2013 and December 2012, the Parent Company reacquired additional 3,420,000 shares and 19,047,631 shares, respectively from various stockholders at a total cost of P85,722,300 and P401,040,252, respectively (see Note 23.3).

22.12 Key Management Personnel Compensation

The details of key management personnel compensation (from vice president and up) are as follows:

		2014		2013		2012
Short-term benefits	**P**	**90,068,167**	P	20,504,527	P	18,139,427
Post-employment benefits		**-**		-		782,591
	P	**90,068,167**	P	20,504,527	P	18,922,018

Director emoluments in 2014, 2013 and 2012 amounted to P2,510,000, P1,700,000 and P900,000, respectively, and are presented as part of Professional Fees under Costs and Other Operating Expenses in the consolidated statements of comprehensive income. There were no outstanding payable relating to this compensation in 2014 and 2013.

22.13 Advances to Officers and Employees

In the normal course of business, the Group grants interest-bearing advances to its officers and employees. Outstanding advances to officers and employees amounted to P8,174,505 and P9,265,921 as of April 30, 2014 and 2013, respectively, and are presented as Advances to Officers and Employees under Trade and Other Receivables account in the consolidated statements of financial position (see Note 8).

In 2014, a director of H.R. Owen purchased a car from H.R. Owen with a cost of purchase of P7,947,353. This transaction was conducted on an arm's length basis and under normal commercial terms and no amounts remained as at April 30, 2014.

22.14 Loan Guarantee

The loans of BPPI from a certain financial institution amounting to P250,000,000 and P160,000,000, as of April 30, 2014 and 2013, respectively, are secured by the Group.

22.15 Retirement Plan

The details of the contributions of the Company and benefits paid out by the plan is presented in Note 20.2.

22.16 Related Party Transactions that are Eliminated in the Consolidated Financial Statements

The following are the related party transactions (amounts and balances) that are eliminated in the consolidated financial statements:

a) *Advances to Subsidiaries*

In 2009, the Parent Company granted advances to PHPI as a result of the execution of a MOA, which is part of the Group's strategy to acquire an interest in the operation of a hotel located in Makati City. The outstanding balance as of April 30, 2014 and 2013 amounted to P789,820,810 and P772,614,070, respectively.

b) *Dividend Income*

The Parent Company recognized dividend income amounting to P2,190,000,000 P1,200,000,000 and P900,000,000 arising from the declaration of cash dividends by PGMC in 2014, 2013 and 2012, respectively. The Parent Company also recognized dividend income amounting to P4,000,000, P10,000,000 from cash dividend declaration of PHPI in 2014 and 2012, respectively. Consequently, the Parent Company received the cash dividends of P1,683,013,333, P1,210,000,000 and P900,000,000 in 2014, 2013 and 2012, respectively. Outstanding dividend receivable amounted to P510,986,667 and as of April 30, 2014 and nil in 2013.

c) *Purchase of Property and Equipment*

In April 2014, the Parent Company bought transportation equipment from H.R. Owen amounting to P12,507,018 for use in its operations.

In 2012, PHPI bought transportation equipment from PGMC amounting to P1,325,000, for use in its daily operations.

23. EQUITY

23.1 Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position and also evaluates its capital in terms of debt-to-equity ratio as shown below.

	2014	2013
Total liabilities	**P5,702,164,054**	P 191,625,039
Total equity	**6,414,444,648**	4,798,492,773
Debt-to-equity ratio	**1 : 1.12**	1 : 25.04

23.2 Capital Stock

As of April 30, 2014 and 2013, the Parent Company has 2,000,000,000 authorized shares (with P1 par value per share) of which 953,984,448 shares are issued.

As of April 30, 2014 and 2013, there are 139 holders and 136 holders, respectively, of the Parent Company's total outstanding shares. The Parent Company's listed shares are bid at P28 per share and P25 per share as of April 30, 2014 and 2013, respectively.

The Parent Company has 118 stockholders owning 100 or more shares each of the Parent Company's capital stock as of April 30, 2014 and 2013.

23.3 Treasury Shares

The Group made the following transactions for its treasury shares:

		Shares		
	Note	**2014**	2013	2012
Treasury shares at beginning of year		**85,728,277**	82,308,277	63,260,646
Buy-back of shares during the year	22.11	**-**	3,420,000	19,047,631
Treasury shares at end of year		**85,728,277**	85,728,277	82,308,277

		Amount		
	Note	**2014**	2013	2012
Balance at beginning of year		**P 988,150,025**	P 902,427,725	P 501,387,473
Amount of shares bought-back during the year	22.11	**-**	85,722,300	401,040,252
Balance at end of year		**P 988,150,025**	P 988,150,025	P 902,427,725

The Group's retained earnings is restricted for dividend declaration to the extent of the cost of such treasury shares (see also Note 23.5).

23.4 Revaluation Reserves

The movements of Revaluation Reserves follow:

	Note	2014	2013	2012
Revaluation of AFS				
Balance at beginning of year		**P 53,440,953**	P 164,474,916	P 27,963,745
Net unrealized fair value gains on AFS financial assets	11	**366,574,662**	42,922,081	136,511,171
Reclassification adjustments:				
Due to disposal of AFS financial asset	11	**(61,569,792)**	(153,956,044)	-
Due to reclassification of AFS financial assets to investment in subsidiary		**(180,705,716)**	-	-
Balance at end of year		**P 174,740,107**	P 53,440,953	P 164,474,916
Measurement of post-employment benefits				
Balance at beginning of year		**P -**	P -	P -
Net actuarial loss on remeasurement of post-employment benefit obligation		**(3,280,018)**	-	-
Actuarial loss attributable to minority interest		**3,466,645**	-	-
Balance at end of year		**P 186,627**	P -	P -

23.5 Retained Earnings

In 2014, 2013 and 2012, the BOD approved an additional appropriation of retained earnings amounting to P2,600,000,000, P725,000,000, and P511,500,000, respectively, for future investments, expansion and various expenditures. A portion of these appropriations amounting to P1,400,000,000, P210,000,000, P2,200,000 was reversed in 2014, 2013 and 2012, respectively. These appropriations are expected to be carried out within the next two to five years in line with the Group's growth plans.

In 2012, the Group declared and paid cash dividend to stockholders amounting to P87,167,617. No dividend declaration was made in 2014 and 2013.

24. CURRENT AND DEFERRED INCOME TAXES

	2014	2013	2012
Reported in profit or loss:			
Current tax expense:			
Regular corporate income tax (RCIT) at 30% and 22.5%	**P306,129,150**	P 298,497,525	P305,842,360
MCIT	**4,482,163**	140,000	140,000
Final tax on passive income at 20% and 7.5%	**504,288**	8,775,550	7,673,430
	311,115,601	307,413,075	313,655,790
Deferred tax expense (income) relating to the origination, reversal of temporary differences, and unused tax losses	**21,685,973**	(195,041)	(526,660)
	P332,801,574	P307,218,034	P313,129,130
Reported in other comprehensive income -			
Deferred tax expense relating to measurements of retirement benefit obligation	**P 672,853**	P -	P -

The reconciliation of tax on pre-tax income computed at the applicable statutory rates to tax expense reported in profit or loss follows:

	2014	2013	2012
Tax on pretax income at 30%	**P 439,020,548**	P423,228,834	P421,435,224
Adjustments for:			
Income subjected to lower income tax rates	**(14,271,598)**	(4,404,519)	(4,030,133)
Application of optional standard deduction (OSD)	**(52,728,635)**	(85,630,711)	(110,275,423)
Tax effects of:			
Dividend income not subject to tax	**(61,965,080)**	(1,775,324)	(118,358)
NOLCO	**10,170,207**	8,391,779	10,237,647
Non-deductible expenses	**15,480,594**	647,571	1,037,915
Non-taxable income	**(6,246,726)**	(33,379,596)	(6,213,789)
Unrecognized MCIT	**3,707,335**	140,000	140,000
Remeasurement of deferred tax asset due to change in United Kingdom (UK) tax rate	**(2,767,495)**	-	-
Expiration of NOLCO	**2,052,749**	-	663,651
Marginal corporate tax rate	**1,216,670**	-	-
Utilization of brought-forward losses	**(1,121,928)**	-	-
Expiration of MCIT	**254,933**	-	252,396
Tax expense reported in the consolidated profit or loss	**P 332,801,574**	P307,218,034	P313,129,130

The net deferred tax liability as of April 30 presented in the consolidated statements of financial position relate to the following:

	2014	2013
Deferred tax assets:		
Depreciation in excess of capital allowance	P 16,681,820	P -
Post-employment benefit obligation	12,443,955	9,804,650
Impariment loss	2,812,500	556,956
NOLCO	1,259,282	2,052,749
Unamortized past service cost	1,007,285	78,986
Advance rental	812,286	(1,497,220)
MCIT	774,828	254,933
Other short-term timing differences	667,289	88,162
	36,459,245	11,339,216
Deferred tax liabilities:		
Rolled-over and held over capital gains	66,946,311	-
Unrealized foreign currency gains – net	26,891,034	(288,448)
Security deposit	3,247,200	-
Capitalized direct cost	1,460,422	1,492,171
	98,544,967	1,203,723
Net deferred tax assets (liabilities)	(P 62,085,722)	P 10,135,493

The deferred tax expense reported in the consolidated statements of comprehensive income is shown below.

	Consolidated Profit or Loss		
	2014	2013	2012
Deferred tax expense (income):			
Unrealized foreign currency gains – net	P 27,179,481	P 707,694	(P 885,197)
Security deposit	3,247,200	-	-
Post-employment benefit obligation	(3,589,615)	(1,859,991)	(1,166,105)
Advance rental	(2,309,506)	922,939	574,281
Impairment losses	(2,255,544)	-	-
Unamortized past service cost	(928,299)	-	13,164
NOLCO	793,467	13,168	663,651
MCIT	(519,895)	-	252,396
Depreciation in excess of capital allowance	161,261		
Capitalized direct cost	(31,749)	(31,748)	(31,747)
Other short-term timing differences	(60,828)	52,897	52,897
	P 21,685,973	(P 195,041)	(P 526,660)

	Consolidated Other Comprehensive Income		
	2014	2013	2012
Deferred tax expense:			
Post-employment benefit obligation	P 672,853	P -	P -

Deferred tax liability recognized in other comprehensive income section of the consolidated statement of comprehensive income pertain to the deferred tax arising from remeasurement of post-employment benefit obligation amounting to P672,853.

For income tax purposes, the pre-operating expenses of PHPI is amortized over five years from the start of commercial operations. As of April 30, 2014, April 30, 2013 and 2012, the unamortized portion of pre-operating expense amounted to P176,323, P293,873 and P470,196, respectively, and will be available as deduction against taxable income until 2015.

The details of the Group's NOLCO and MCIT, which can be applied against taxable income and RCIT, respectively, follow:

Year Incurred	Amount	Expired	Balance	Expiry Date
NOLCO				
2014	P 33,900,690	P -	P 33,900,690	2017
2013	27,171,724	-	27,171,724	2016
2012	34,125,490	-	34,125,490	2015
2011	6,842,496	6,842,496	-	2014
	P 102,040,400	**P 6,842,496**	**P 95,197,904**	

Year Incurred	Amount	Expired	Balance	Expiry Date
MCIT				
2014	P 3,707,335	P -	P 3,707,335	2017
2013	140,000	-	140,000	2016
2012	140,000	-	140,000	2015
2011	85,490	85,490	-	2014
	P 4,072,825	**P 85,490**	**P 3,987,335**	

In 2014 and 2013, the management has taken a conservative position of not recognizing additional deferred tax assets arising from NOLCO and MCIT of the Parent Company since their recoverability and utilization is unlikely at this time based on the assessment of management.

In 2014 and 2013, the Parent Company and PHPI opted to claim itemized deductions while, PGMC continued claiming OSD.

Taxation of H.R. Owen is in accordance with the tax laws of UK. The standard rate of corporate tax in the UK changed from 23.00% in October 31, 2013 to 21.00% by April 1, 2014. Accordingly, the profits of H.R. Owen for the six-months period ended April 30, 2014 were taxed at an effective rate of 22.50%. In addition to the changes in rates, further reduction in the main rate of corporate tax in UK to 20.00% by April 1, 2015 was substantively enacted in July 2013. Consequently, deferred tax assets and liabilities arising from transactions of H.R. Owen have been calculated at 20.00% of the gross sum on the basis that they are expected to unwind after April 1, 2015.

25. EARNINGS PER SHARE

Earnings per share were computed as follows:

	2014	2013	2012
Net profit	**P 1,130,600,253**	P 1,103,544,747	P 1,091,654,950
Divided by the weighted average number of outstanding common shares	**870,822,838**	870,822,838	884,374,592
Earnings per share	**P 1.298**	P 1.267	P 1.234

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

26. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

26.1 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.

	Notes	**2014** Carrying Values	**2014** Fair Values Values	2013 Carrying Values	2013 Fair Values
Financial assets					
Loans and receivables:					
Cash and cash equivalents	7	**P 1,318,707,122**	**P 1,318,707,122**	P 1,409,737,406	P 1,409,737,406
Trade and other receivables - net	8	**1,285,411,667**	**1,285,411,667**	740,857,209	740,857,209
Advances to associates	22.1	**156,185,297**	**156,185,297**	142,363,131	142,363,131
Other non-current assets	15	**2,438,102**	**2,438,102**	2,665,796	2,665,796
		P 2,762,742,188	**P 2,762,742,188**	P 2,295,623,542	P2,295,623,542
AFS financial assets	11	**P 979,758,710**	**P 979,758,710**	P 575,928,787	P 575,928,787
Financial Liabilities					
Financial liabilities at amortized cost:					
Loans payable and borrowings	18	**P 3,077,288,336**	**P3,077,288,336**	P -	P -
Trade and other payables	17	**2,261,129,893**	**2,261,129,893**	73,449,562	73,449,562
		P 5,338,418,229	**P 5,338,418,229**	P 73,449,562	P 73,449,562

See Notes 2.4 and 2.8 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 4.

26.2 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.

27. FAIR VALUE MEASUREMENT AND DISCLOSURES

27.1 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;

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.

As of April 30, 2014 and 2013, the Group's financial assets measured at fair value in the consolidated statements of financial position include AFS financial assets. There were no financial liabilities measured at fair value as of 2014 and 2013.

The fair value of AFS financial assets quoted in the active market is determined under Level 1 hierarchy and measured directly by reference to published prices in an active market (see Note 11).

There were no transfers between levels of the fair value hierarchy during the year.

27.2 Financial Instruments Measured at Fair Value

Equity securities, loan stocks and warrants 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.

The fair value of these shares increased by P366,574,662, P42,922,081 and P136,511,171 in 2014, 2013 and 2012, respectively. This was presented as Net Unrealized Fair Value Gains on Available-for-sale Financial Assets under Other Comprehensive Income of the consolidated statements of comprehensive income (see Note 23.4).

The Group has no financial liabilities measured at fair value as at April 30, 2014 and 2013. There were no transfers across the levels of the fair value hierarchy in both years.

27.3 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 April 30, 2014 and 2013:

	2014			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	P 1,318,707,122	P -	P -	P 1,318,707,122
Trade and other receivables	-	-	1,285,411,667	1,285,411,667
Advances to associates	-	-	156,185,297	156,185,297
Other non-current assets	-	-	2,438,102	2,438,102
	P 1,318,707,122	**P -**	**P 1,444,035,066**	**P 2,762,742,188**
Financial liabilities				
Loans payable and borrowings	P -	P -	P 3,077,288,336	P 3,077,288,336
Trade and other payables	-	-	2,261,129,893	2,261,129,893
	P -	**P -**	**P 5,338,418,229**	**P 5,338,418,229**

	2013			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	P 1,409,737,406	P -	P -	P 1,409,737,406
Trade and other receivables	-	-	740,857,209	740,857,209
Advances to associates	-	-	142,363,131	142,363,131
Other non-current assets	-	-	2,665,796	2,665,796
	P 1,409,737,406	P -	P 885,886,136	P 2,295,623,542
Financial liabilities				
Trade and other payables	P -	P -	P 73,449,562	P 73,449,562

28. COMMITMENTS AND CONTINGENCIES

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

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

PGMC and H.R. Owen lease its office and dealership spaces under lease agreements from certain lessors, which will expire at various dates from 2014 to 2016. Other lease agreements by H.R. Owen are due until 2027. The lease agreements also provide for renewal options upon mutual consent of both parties.

Future minimum rental payable related to this lease as of April 30 is as follows:

	2013	2012
Within one year	**P 339,197,256**	P 8,680,893
After one year but not more than five years	**1,004,134,812**	13,854,477
More than five years	**830,012,554**	-
	P2,173,344,622	P 22,535,370

Rental expense arising from these leases amounted to P140,730,628, P11,302,913, and P10,585,625 in 2014, 2013 and 2012, respectively, presented as part of Rental under Costs and Other Operating Expenses in the consolidated statements of comprehensive income.

H.R. Owen's total future minimum lease payments due later than five years as shown above includes P185,630,468 relating to three properties which are sub-leased to third parties. Of this amount, P151,606,926 relates to a sub-lease for a single property, which is of the same duration as the Group's own lease, while the sub-lease for the remaining properties, amounting to future minimum lease payments of P34,023,541, can be terminated by the third party on six months' written notice.

28.2 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 eight years under certain conditions. Under the agreement, PGMC is entitled to rentals equal to a certain percentage of the gross receipts from all PCSO's ticket sales subject to an annual minimum fee as prescribed in the ELA. Rental income derived from ELA amounted to P1,721,851,230, P1,973,382,154, and P1,941,553,798 in 2014, 2013 and 2012, respectively, and are recognized as Rental under Revenues in the consolidated statements of comprehensive income (see Note 6).

28.3 Injunction Case Filed

PGMC filed a case for Indirect Contempt with an application for the issuance of Temporary Restraining Order and/or Writ of Preliminary Injunction against the PCSO and its board members on June 11, 2012 before the Makati Regional Trial Court docketed as Civil Case Number 12-530.

On October 17, 2012, PGMC filed a Petition for Contempt against PCSO and its board members for their deliberate disobedience or resistance to the Writ of Preliminary Injunction Issued by the Makati Regional Trial Court.

As of April 30, 2014, the case is still under mediation.

28.4 Operating Lease Commitments – PHPI as Lessee

In 2012, PHPI and PLPI amended its existing lease agreement making the lease term good for one year for an annual rental in 2012 of P6,000,000 but renewable annually for maximum of 25 years at the option of the lessee.

28.5 Contracts

In December 2009, the Group entered into a MOA with the stockholders of TF, whereby the stockholders agreed to sell all their interest in TF and to agree to consent the sale of TF's assets for a total consideration of P785.0 million.

28.6 Others

There are commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. As of April 30, 2014, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effect on the Group's consolidated financial statements.

Punongbayan & Araullo

An instinct for growth™

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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The Board of Directors
Berjaya Philippines Inc. and Subsidiaries
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Berjaya Philippines Inc. and subsidiaries (the Group) for the year ended April 30, 2014, on which we have rendered our report dated July 15, 2014. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 4225009, January 2, 2014, Makati City
SEC Group A Accreditation
Partner - 0395-AR-2 (until Feb. 10, 2016)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-19-2012 (until May 15, 2015)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

July 15, 2014

Berjaya Philippines Inc. and Subsidiaries
List of Supplementary Information
April 30, 2014

Schedule	Content	Page No.
Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68		
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	2
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	3
D	Intangible Assets - Other Assets	4
E	Long-term Debt	5
F	Indebtedness to Related Parties	6
G	Guarantees of Securities of Other Issuers	7
H	Capital Stock	8
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	Schedule of Philippine Financial Reporting Standards Effective as of December 31, 2013	9 - 12
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	Reconciliation of Retained Earnings Available for Dividend Declaration	14
	Financial Indicators	15

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule A - Financial Assets
April 30, 2014

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Balance Sheet	Income Received and Accrued
AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Equity securities	110,645,000	P 954,507,320	P 75,037,259
Loan stocks	4,000,000	11,874,978	-
Warrants	6,000,000	13,376,412	-
Totals	**120,645,000**	**P 979,758,710**	**P 75,037,259**

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
April 30, 2014

			Deductions		
Name and Designation of debtor	**Balance at Beginning of Period**	**Additions**	**Amounts Collected**	**Amounts Written off**	**Balance at End of Period**
Related Parties:					
Berjaya Pizza Philippines Inc.	P 115,680,000	P 7,840,000	P -	P -	P 123,520,000
Inter-Pacific Securities Sdn Berhad	378,194,733	1,300,047,000	1,593,655,758	-	84,585,975
Perdana Land Philippines Inc.	26,683,131	5,165,305	-	-	31,848,436
Cosway Philippines Inc.	-	1,812,598	995,737	-	816,861
Taaras Beach & Spa Resort	588,289	24,243	588,289	-	24,243
Berjaya Hills Berhad	796,114	227,671	796,114	-	227,671
Officers and employees	9,265,921	17,973,440	19,064,855	-	8,174,505
Totals	**P 521,942,267**	**P 1,315,116,817**	**P 1,596,035,898**	**P -**	**P 241,023,186**

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
April 30, 2014

Name and Designation of debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written off	Current	Non-current	Balance at End of Period
Perdana Hotel Philippines Inc.	P 766,020,289	P 26,800,521	(P 3,000,000)	P -	P -	P -	P 789,820,810
Philippine Gaming Management Corporation	6,593,781	-	(6,593,781)	-	-	-	-
Totals	**P 772,614,070**	**P 26,800,521**	**(P 9,593,781)**	**P -**	**-**	**P -**	**P 789,820,810**

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule D - Intangible Assets - Other Assets
April 30, 2014

Description	Balance at Beginning of Period	Additions at Cost	Deductions: Charged to Cost and Expenses	Deductions: Charged to Other Accounts	Other Changes - Additions (Deductions)	Balance at End of Period
Goodwill	P 360,110,253	P 1,462,042,010	P -	P -	P -	P 1,822,152,263

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule E - Long Term Debt
April 30, 2014

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount shown under caption "Current Portion of Long-term Debt" in Related Balance Sheet	Amoutn shown under caption "long-term debt" in related balance sheet	Amount shown under caption "Long-term Debt" in Related Balance Sheet

NOT APPLICABLE

The Group has no long-term debt as of April 30, 2014.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule F - Indebtedness to Related Parties (Long-Term of Loans from Related Companies)
April 30, 2014

Name of Related Party	Balance at Beginning of Period	Balance at End of Period

NOT APPLICABLE

The Group has no indebtedness to related parties as of April 30, 2014.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule G - Guarantees of Securities of Other Issuers
April 30, 2014

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is Filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which Statement is Filed	Nature of Guarantee
Unionbank of the Philippines, Inc	Loan	P 250,000,000	P 250,000,000	Corporate guarantee

Berjaya Philippines, Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule H - Capital Stock
April 30, 2014

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
Common Shares	2,000,000,000	868,256,171	-	766,288,686	526,753	101,440,732

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the
Financial Reporting Standards Council as of April 30, 2014

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		✓		
Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters**	✓		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters**	✓		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters**	✓		
	Amendment to PFRS 1: Government Loans**	✓		
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
PFRS 3 (Revised)	Business Combinations	✓		
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition**	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets**	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities**	✓		
	Amendment to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures *(deferred application)*			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments* *(deferred application)*			✓
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures* *(deferred application)*			✓
PFRS 10	Consolidated Financial Statements	✓		
	Amendment to PFRS 10: Transition Guidance	✓		
	Amendment to PFRS 10: Investment Entities* *(effective January 1, 2014)*			✓
PFRS 11	Joint Arrangements			✓
	Amendment to PFRS 11: Transition Guidance			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendment to PFRS 12: Transition Guidance	✓		
	Amendment to PFRS 12: Investment Entities* *(effective January 1, 2014)*			✓
PFRS 13	Fair Value Measurement	✓		
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation**	✓		
	Amendment to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events after the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
PAS 16	Property, Plant and Equipment	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Employee Benefits - Defined Benefit Plans - Employee Contributions** *(effective January 1, 2014)*	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
PAS 23 (Revised)	Borrowing Costs	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Revised)	Separate Financial Statements	✓		
	Amendment to PAS 27: Investment Entities* *(effective January 1, 2014)*			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures	✓		
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation**	✓		
	Amendment to PAS 32: Classification of Rights Issues**	✓		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities* *(effective January 1, 2014)*			✓
PAS 33	Earnings per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets* *(effective January 1, 2014)*			✓

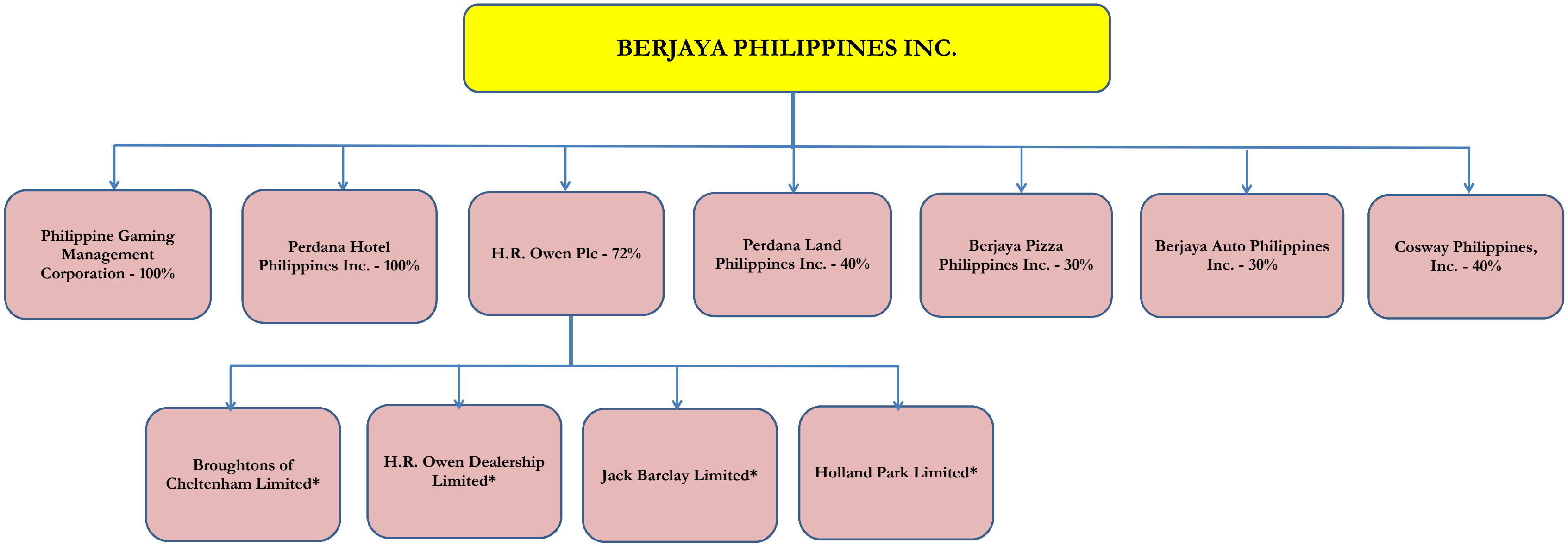
PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions**	✓		
	Amendments to PAS 39: The Fair Value Option **	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets**	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition**	✓		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives**	✓		
	Amendment to PAS 39: Eligible Hedged Items**	✓		
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting* *(effective January 1, 2014)*			✓
PAS 40	Investment Property			✓
PAS 41	Agriculture			✓
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives**	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives**	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction	✓		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners**	✓		
IFRIC 18	Transfers of Assets from Customers**			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	✓		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies* *(effective January 1, 2014)*			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**	✓		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services**	✓		
SIC-32	Intangible Assets - Web Site Costs	✓		

* These standards will be effective for periods subsequent to April 30, 2014 and are not early adopted by the Company.

** These standards have been adopted in the preparation of financial statements but the Company has no significant transactions covered in both years presented.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Map Showing the Relationship Between the Company and its Related Entities
April 30, 2014



* *Wholly owned subsidiaries of H.R. Owen Plc.*

Berjaya Philippines Inc.
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Fiscal Year Ended April 30, 2014

Unappropriated Retained Earnings at Beginning of Fiscal Year		P 957,453,334
Prior Years' Outstanding Reconciling Item		
Deferred tax income		(556,956)
Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Fiscal Year, as Adjusted		956,896,378
Net Profit Realized during the Fiscal Year		
Net profit per audited financial statements	P 2,418,274,166	
Non-actual/unrealized income		
Deferred tax income	(2,255,544)	2,416,018,622
Appropriation of retained earnings		(2,600,000,000)
Unappropriated Retained Earnings Available for Dividend Declaration at End of Fiscal Year		**P 772,915,000**

Berjaya Philippines Inc. and Subsidiaries
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

Financial Indicators
April 30, 2014

Financial Indicators	Computation 2014	Computation 2013	Ratio 2014	Ratio 2013
Quick ratio				
Cash and cash equivalents + Trade and other receivables - net + Advances to associates	3,449,768,129	2,611,119,375	0.62	16.43
Total Current Liabilities	5,592,838,151	158,942,872		
Current/liquidity ratio				
Total Current Assets	7,556,330,146	2,751,845,161	1.35	17.31
Total Current Liabilities	5,592,838,151	158,942,872		
Debt-to-equity ratio				
Total Liabilities	5,702,164,054	191,625,039	0.89	0.04
Total equity	6,414,444,648	4,798,492,773		
Debt-to-assets ratio				
Total Liabilities	5,702,164,054	191,625,039	0.47	0.04
Total Assets	12,116,608,702	4,990,117,812		
Equity-to-assets ratio				
Total equity	6,414,444,648	4,798,492,773	0.53	0.96
Total Assets	12,116,608,702	4,990,117,812		
Return on average assets				
Net Profit	1,130,600,253	1,103,544,747	0.13	0.24
Net Profit	8,553,363,257	4,535,708,395		
Return on equity				
Net Profit	1,130,600,253	1,103,544,747	0.20	0.25
Average Equity	5,606,468,711	4,345,098,531		
Earnings per share				
Net Profir	1,130,600,253	1,103,544,747	1.30	1.27
Weighted Average Number of Outstanding Common Shares	870,822,838	870,822,838		