

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

**ANNUAL REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141**

1. For the fiscal year ended **30 April 2016**
2. SEC Identification Number **476**
3. BIR Tax Identification Number **001-289-374**
4. Exact name of registrant as specified in its charter **BERJAYA PHILIPPINES INC.**
5. Province, Country or other jurisdiction of incorporation or organization:
Manila, Philippines
6. Industry Classification Code: (SEC Use Only)
7. Address of registrant's principal office
**9/F Rufino Pacific Tower
6784 Ayala Avenue, cor. Herrera Street
Makati City**

Postal Code: **1200**
8. Registrant's telephone number, including area code **(632) 811-0688**
9. Former name, former address, and former fiscal year, if changed since last report

Former Names	PRIME GAMING PHILIPPINES INC., PRIME GAMING MANAGEMENT INC. and CENTRAL AZUCARERA DE PILAR
Former Fiscal Year	July 1 – June 30 of each year
Former Address	29/F Rufino Pacific Tower 6784 Ayala Avenue, cor. Herrera Street Makati City

10. Securities Registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱1.00 par value	953,984,448 (as of 30 April 2016) 4,427,009,132 (as of 31 May 2016)

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

Yes No

12. Check whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code (SRC) and SRC Rule 17 par. 2 thereunder and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

Yes

No

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

Yes

No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

The aggregate market value of the voting stock held by non-affiliates of the registrant is ₱27.19 Billion, derived from multiplying the number of voting stocks held by non-affiliates by the stock's closing price per share as of 30 April 2016.

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Part I–BUSINESS AND GENERAL INFORMATION

Item 1. 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 December 2009, the Corporation acquired a 232 room hotel which operated as Best Western Astor Hotel until 16 March 2010. The acquisition was made by the Corporation's subsidiary Perdana Hotel Philippines Inc. (PHPI) under the business name Berjaya Makati Hotel. The Corporation subscribed to forty percent (40%) of the shares of stock of Perdana Land Philippines Inc. which owns the land leased by PHPI.

In July 2010, the Corporation invested in Berjaya Pizza (Philippines) Inc. (BPPI), a corporation engaged in the manufacture, sale and distribution of food and beverages, and to operate, own, franchise, license or deal in restaurant related business operations. The Corporation's equity or interest in BPPI is equivalent to 41.40% as of April 30, 2016.

In August 2012, the Corporation invested in Berjaya Auto Philippines Inc. (BAPI), a corporation engaged in the sale and distribution of all types of motor vehicles. On 12 September 2012, 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. In fiscal year 2016, BAPI purchased 5% holdings from an existing stockholder of BAPI resulting to BAPI's increase in ownership over BAPI to 35%.

In September 2012, the Corporation invested in Cosway Philippines Inc. (CPI), primarily to engage in the wholesale of various products. As of 30 April 2016, CPI has not yet started its commercial operations. The Corporation's equity or interest in CPI is equivalent to 40%.

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

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

As of 30 April 2016, the Corporation does not have employees. Its subsidiaries, PGMC, PHPI, and HRO have eighty four (84), one hundred seven (107), and four hundred ninety nine (499) 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 and administrative are forty eight (48) and thirty six (36), respectively. PHPI's number of employees in operations and administrative are seventy nine (79) and twenty eight (28). As for HROwen, there are four hundred sixteen (416) and eighty three (83) employees for operations and administrative, respectively. There are no supplemental benefits or incentive arrangements the subsidiaries have or will have with its employees.

Item 2. Properties

Except for cash and other current assets which also include shareholdings in other corporations, the Corporation does not own any properties. All the consolidated properties and equipment of the Group belong to its subsidiaries and other corporations where the Corporation owns shares of stock. The subsidiaries' and other corporations' properties consist of land, buildings, computers, lottery equipment, transportation equipment, and office equipment. The subsidiaries have full ownership of all its properties.

Item 3. Legal Proceedings

There are no material pending legal proceedings to which the Corporation is a party that the undersigned are aware of.

However, its wholly owned subsidiary and the Philippine Charity Sweepstakes Office (PCSO) have submitted themselves to arbitration at the International Chamber of Commerce (ICC). There are pending judicial proceedings with PCSO, the outcome of which will depend on the outcome of the arbitration case.

Item 4. Submission of Matters to a Vote of Security Holders

No significant matter was submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders, through the solicitation of proxies or otherwise.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

a. Market Information

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 2013 to 16 August 2016 are as follows:

<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
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
27 Dec 2013	₱ 28.50	₱ 28.50	₱ 28.50
30 Jan 2014	₱ 27.00	₱ 27.00	₱ 27.00
3 Apr 2014	₱ 28.00	₱ 28.00	₱ 28.00
7 May 2014	₱ 26.00	₱ 19.10	₱ 26.00
31 Jul 2014	₱ 26.40	₱ 26.40	₱ 26.40
31 Oct. 2014	₱ 28.50	₱ 18.00	₱ 27.00
28 Nov. 2014	₱ 28.50	₱ 18.00	₱ 27.00
10 Dec. 2014	₱ 28.50	₱ 18.00	₱ 21.10
5 Jan. 2015	₱ 28.50	₱ 18.10	₱ 28.00

<u>Date</u>	<u>High</u>	<u>Low</u>	<u>Close</u>
6 Mar. 2015	₱ 28.50	₱ 18.20	₱ 27.95
27 Apr. 2015	₱ 28.50	₱ 18.88	₱ 26.95
1 Jun. 2015	₱ 28.50	₱ 20.50	₱ 27.00
31 Jul 2015	₱ 28.50	₱ 20.50	₱ 26.80
6 Aug 2015	₱ 28.50	₱ 20.25	₱ 27.00
12 Oct 2015	₱ 30.00	₱ 20.25	₱ 29.00
28 Dec 2015	₱ 30.00	₱ 22.60	₱ 26.00
11 Jan 2016	₱ 30.00	₱ 20.00	₱ 28.00
7 Mar 2016	₱ 30.00	₱ 20.00	₱ 28.50
16 May 2016	₱ 30.00	₱ 20.00	₱ 28.50
15 Jul 2016	₱ 38.00	₱ 6.41	₱ 6.70
1 Aug 2016	₱ 38.00	₱ 5.70	₱ 5.80
12 Aug 2016	₱ 38.00	₱ 5.60	₱ 5.79
16 Aug 2016	₱ 38.00	₱ 5.55	₱ 5.55
26 Aug 2016	₱ 5.80	₱ 5.50	₱ 5.80

The price as of the last trading date for this report is Five Pesos and Eighty Centavos (P 5.80) on 26 August 2016.

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

b. Shareholders

There are one hundred thirty eight (138) stockholders of 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. as of 30 April 2016. There are no other outstanding or no such clearances of shares of stock of Berjaya Philippines Inc.

The list of top one hundred (100) stockholders of Berjaya Philippines Inc. as of 30 April 2016 from the Issuer's Stock and Transfer Agent, Rizal Commercial Banking Corporation (RCBC) is attached hereto as Annex "A".

The top twenty (20) stockholders of Berjaya Philippines Inc., including their shares and their percentage of total shares outstanding held by each as of 30 April 2016 can be found in the top one hundred (100) stockholders of Berjaya Philippines Inc., the list of which is attached hereto as Annex "A". These are the holders of common shares. As of 30 April 2016, eighty five million seven hundred twenty eight thousand two hundred seventy seven (85,728,277) shares were held by the Issuer as treasury shares, based on the records of the Corporation's stock and transfer agent, Rizal Commercial Banking Corporation.

The names of the top twenty (20) shareholders of the common shares of stock of the Issuer as of 30 April 2016, based on the records of the Corporation's stock and transfer agent, Rizal Commercial Banking Corporation, are as follows:

Name	Number of Share Held	Percentage of Total Shares Held
Berjaya Lottery Management (H.K.)	644,247,656	67.53%
Berjaya Sports Toto (Cayman)	122,041,030	12.79%
Berjaya Philippines Inc.	85,728,277	8.98%
PCD Nominee Corp. (Filipino)	79,953,276	8.38%
Abacus Security Corp.	20,000,000	2.09%
PCD Nominee Corp (Non-Filipino)	527,903	0.05%
Far East Molasses Corporation	310,976	0.03%

Name	Shares Held	Total Shares Held
Concepcion, Teus Vda.	130,000	0.01%
Dolores Teus De M. Vara	110,400	0.01%
Steiner, Norma O.	60,064	0.01%
Corporacion Franciscana	58,784	0.01%
The Phil. American Gen.	45,280	0.01%
Phil. Remnants Co., Inc.	44,832	0.01%
Elizalde, Francisco J.	41,360	0.00%
Zernichow, Christian	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%
Ledesma, Anita L. De	27,264	0.00%
Hodsoll, Gwendoline Marion	25,984	0.00%

c. Dividends

i. Dividends declared by Berjaya Philippines Inc.

On 28 October 2004 the Corporation declared cash dividends to all stockholders on record as of November 17, 2004 or a total of ₱ 87.14 million.

On 5 January 2012, the Corporation declared cash dividends amounting to ten centavos (₱ 0.10) per share to all stockholders of record as of 19 January 2012.

On 5 October 2015, the Issuer declared stock dividends at a rate of 4 common shares for every common share held to taken from the increase in authorized capital stock. On the same date, the Issuer caused the reversal of previously allocated funds for capex and corporate expansion and appropriated ₱ 3.47 billion from the Issuer's retained earnings for the distribution of stock dividends. The stock dividend declaration by the Board was ratified by stockholders representing at least 2/3 of the capital stock of the Corporation on 6 October 2015.

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

From July 2015 to August 2016, the Corporation's subsidiary, PGMC, issued cash dividends amounting to one billion thirty million pesos (₱ 1,030.0 billion).

On 16 July 2015, the Corporation declared cash dividends amounting to one hundred million pesos (₱100.0 million).

On 1 September 2015, the Corporation declared cash dividends amounting to one hundred eighty million pesos (₱180.0 million).

On 2 October 2015, the Corporation declared cash dividends amounting to two hundred million pesos (₱ 200.0 million).

On 8 January 2016, the Corporation declared cash dividends amounting to two hundred million pesos (₱ 200.0 million).

On 22 August 2016, the Corporation declared cash dividends amounting to three hundred fifty million pesos (₱ 350.0 million).

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

In April 2012, the Corporation declared cash dividends amounting to ten million pesos (₱10.0 million).

In August 2013, the Corporation declared cash dividends amounting to four million pesos (₱4.0 million).

d. Recent Sales of Unregistered Securities

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

Item 6. Management's Discussion and Analysis of Financial Conditions and Results of Operations

Results of Operations

The Corporation's principal activity is investment holding. Since 1998, it owns 100% equity ownership of Philippine Gaming Management Corporation (PGMC), which operates the business of leasing online lottery equipment and providing software support in the Luzon Region to the Philippine Charity Sweepstakes Office (PCSO), a Philippine government agency responsible for lotteries and sweepstakes; 72.0% equity interest in H.R. Owen Plc (HR Owen), a luxury motor retailer, which operates a number of vehicle dealerships in the prestige and specialist car market for both sales and aftersales, predominantly in London, UK; and the wholly-owned Perdana Hotel Philippines Inc. (PHPI) which operates Berjaya Makati Hotel in Makati City, Metro Manila.

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱26.50 billion for the year ended 30 April 2016, an increase of ₱33.67 million (0.1%) over total revenues of ₱26.47 billion in the previous financial year. The increase was primarily due to a higher revenue contribution from H.R. Owen in the financial year under review.

PGMC recorded revenue of ₱1.58 billion, a decrease of ₱30.46 million (1.9%) from ₱1.61 billion in the previous financial year due to net decrease in lease rental income as a result of a revision of equipment lease rate in the equipment lease agreement which was renewed via a supplemental agreement signed on 13 August 2015.

PHPI which operates Berjaya Makati Hotel in Makati City, recorded an increased revenue of ₱146.45 million compared to ₱143.51 million in the previous financial year. The increase of ₱2.94 million (2.0%) in revenue was mainly due to an increase in average room rate compared to the previous financial year.

HR Owen recorded revenue of ₱24.77 billion in the financial year under review compared to ₱24.71 billion in the previous financial year, the increase of ₱61.20 million (0.2%) was due to the increase in the number of new and pre-owned prestige cars sold as well as service cars sold during the financial year under review.

The Group's total cost and operating expenses for the year ended 30 April 2016 increased by ₱272.57 million (1.1%) or ₱25.55 billion from ₱25.27 billion for the same period in 2015. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱126.82 million (0.6%), (2) salaries and employee benefits increased by ₱60.68 million (3.9%), (3) rental increased by ₱32.69 million (11.0%), (4) professional fees increased by ₱101.61 million (37.6%) (5) maintenance of computer equipment increased by ₱1.93 million (2.5%), (6) transportation and travel increased by ₱7.44 million (19.1%). These increases were offset by the following decreases of expenses: (1) depreciation expense decreased by ₱80.87 million (25.3%), (2) taxes and licenses decreased by ₱12.01 million

(7.5%), (3) telecommunications decreased by ₱13.61 million (11.9%), (4) communication, light and water decreased by ₱16.24 million (18.5%), (5) representation and entertainment decreased by ₱18.15 million (48.5%).

Other Charges – net of other income amounted to ₱23.09 million for the financial year 30 April 2016, a decrease of ₱68.13 million (151.3%) from the Other Income (net charges) of ₱45.03 million in the same period in 2015, due to impairment loss recognized on certain investments and net loss on sale of available-for-sale financial assets.

The Group's net income decreased by ₱244.64 million (25.7%) to ₱706.33 million in financial year 2016 from ₱950.97 million in financial year 2015 under review.

Financial Position

Total assets of the Group increased by ₱2.47 billion (18.8%) to ₱15.60 billion as of 30 April 2016, from ₱13.13 billion as of 30 April 2015.

Trade and other receivables (net) increased by ₱804.42 million (37.1%) to ₱2.97 billion in 2016 compared to ₱2.17 billion in 2015, mainly due to payments for future acquisition of investments.

Inventories (net) increased by ₱906.12 million (20.7%) to ₱5.28 billion in 2016 compared to ₱4.37 billion in 2015, mainly due to an increase in vehicle stocks of HROwen.

Prepayments and other current assets (net) increased by ₱202.45 million (31.9%) to ₱836.83 million in 2016 compared to ₱634.38 million in 2015, mainly due to increase prepaid expenses.

Available-for-sale financial assets decreased by ₱261.35 million (23.1%) to ₱869.41 million in 2016 compared to ₱1.13 billion in 2015, mainly due to certain investments which were found to be impaired, due to prolonged or significant decline in the fair value of the securities below cost.

Property and equipment (net) increased by ₱569.40 million (39.8%) to ₱2.0 billion in 2016 compared to ₱1.43 billion in 2015, mainly due to additions to workshop equipment, leasehold improvements and renovations.

Investments in associates increased by ₱249.95 million (115.3%) to ₱466.71 million in 2016 compared to ₱216.77 million in 2015, mainly due to acquisition of investment in associates.

Intangible assets increased by ₱99.84 million (5.5%) to ₱1.91 billion in 2016 compared to ₱1.81 billion in 2015, primarily due to goodwill and customer relationship arising from acquisition of Bodytechnics.

Deferred tax assets increased by ₱33.13 million (289.0%) to ₱44.60 million in 2016 compared to ₱11.46 million in 2015, mainly due to deferred tax assets arising from impairment loss on certain AFS financial assets.

Meanwhile, Other non-current assets increased by ₱1.29 million (42.2%) to ₱4.35 million in 2016 compared to ₱3.06 million in 2015 due to additional security deposits refundable from various lessors and utility companies.

Total liabilities of the Group increased by ₱1.91 billion (31.6%) to ₱7.93 billion as of 30 April 2016, from ₱6.03 billion as of 30 April 2015 mainly due to increase in Trade and other Payables and Loans payable and Borrowings.

The Group has no long-term debt. Post-employment benefit obligation increased by ₱6.93 million (14.5%) to ₱40.80 in 2016 compared ₱47.72 in 2015.

Total stockholders' equity of the Group increased by ₱563.04 billion (7.9%) to ₱7.67 billion as of 30 April 2016, from ₱7.10 billion as of 30 April 2015 under review. The book value per share increased to ₱8.04 in 2016 from ₱7.44 in 2015.

Key Performance Indicators

The top five key performance indicators (KPIs) of the Group 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.

	30 April 2016	30 April 2015
Liquidity Ratio - Current ratio	1.31 : 1.00	1.41 : 1.00
Leverage Ratio - Debt to Equity	1.03 : 1.00	0.85 : 1.00
Activity Ratio - Annualized PPE Turnover	13.24 times	18.48 times
Profitability Ratios		
Return on Equity	9.21%	13.39%
Return on Assets	4.53%	7.24%

The Corporation uses the following computations in obtaining key indicators:

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

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's 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.

Item 7. Financial Statements

The audited Financial Statements and Supplementary Schedules for the year ended 30 April 2016 and the accompanying index to Financial Statements and Supplementary Schedules are filed as part of this Form 17-A.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Messrs. Punongbayan & Araullo (P&A), the independent auditors of Berjaya Philippines Inc., have affixed their signature on the financial statements of Berjaya Philippines Inc. P&A issued an unqualified opinion on the consolidated financial statements. The audits were conducted in accordance with the Philippine Standards on Auditing.

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

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

(1) Directors and Executive Officers

The Directors of the Corporation are elected at the regular annual meeting of stockholders to serve for one (1) year until their successors are elected and qualified. The Officers of the Corporation are elected by a majority vote of the Board of Directors and are enumerated below, with a description of their business experience over the past five years.

Directors / Officers	Designation	Citizenship	Term
1. Tan Sri Ibrahim Saad *	Director / Chairman of the Board / Acting President	Malaysian	8 August 2012 - Present
2. Lim MengKwong **	Director / President	Malaysian	16 January 2008 –3 June 2016
3. SeowSwee Pin	Director	Malaysian	1996 - Present
4. George T. Yang	Director (Independent)	Filipino	1996 - Present
5. Jaime Y. Ladao	Director (Independent)	Filipino	23 March 2010 - Present
6. Jimmy S. Soo	Director	Filipino	8 Dec 2014 - Present
7. Wong EeColn	Director	Malaysian	3 June 2016 to Present
7. Tan EngHwa	Treasurer / CFO	Malaysian	2005 - Present
8. Jose A. Bernas	Corporate Secretary	Filipino	1996 - Present
9. Marie Lourdes Bernas	Asst Corp Secretary	Filipino	2001 - Present

* assumed the position of Acting President on 3 June 2016

** retired on 3 June 2016 as Director and President

Tan Sri Seri Ibrahim Saad, 70, was appointed as Chairman of the Board on 8 August 2012, and was re-elected as Chairman on 6 October 2015. He is currently the Acting President of the Corporation, as elected on 3 June 2016. He was previously the President (Vice Chancellor) of the University of Kuala Lumpur, Malaysia, and Deputy Minister of Transport of Malaysia. He was also once the Deputy Chief Minister of the State of Penang, Malaysia and a member of Parliament, Malaysia. He also previously served as the Chairman of the Penang Regional Development Authority. He was the former Ambassador of Malaysia to the Republic of the Philippines from 2010 to 2012. At present, he is the Chairman of the governing Board of Directors of the National University of Malaysia.

Lim Meng Kwong, 63, was appointed to the Board of the Corporation on 16 January 2008, as Chairman and President. He tendered his resignation as Chairman on 8 August 2012 and was re-elected as President on 6 October 2015. He sits as director in numerous companies in Malaysia and Europe such as H.R. Owen Plc, Berjaya Assets Berhad, and three football clubs in Europe. He is also the Director of Special Projects for Berjaya Group Bhd. and is a member of the Malaysian Institute of Accountants. Mr. Lim retired as President and Director of the Corporation on 3 June 2016.

Seow Swee Pin, 59, was appointed by the Board of the Corporation on 12 November 1996 and has retained office since then. He was re-elected as director on 6 October 2015 and is the Chairman of Philippine Gaming Management Corporation. Besides being a Director of the Corporation, he is also an Executive Director of Sports Toto Malaysia Sdn. Bhd. and Berjaya Sports Toto Berhad. He is a member of the Malaysian Institute of Certified Public Accountants, the Malaysian Institute of Accountants and Certified Practising Accountants, Australia.

George T. Yang, 76, was appointed to the Board of the Corporation on 12 November 1996 and has retained office since then. He was re-elected director on 6 October 2015 and is also a Director of Philippine Gaming Management Corporation. He is Chairman of the Board of First Georgetown Ventures, Inc., Ronald McDonald House Charities, Trojan Computer Forms,

Inc., and Klassikal Music Foundation Inc. He sits as Chairman of MDS Call Solutions Inc., Fast Serve Solutions Systems Inc., Advance Food Concepts Mfg. Inc., Golden Laoag Foods Corp., First Golden Laoag Ventures inc., Retiro Golden Foods Inc., Clark Mac Enterprises Inc., Golden City Food Industries Inc., an Davao City Food Industries Inc. He is the Vice-Chairman of Oceanfront Properties Inc., TransAire Development Holdings Corporation, and the President of Golden Arches Realty Corporation. He is a Member of the Board of Governors of Ayala Center Association and The Tower Club, Inc. and Consul General *ad honorem* for the State of Eritrea. Mr. Yang graduated Cum Laude from De La Salle College, Manila, with the degree of Bachelor of Science in Business Administration and holds a Masters Degree in Business Administration from the Wharton School, University of Pennsylvania, USA. Mr. Yang was the Dean at the Consular Corps of the Philippines in 2014, a Member of the Board of Trustees in San Beda College Manila, and is a Member of the Asian Executive Board of the Wharton School, University of Pennsylvania.

Jaime Y. Ladao, 77, was appointed to the Board of the Corporation on 23 March 2010 and was re-elected on 6 October 2015. He is a member of the Audit Committee of the Corporation since 2010. He is director of Dun and Bradstreet Philippines, Inc., the Corporate Governance Institute of the Philippines and was a Treasurer, Member and Past Board of Governor of the Management Association of the Philippines. Member, Philippine Dispute Resolution Center Inc., Founder and Member, Financial Executive Institute of the Philippines. Former National President (1991-1992) of the Boy Scouts of the Philippines, and a fellow of the Australian Institute of Corporate Directors. Founder and Executive Chairman of the Consumer Credit-Score Philippines Inc. licensed to issue FICO Consumer and SME Scores in the Philippines. MR. Ladao was a director member of the Executive Committee and the Chair of the Audit Committee in 1990-1991 of the San Miguel Corporation.

Jimmy S. Soo, 59, was appointed to the Board of the Corporation on 8 December 2014 and was re-elected on 6 October 2015. He was previously appointed to the Board of the Corporation in October 2007 but he tendered his resignation on 1 August 2012 due to other work commitments. He is the Chairman and President of Tortola Resources Inc., and Trimante Holdings Phils., Inc. He sits as Director of First Abacus Financial Holdings Corporation, which is listed at the Philippine Stock Exchange. He is a Director and Corporate Secretary of Abacus Capital & Investment Corporation, St. Giles Hotel (Manila) Inc., Vista Holdings Corporation, and Van der Horst Technologies Phils, Inc. He is the Corporate Secretary of Limketkai Manufacturing Corporation, Limketkai Sons Inc., Paramount Life & General Holdings Corp. and Paramount Life & General Insurance Corporation and several other domestic corporations. He is the Resident Agent of IDP Education Pty. Limited. He is a director in Berjaya Pizza (Philippines) Inc., Better Options Restaurants Inc., and a member of the Board of Trustees for Berjaya Foundation Inc. Mr. Soo is the Managing Partner of Soo Gutierrez Leogardo & Lee Law Offices.

Wong Ee Coln, 37, was appointed by the Board as director of the Corporation on 3 June 2016. He is the General Manager of the Group Properties & Development Department of Berjaya Land Berhad. He is also a Chartered Financial Analyst (CFA) and a member of the CFA Institute.

Tan Eng Hwa, 46, was appointed by the Board as Treasurer of the Corporation on 30 June 2005 and has retained office since then. He is a member of the Board and the Vice-President and Treasurer of Philippine Gaming Management Corporation (PGMC). He sits as a director and treasurer of Berjaya Auto Philippines Inc., Berjaya Pizza (Philippines) Inc., Cosway Philippines Inc., Perdana Hotel Philippines Inc., Perdana Land Philippines, Inc., Landphil Management and Development Corporation, MOL Access Portal Inc., Uniwiz Trade Sales Inc., Noblesse Holdings Inc., and Beautiful Creation Holdings, Inc. He is the treasurer of Sanpiro Realty & Development Corporation, the treasurer and member of the Board of Trustees of Berjaya Foundation Inc. and is a member of the Malaysian Institute of Accountants.

Jose A. Bernas, 56, was appointed Corporate Secretary on 28 March 1996, and has been such officer since then. He is the Chairman of Automation Specialists and Power Exponents

Inc. (ASPEX), and Dun and Bradstreet Philippines Inc. He is the President of Discovery Centre Condominium Corporation, Noblesse Holdings Inc., and is a director of Perdana Land Philippines Inc., Cosway Philippines Inc. and MSI-ECS Philippines Inc. He is a Director and Corporate Secretary of Better Options Restaurants Inc. and Beautiful Creation Holdings Inc. He is the Corporate Secretary of Steven Leach, Jr. + Associates (Consultants) Inc., Philippine Gaming Management Corporation, Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Berjaya Pizza (Philippines) Inc., Friendster Philippines Inc., MOL AccessPortal Inc., Cosway Philippines Inc., Uniwiz Trade Sales Inc., Berjaya Auto Philippines Inc., and Swift Foods Inc. He is a member of the Board of Trustees and Secretary of Berjaya Foundation Inc., and the resident agent of National Instruments Philippines, Branch. He is a professor at the Ateneo de Manila University School of Law. He is the Managing Partner of the Bernas Law Offices.

Marie Lourdes T. Sia-Bernas, 50, was appointed Assistant Corporate Secretary on 25 October 2001 and has retained office since then. She is the President of Deux Mille Trading Corporation, and Silver Giggling Buddha Trading Inc. She is the Corporate Secretary of Honestbee Philippines Inc., Nera Solutions Philippines Inc., EFC Food Corporation, Automation Specialists and Power Exponents Inc. (ASPEX), Juillet Trading Corporation, Ultrasaurus Philippine Trading Inc., and Neptune Properties Inc. She is the Assistant Corporate Secretary of Philippine Gaming Management Corporation, Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Berjaya Pizza (Philippines) Inc., Berjaya Auto Philippines Inc., Berjaya Foundation Inc., Friendster Philippines Inc., Steven Leach Jr. + Associates (Consultants) Inc., MOL AccessPortal Inc., Cosway Philippines Inc., Uniwiz Trade Sales Inc., Better Options Restaurants Inc., Ssangyong Berjaya Motor Corporation, Noblesse Holdings Inc., Discovery Centre Condominium Corporation, Beautiful Creation Holdings Inc. and Swift Foods Inc., which is a listed corporation at the PSE. She is the Administrative Partner at Bernas Law Offices.

(2) Significant Employees

The Corporation does not have any employee at present.

(3) Family Relationships

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.

(4) Involvement in Certain Legal Proceedings

None of the Directors and Officers were involved during the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding or have been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities or banking activities. Nor have they been found in action by any court or administrative bodies to have violated a securities or commodities law.

(5) Independent Directors

Mr. George T. Yang and Mr. 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 (SRC).

Mr. George T. Yang is also an independent minority stockholder of Philippine Gaming Management Corporation. The former treasurer of the Corporation Mr. Low Siaw Peng nominated Mr. Yang as independent director.

Mr. Jose A. Bernas, a stockholder and the Corporate Secretary nominated Mr. Jaime Y. Ladao as independent director during the Meeting of the Board held on 23 March 2010. Mr. Jaime Y. Ladao replaced Mr. Val Antonio B. Suarez who resigned as director on 15 January 2010 in order to accept an executive position at the Philippine Stock Exchange.

Dato Seri Dr. Ibrahim B. Saad becomes the third independent director of the Corporation, having been elected during a Meeting of the Board held on 1 August 2012. Dato Seri Dr. Ibrahim B. Saad replaced Mr. Jimmy S. Soo who resigned due to other work commitments that will not allow him to attend to Berjaya Philippines Inc. matters.

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

Item 10. Executive Compensation

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 as a group, were paid Four Million Pesos (P4,000,000.00) in financial year ended 30 April 2016. No salary, bonuses or other compensation has been stipulated or paid to Executive officers for acting as such.

There is no need to disclose a summary compensation table because the Issuer does not have employees and does not pay out salaries, except for its Chairman who receives ten thousand Malaysian Ringgit (RM10,000.00) or its equivalent in Philippine Pesos a month. There are no standard agreements for the compensation of directors and the top executive officers as there are no salaries paid. 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 re-pricing or employment contracts entered into by the Corporation, nor any termination of employment and change in the control arrangement between the Corporation and the executive officers.

Item 11. Security Ownership of Certain Beneficial Owners

According to the records of the corporation's stock and transfer agent, the following are the owners of more than five (5%) of the Corporation's securities as of 30 April 2016:

Name and Address of Record Owner	Name of Beneficial Owner / Relationship with Record Owner	Citizenship	Number of Shares Held	Percentage Held
Berjaya Lottery Management (H.K.) Ltd. Level 54, Hopewell Centre, 183 Queen's Road East, HongKong	Berjaya Lottery Management (H.K.) Ltd. (same as record owner) persons entitled to vote is Messrs.SeowSwee Pin or Tan EngHwa, in the said order of preference	Chinese	644,247,656 (common shares)	67.53%
Berjaya Sports Toto (Cayman) Limited 190 Elgin Avenue, George Town, Grand Cayman KY1-9005 Cayman Islands	Berjaya Sports Toto (Cayman) Limited (same as record owner) person entitled to vote is SeowSwee Pin	Malaysian	122,041,030 (common shares)	12.79%
Berjaya Philippines Inc. 9th Floor RufinoPacific 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 Acting President of the Corporation, Dato Seri Dr. Ibrahim B. Saad	Filipino	85,728,277 (treasury shares)	8.98%

Berjaya Lottery Management (HK) Limited was incorporated on 16 July 1992. Berjaya Sports Toto (Cayman) Limited owns 387,500,000 shares equivalent to 100% of Berjaya Lottery Management (HK) Limited shares. It's issued and paid-up capital is HK\$387,500,000.

The Directors of Berjaya Lottery Management (HK) Limited are as follows:

- (i) Chan Kien Sing
- (ii) SeowSwee Pin
- (iii) Freddie Pang Hock Cheng (resigned w.e.f 26 January 2015)
- (iv) Vivienne Cheng Chi Fan
- (v) Tan ThiamChai

The representative of Berjaya Lottery Management (HK) Limited who will vote or is authorized to dispose of the shares held by it when needed are Messrs. SeowSwee Pin or Tan EngHwa, in the said order of preference.

Berjaya Sports Toto (Cayman) Limited was incorporated on 22 April 1993 in Cayman Islands, British Virgin Islands. It has an authorized capital of USD 20,000,000.00. Magna Mahsuri Sdn Bhd owns 19,500,000 shares equivalent to 100% of Berjaya Sports Toto (Cayman) Limited shares. Its issued and paid up share capital is USD19,500,000.00 with a nominal (par) value of USD1.00 per share.

The Directors of Berjaya Sports Toto (Cayman) Limited are as follows:

- (i) Tan ThiamChai
- (ii) Vivienne Cheng Chi Fan
- (iii) Yeo Cheng Hee
- (iv) Loh Paik Yoong

The representative of Berjaya Sports Toto (Cayman) Limited who will vote or is authorized to dispose of the shares held by it when needed is Mr. Seow Swee Pin.

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership*	Citizenship	Number of Shares Held	Percentage Held
Common	Tan Sri Ibrahim Saad	₹28.50	Malaysian	1	0.00%
Common	Lim MengKwong	₹ 15,009,724.50	Malaysian	526,657	0.05%
Common	SeowSwee Pin	₹ 456.00	Malaysian	16	0.00%
Common	George T. Yang	₹ 456.00	Filipino	16	0.00%
Common	Jaime Y. Ladao	₹ 456.00	Filipino	16	0.00%
Common	Jimmy S. Soo	₹ 427.50	Filipino	15	0.00%
Common	Tan EngHwa	₹ 456.00	Malaysian	16	0.00%
Common	Wong EeColn	₹ 28.50	Malaysian	1	0.00%
Common	Jose A. Bernas	₹ 456.00	Filipino	16	0.00%
Common	Marie Lourdes Bernas	₹2,850.00	Filipino	100	0.00%

* These figures are as of 30 April 2016.

There are no voting trust holders of five percent (5%) or more of the Corporation's securities.

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

Directors and Executive Officers as a Group

Title of Class	Name of Record / Beneficial Owner	Amount and Nature of Record / Beneficial Ownership	Percentage Held
Common shares	Directors and Executive Officers As a Group	526,853	0.06%
Total		526,853	0.06%

Item 12. Certain Relationships and Related Transactions

The related party transactions of the Group are described in the notes to the consolidated financial statements as filed with this report. There has been no material 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 MahsuriSdn Bhd.

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

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.

There is no deviation from the corporation's Manual of Corporate Governance.

PART IV – EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-A

(a) Exhibits

- (1) List of Top One Hundred (100) Stockholders as of 30 April 2016, referred to in Item 5 (2) as Annex "A"
- (2) Balance Sheet as of 30 April 2016, referred to in Item 7 as Annex "B"
- (3) Supplementary Schedules as of 30 April 2016, referred to in Item 7 as Annex "C"

(b) Reports on SEC Forms 17-C

Reports on SEC Forms 17-C which were filed during the last ten-month period covered by this report are as follows:

Date of Report	Date Filed	Particulars
5 May 2015	5 May 2015	The attendance in the regular and special board meetings of each director of the Corporation for the period covering 1 May 2014 to 30 April 2015.
12 August 2015	12 August 2015	The resolution of the Issuer's Board of Directors to hold the regular meeting of the stockholders on 6 October 2015 and the record date to be set on 27 August 2015. The Agenda includes, the proposal to (i) declare stock dividends to all stockholders as of 10 August 2015 amounting to four billion pesos (₱4,000,000,000.00); (ii) to increase the authorized capital stock of the Corporation from two billion pesos (₱2,000,000,000.00) to six billion pesos (₱6,000,000,000.00); and (iii) thereby amending the Articles of Incorporation of the Issuer to reflect the increase in capital.
17 August 2015	17 August 2015	On 13 August 2015, the wholly owned subsidiary of the Issuer, Philippine Gaming Management Corporation, entered into a "Supplemental and Status Quo Agreement" with the Philippine Charity Sweepstakes Office to maintain the status quo existing as provided in the Interim Settlement Agreement for a period of three (3) years from 22 August 2015 or until 21 August 2018.
5 October 2015	5 October 2015	The Board's resolutions to (i) Increase the Authorized Capital Stock of the Corporation from Two Billion Pesos (₱2,000,000,000.00) to Six Billion Pesos (₱6,000,000,000.00); (ii) the amendment of the Corporation's Articles to reflect the increase; and (iii) the Declaration of Stock Dividends
6 October 2015	7 October 2015	<p>(i) The ratification by stockholders to the increase in the authorized capital of the Corporation from two billion pesos (₱2,000,000,000.00) divided into two billion (2,000,000,000) shares to six billion pesos (₱6,000,000,000.00) divided into six billion (6,000,000,000) shares, and to amend the Eighth article of the Issuer's Articles of Incorporation;</p> <p>(ii) The declaration of stock dividends amounting up to three billion four hundred seventy three million twenty four thousand six hundred twenty four pesos (₱3,473,024,624.00.00) at the rate of 1:4</p> <p>(iii) The directors elected at the annual stockholders meeting held today;</p> <p>(iv) The officers elected at the organizational meeting of the Board of Directors held today;</p> <p>(v) The members of the Audit Committee;</p> <p>(vi) The appointment of external auditors;</p> <p>(vii) The directors and officers elected at the annual stockholders meeting and organizational meeting of the Issuer's wholly owned subsidiary, held at 4:00 p.m. and 4:30 p.m. on 5 October 2015.</p>
1 June 2016	1 June 2016	The Securities and Exchange Commission approves the Corporation's application to increase its authorized capital from two billion pesos (₱2,000,000,000.00) divided into two billion (2,000,000,000) shares to six billion pesos (₱6,000,000,000.00) divided into six billion (6,000,000,000) shares; and the declaration of stock dividends.

Date of Report	Date Filed	Particulars
3 June 2016	6 June 2016	The retirement of Mr. Lim Meng Kwong as Director and President of the Corporation; and the appointment of Tan Sri Ibrahim Saad as Acting President. Mr. Wong EeColn was elected new director, to serve the unexpired term of Mr. Lim, and subject to his qualification.
8 June 2016	9 June 2016	The Securities and Exchange Commission approves the proposed record date of 24 June 2016 for the declaration of stock dividends.
18 August 2016	18 August 2016	The resolution of the Board to hold the regular meeting of the stockholders on 4 October 2016, and the setting of the (i) setting of the record date on 29 August 2016, (ii) resolution to increase the number of directors from six (6) to seven (7), and (iii) the resolution to amend the Articles of Incorporation in order to reflect the increase in the number of directors.

SIGNATURES

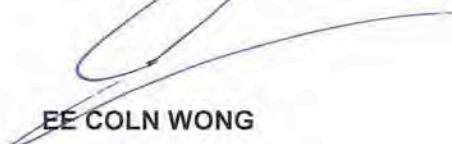
Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Makati on August 2016.

By:

Board of Directors :



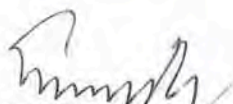
TAN SRI IBRAHIM SAAD



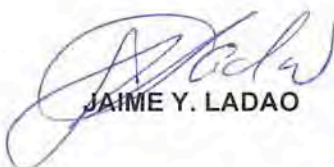
LEE COLN WONG



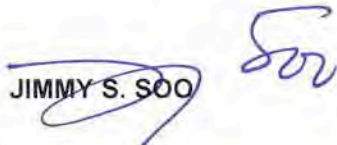
SEOW SWEE PIN



GEORGE T. YANG



JAIME Y. LADAO



JIMMY S. SOO

BERJAYA PHILIPPINES INC.

Issuer

Officers :



TAN SRI IBRAHIM SAAD

Chairman of the Board / Acting President



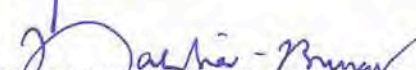
TAN ENG HWA

Treasurer



JOSE A. BERNAS

Corporate Secretary



MARIE LOURDES T. SIA-BERNAS

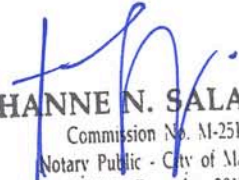
Assistant Corporate Secretary

* The Corporation does not have a Principal Operating Officer. As the Corporation is a holding corporation, it is not confronted with day to day operational demands. Neither does the Corporation have a Comptroller.

SUBSCRIBED AND SWORN TO before me in Makati City this 26th day of August 2016, by the following affiants who acknowledged to me that they are the same persons who affixed their signatures on the document, with their following identification cards, as follows:

<u>Name</u>	<u>Particulars of Identification Card</u>
George T. Yang	Passport # EC0174203 issued on 30 January 2014 in Manila
Tan Sri Ibrahim Bin Saad	Passport # 00040366 issued on 15 June 2010 in Malaysia
Wong Ee Coln	Passport # A28420018 issued on 6 Feb 2013 in Malaysia
Seow Swee Pin	Passport # 31192911 issued on 16 October 2013 in Malaysia
Tan EngHwa	Passport # A-29132209 issued on 03 May 2013 in Malaysia
Jaime Y. Ladao	SSS Identification Card Number 03-0559994-4
Jose A. Bernas	IBP Lifetime Membership No. 01738 25 January 2000 Roll of Attorneys No. 36090
Marie Lourdes Sia-Bernas	IBP Lifetime Membership No. 02165 30 January 2001 Roll of Attorneys No. 37914
Jimmy S. Soo	Passport # EB8667237 issued on 15 July 2013 in Manila

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Book No. I
Series of 2016.


HANNE N. SALAZAR
Commission No. M-251
Notary Public - City of Makati
Until 31 December 2017
Bernas Law Offices
8th Floor Raha Sulayman Bldg., 108 Benavidez St.,
Legaspi Village, Makati City
IBP Membership No. 1020763/06 January 2016/Makati City
PTR No. 5327820/06 January 2016/Makati City
Roll of Attorneys No. 64806

issue_code	topnum	cutoffdate	natcode	totshares	nameaddr
BCOR	101	04/30/2016	CH	644,247,656	BERJAYA LOTTERY MANAGEMENT(H.K.), LTD.
BCOR	101	04/30/2016	ML	122,041,030	BERJAYA SPORTS TOTO (CAYMAN) LIMITED
BCOR	101	04/30/2016	PH	85,728,277	BERJAYA PHILIPPINES, INC.
BCOR	101	04/30/2016	PH	79,953,276	PCD NOMINEE CORP. (FILIPINO)
BCOR	101	04/30/2016	PH	12,000,000	ABACUS SECURITIES CORP.
BCOR	101	04/30/2016	PH	8,000,000	ABACUS SECURITIES CORPORATION
BCOR	101	04/30/2016	OA	527,903	PCD NOMINEE CORPORATION (NON-FILIPINO)
BCOR	101	04/30/2016	PH	310,976	FAR EAST MOLASSES CORPORATION
BCOR	101	04/30/2016	ES	130,000	CONCEPCION TEUS VDA.
BCOR	101	04/30/2016	ES	110,400	DOLORES TEUS DE M. VARA
BCOR	101	04/30/2016	PH	60,064	STEINER, NORMA O.
BCOR	101	04/30/2016	PH	58,784	CORPORACION FRANCISCANA
BCOR	101	04/30/2016	PH	45,280	THE PHIL.-AMERICAN GEN.
BCOR	101	04/30/2016	PH	44,832	PHIL. REMNANTS CO., INC.
BCOR	101	04/30/2016	PH	41,360	ELIZALDE, FRANCISCO J.
BCOR	101	04/30/2016	OA	34,832	ZERNICHOW, CHRISTIAN D.
BCOR	101	04/30/2016	PH	33,760	ELIZALDE, JOAQUIN M.,
BCOR	101	04/30/2016	ES	29,664	MA. TERESA VARA DE REY Y TEUS
BCOR	101	04/30/2016	ES	29,664	MA. DOLORES VARA DE
BCOR	101	04/30/2016	PH	29,456	ECHEGOYEN, LUIS C.
BCOR	101	04/30/2016	PH	27,264	LEDESMA, ANITA L. DE
BCOR	101	04/30/2016	UK	25,984	HODSOLL, GWENDOLINE MARION
BCOR	101	04/30/2016	PH	25,184	J.J. ORTIGAS & CO., INC.
BCOR	101	04/30/2016	US	22,480	MAGOON, JOHN H. JR.
BCOR	101	04/30/2016	CH	20,688	CHUA, ANDREW YU
BCOR	101	04/30/2016	UK	20,000	OLIVER, BEATRIZ O.
BCOR	101	04/30/2016	PH	20,000	STEINER, NORMA O.
BCOR	101	04/30/2016	US	20,000	SPEVAK, ALICE O.

BCOR	101	04/30/2016	PH	16,000	REYES, FIDEL &/OR ESPIRIDION RE
BCOR	101	04/30/2016	PH	15,936	LIMOANCO, DAVID C.
BCOR	101	04/30/2016	PH	13,456	ECHEGOYEN, RAFAEL C.
BCOR	101	04/30/2016	PH	12,112	LEDESMA, EDUARDO L.
BCOR	101	04/30/2016	ES	9,832	GAY, ANTONIO JACOBO RIBAS
BCOR	101	04/30/2016	ES	9,832	GAY, JOSE RAMON RIBAS DE REYNA
BCOR	101	04/30/2016	PH	8,272	JUNTERAL, MA. CONCEPCION B.
BCOR	101	04/30/2016	PH	8,272	AVERY, MA. PAZ B.
BCOR	101	04/30/2016	PH	8,256	BELTRAN JR.,RAFAEL
BCOR	101	04/30/2016	PH	7,520	ONG, LUISA D.
BCOR	101	04/30/2016	PH	7,168	STEINER, NORMA O.
BCOR	101	04/30/2016	ES	6,672	PALENZUELA, MA. ROBERTA G.
BCOR	101	04/30/2016	PH	6,672	PALENZUELA, CARLOS G.
BCOR	101	04/30/2016	PH	6,544	LEDESMA, MA. CELINA L.
BCOR	101	04/30/2016	PH	6,400	LAO, RAMON T.
BCOR	101	04/30/2016	PH	6,320	LIM, SOFIA
BCOR	101	04/30/2016	PH	6,208	LEDESMA, MAGDALENA L.
BCOR	101	04/30/2016	PH	6,160	LEDESMA, LUIS L.
BCOR	101	04/30/2016	US	6,128	PARSONS, PETER
BCOR	101	04/30/2016	PH	5,632	ONG, ALBERTO D.
BCOR	101	04/30/2016	PH	5,632	PO, JOSEFA
BCOR	101	04/30/2016	CH	5,632	TONG, GO TUA
BCOR	101	04/30/2016	PH	5,632	ONG, DELFIN D.
BCOR	101	04/30/2016	ES	5,264	MA. DE LA PAZ ALFONSO
BCOR	101	04/30/2016	ES	5,264	JOSE MA. MODESTO DE LA SANTISIMA
BCOR	101	04/30/2016	ES	5,264	JESUS TIMOTEO DE LA SANTISIMA
BCOR	101	04/30/2016	ES	5,264	MA. DE LOS ANGELES JOSEFA
BCOR	101	04/30/2016	PH	4,880	ARNAIZ, MA. TERESA C. DE
BCOR	101	04/30/2016	ES	4,800	SOLA, PILAR J.

BCOR	101	04/30/2016	PH	4,512	WORLDWIDE CHURCH OF GOD
BCOR	101	04/30/2016	PH	4,480	SUY, TAN LEE
BCOR	101	04/30/2016	PH	4,448	GURREA, LUIS
BCOR	101	04/30/2016	ES	4,432	ZAMACONA, MA. PAZ U.
BCOR	101	04/30/2016	ES	4,432	ZAMACONA, JULIAN U.
BCOR	101	04/30/2016	PH	4,432	ZAMACONA, JUAN U.
BCOR	101	04/30/2016	ES	4,432	ZAMACONA, HIGINIO U.
BCOR	101	04/30/2016	ES	4,432	ZAMACONA, FELISA U.
BCOR	101	04/30/2016	ES	4,416	ZAMACONA, NEREA U.
BCOR	101	04/30/2016	ES	4,416	ZAMACONA, ALIPIO U.
BCOR	101	04/30/2016	ES	4,416	ZAMACONA, MA. BEGONIA U.
BCOR	101	04/30/2016	PH	3,760	GUERRERO, ROBERTO Q.
BCOR	101	04/30/2016	PH	3,760	RIVERA, EPIFANIO
BCOR	101	04/30/2016	PH	3,760	GO, JOHN
BCOR	101	04/30/2016	ES	3,760	CARBO, ANTONIO
BCOR	101	04/30/2016	PH	3,664	ARCINAS, BENEDICTO G.
BCOR	101	04/30/2016	US	3,296	GAY, FEDERICO LORING Y.
BCOR	101	04/30/2016	US	3,296	GAY, MANUEL LORING Y
BCOR	101	04/30/2016	PH	3,232	E. SANTAMARIA & CO., INC.
BCOR	101	04/30/2016	PH	2,928	CACHO, MARIANO M.
BCOR	101	04/30/2016	PH	2,928	CACHO, MA. ROSA E.
BCOR	101	04/30/2016	PH	2,928	CACHO, JOSE MA. E.
BCOR	101	04/30/2016	PH	2,928	OTEYZA, ANA MA. C. DE
BCOR	101	04/30/2016	PH	2,928	MATEMARA, INC.
BCOR	101	04/30/2016	PH	2,864	LEDESMA, ANA LOCSIN
BCOR	101	04/30/2016	PH	2,192	MUERZA, MARTA U.
BCOR	101	04/30/2016	PH	2,192	MUERZA, JAIME U.
BCOR	101	04/30/2016	PH	2,096	TIOCO, CYNTHIA P. UY
BCOR	101	04/30/2016	PH	1,872	ALVAREZ, SIMONA L.

BCOR	101	04/30/2016	PH	1,872	SENG, TAN BAN
BCOR	101	04/30/2016	PH	1,808	UNITED INSURANCE CO., INC.
BCOR	101	04/30/2016	PH	1,552	MEDINA, ROSARIO
BCOR	101	04/30/2016	PH	1,440	ABRAHAM, ROSARIO G.
BCOR	101	04/30/2016	PH	1,120	MARTIN, MARIA ELENA U.
BCOR	101	04/30/2016	PH	1,104	MARTIN, PEDRO PABLO U.
BCOR	101	04/30/2016	PH	1,104	MARTIN, ANA MARIA U.
BCOR	101	04/30/2016	PH	1,104	MARTIN, MIREN BEGONIA U.
BCOR	101	04/30/2016	OA	1,072	MAIDEN LADIES OF OUR LADY MARY
BCOR	101	04/30/2016	PH	1,000	CHUA, JERRY TEO CHUA OR JEFFREY TEO
BCOR	101	04/30/2016	PH	1,000	M.J. SORIANO TRADING, INC.
BCOR	101	04/30/2016	OA	752	PICORNELL, CARMEN E. DE
BCOR	101	04/30/2016	OA	752	WINTERNITZ, CHARLES I.
BCOR	101	04/30/2016	PH	528	TIOCO, PEDRO ANTONIO P. UY
BCOR	101	04/30/2016	PH	528	TIOCO, JOSEPHINE P. UY



TOP 100 PDTC PARTICIPANTS

Business Date 04/29/2016

Security ID: BCOR00000000		Security Name: BERJAYA PHILIPPINES INC.		
Transfer Agent: RCBCTA00000		Transfer Agent Name: RCBC TRANSFER AGENT		
S. No.	BPID	BPNAME	HOLDING	%HOLDING
1	10200000000	ABACUS SECURITIES CORPORATION	80,003,830.00	99.4068812
2	12600000000	BPI SECURITIES CORPORATION	146,109.00	0.1815443
3	11800000000	ASIASEC EQUITIES, INC.	125,120.00	0.1554649
4	16800000000	GLOBALINKS SECURITIES & STOCKS, INC.	36,600.00	0.0454765
5	13600000000	TRITON SECURITIES CORP.	30,000.00	0.0372758
6	28800000000	G.D. TAN & COMPANY, INC.	19,900.00	0.0247263
7	22000000000	MAYBANK ATR KIM ENG SECURITIES, INC.	18,000.00	0.0223655
8	23500000000	REGINA CAPITAL DEVELOPMENT CORPORATION	13,200.00	0.0164014
9	26700000000	FIRST METRO SECURITIES BROKERAGE CORP.	12,300.00	0.0152831
10	10100000000	A & A SECURITIES, INC.	11,300.00	0.0140405
11	23000000000	QUALITY INVESTMENTS & SECURITIES CORPORATION	11,000.00	0.0136678
12	19200000000	STRATEGIC EQUITIES CORP.	10,736.00	0.0133398
13	20300000000	COL Financial Group, Inc.	9,969.00	0.0123867
14	15400000000	EVERGREEN STOCK BROKERAGE & SEC., INC.	9,800.00	0.0121768
15	14000000000	IGC SECURITIES INC.	9,200.00	0.0114312
16	25100000000	TANSENGCO & CO., INC.	4,100.00	0.0050944
17	26300000000	VENTURE SECURITIES, INC.	3,000.00	0.0037276
18	21100000000	NEW WORLD SECURITIES CO., INC.	2,100.00	0.0026093
19	11100000000	ANSALDO, GODINEZ & CO., INC.	1,100.00	0.0013668
20	20600000000	MERIDIAN SECURITIES, INC.	1,000.00	0.0012425
21	21700000000	RCBC SECURITIES, INC.	1,000.00	0.0012425
22	10300000000	PHILSTOCKS FINANCIAL INC	915.00	0.0011369
23	12200000000	BELSON SECURITIES, INC.	500.00	0.0006213
24	14300000000	DAVID GO SECURITIES CORP.	200.00	0.0002485
25	11200000000	AB CAPITAL SECURITIES, INC.	100.00	0.0001243
26	24000000000	S.J. ROXAS & CO., INC.	100.00	0.0001243

COVER SHEET

P	W	0	0	0	0	0	4	7	6
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S.E.C. Registration Number

B	E	R	J	A	Y	A	P	H	I	L	I	P	I	N	E	S	I	N	C	.				

(Company's Full Name)

9	F	R	U	F	I	N	O	P	A	C	I	F	I	C	T	O	W	E	R				
6	7	8	4	A	Y	A	L	A	A	V	E	.	M	A	K	A	T	I	C	I	T	Y	

(Business Address : No. Street City / Town / Province)

Atty. Jose A. Bernas

Contact Person

811-0668

Company Telephone Number

0 4	3 0
<small>Month</small>	<small>Day</small>
Fiscal Year	

P H F S

FORM TYPE

<small>Month</small>	<small>Day</small>
Annual Meeting	

--

Secondary License Type, If Applicable

S E C

Dept. Requiring this Doc.

-

Amended Articles Number/Section

--

Total No. of Stockholders

Total Amount of Borrowings (in '000)	
Domestic	Foreign

To be accomplished by SEC Personnel concerned

--

File Number

_____ LCU

--

Document I.D.

_____ Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



CERTIFICATION

Securities and Exchange Commission

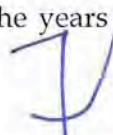
SEC Building
EDSA, Greenhills
Mandaluyong

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 Audited Financial Statements (AFS) diskette for **BERJAYA PHILIPPINES, INC.** for the years ended **April 30, 2016 and 2015** 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 AFS 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, 2016 and 2015**.


TAN ENG HWA
Treasurer

SUBSCRIBED AND SWORN to before me this _____ day of AUG 01 2016, 2016, at _____ CITY OF MAKATI with affiant exhibiting to me his Tax Identification No. 204-172-228

Book No. 427 _____ :
Doc. No. 87 _____ :
Page No. LV _____ :
Series of 20 10 _____

ATTY. GERVAZIO B. ORTIZ JR.
NOTARY PUBLIC
Notary Public, City of Makati
Until December 31, 2016
IBP No. 656155-Lifetime Member
MCLE Compliance No. V-0006934
Appointment No. M-38-(2015-2016)
PTR No. 5323504 Jan. 4, 2016
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

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

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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	2016 (in P'000)	2015 (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)	6,975,061	6,406,657
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	3,217,091	2,480,007
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	138,600	140,567
A.1.1.1 On hand	0	0
A.1.1.2 In domestic banks/entities	138,600	140,567
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	2,098,701	1,450,252
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)	2,098,701	1,450,252
A.1.2.1.1 Due from customers (trade)		
A.1.2.1.2 Due from related parties	82,283	82,283
A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)	2,030,086	1,367,969
A.1.2.1.3.1 Payments for future acquisition of investments	1,094,266	613,706
A.1.2.1.3.2 Others	935,820	754,263
A.1.2.1.4 Allowance for doubtful accounts (negative entry)	(13,669)	0
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)		
A.1.3.1 Raw materials and supplies		
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)		
A.1.3.3 Finished goods		
A.1.3.4 Merchandise/Goods in transit		
A.1.3.5 Unbilled Services (in case of service providers)		
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.

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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	2016 (in P'000)	2015 (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)	979,790	889,188
A.1.5.1 Advances to subsidiaries and associates	911,768	831,868
A.1.5.2 Prepaid taxes and input VAT	59,051	56,960
A.1.5.3 Other prepayments - net	8,971	360
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)	7,505	10,006
A.2.1 Land		
A.2.2 Building and improvements including leasehold improvement		
A.2.3 Machinery and equipment (on hand and in transit)		
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment	7,505	10,006
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)		
A.2.5.1 Property, or equipment used for education purposes		
A.2.5.2 Construction in progress		
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)		
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		
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)		
A.6.1.1		
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		

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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	2016 (in P'000)	2015 (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)	3,750,466	3,916,643
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax	0	0
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)	3,750,466	3,916,643
A.10.4.1 Investment in subsidiaries and associates	2,848,699	2,654,519
A.10.4.2 Available-for-sale financial assets	869,409	1,130,764
A.10.4.3 Advances to an associate	0	131,360
A.10.4.4 Deferred Tax Assets	32,357	0
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)	114,375	10,620
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)	114,375	10,620
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)	114,375	7,951
B.1.1.1 Loans/Notes Payables	100,000	0
B.1.1.2 Trade Payables	14,375	7,951
B.1.1.3 Payables to Related Parties		
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)		
B.1.1.5.1		
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)		
B.1.1.6.1		
B.1.1.6.2		
B.1.1.6.3		
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)		
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.4.5		
B.1.5 Liabilities for Current Tax		
B.1.6 Deferred Tax Liabilities	0	2,668
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 Liabilities, specify		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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	2016 (in P'000)	2015 (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)		
B.5.1 Deferred Tax		
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)		
B.5.2.1		
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)	6,860,687	6,396,037
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	2,000,000
C.1.1 Common shares 2,000,000,000 shares, P1 par value		2,000,000
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)	953,984	953,984
C.3.1 Common shares	953,984	953,984
C.3.2 Preferred Shares		
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		
C.5 Minority Interest		
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)	(26,720)	122,458
C.6.1 Revaluation reserve	(26,720)	122,458
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)	6,921,573	6,307,744
C.8.1 Appropriated	5,746,175	6,273,150
C.8.2 Unappropriated	1,175,398	34,594
C.9 Head / Home Office Account (for Foreign Branches only)		
C.10 Cost of Stocks Held in Treasury (negative entry)	(988,150)	(988,150)
TOTAL LIABILITIES AND EQUITY (B + C)	6,975,061	6,408,657

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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	2016 (in P'000)	2015 (in P'000)	
A. REVENUE / INCOME (A.1 + A.2 + A.3)	643,183	506,345	
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	693,474	494,585	
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for			
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 Rental Income, Equipment			
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)	(50,290)	11,760	
A.4.1 Interest Income	93,321	75,625	
A.4.2 Dividend Income			
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)	(19,523)	8,987	
A.4.3.1 Gain on sale of available-for-sale financial assets	(19,523)	8,987	
A.4.3.2			
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)	(124,088)	(72,852)	
A.4.4.1 Gain / (Loss) on Foreign Exchange	(19,261)	(72,987)	
A.4.4.2 Remeasurement of gain on reclassification of AFS	0	0	
A.4.4.3 Impairment loss on financial assets	(104,827)	0	
A.4.4.4 Other Income	0	135	
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)	643,183	506,345	

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.

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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	2016 (in P'000)	2015 (in P'000)	
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	58,894	95,442	
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)	58,894	95,442	
E.4.1 Education-related expenditures	0	0	
E.4.2 Professional fees	29,819	59,950	
E.4.3 Taxes and licenses	10,699	4,389	
E.4.4 Transportation and travel	5,307	4,629	
E.4.5 Sponsorships	1,250	17,186	
E.4.6 Others	9,318	6,787	
E.4.7 Depreciation	2,501	2,501	
E.4.8			
E.4.9			
E.4.10			
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)	3,222	20,533	
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)	3,222	20,533	
F.5.1 Interest expense	3,222	20,533	
F.5.2			
F.5.3			
F.5.4			
F.5.5			
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	581,067	390,370	
H. INCOME TAX EXPENSE (negative entry)	32,761	18,497	
I. INCOME(LOSS) AFTER TAX	613,829	408,866	
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement 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			
L. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
M. EARNINGS (LOSS) PER SHARE			
M.1 Basic	0.141	0.094	
M.2 Diluted			

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.

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	2016 (in P'000)	2015 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) Before Tax and Extraordinary Items	581,067	390,370
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	2,501	2,501
Amortization, specify:		
Others, specify: Dividend income	(693,474)	(494,585)
Impairment loss on financial assets	91,158	0
Remeasurement gain of available-for-sale financial assets	0	0
Net gain on sale of available-for-sale financial assets	19,523	(8,987)
Interest expense	3,222	20,533
Interest income	(93,321)	(75,625)
Unrealized foreign currency loss (gain)	19,261	72,987
Write-down of Property, Plant, and Equipment		
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Dividend and other receivables	(465,147)	(25,047)
Inventories		
Prepayments and other current assets	(10,702)	589
Others, specify:		
Increase (Decrease) in:		
Trade and Other Payables	4,197	996
Income and Other Taxes Payable		
Others, specify: Cash paid for income taxes	(38)	(50)
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	(541,752)	(116,318)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Long-Term Receivables		
(Increase) Decrease in Investment		
Reductions/(Additions) to Property, Plant, and Equipment		
Others, specify Acquisition of available-for-sale financial assets	(18,941)	(218,346)
Cash dividends received	537,874	1,005,572
Proceeds from sale of available-for-sale financial assets	20,436	24,370
Increase in advances to subsidiaries and associates	(26,700)	(38,890)
Additional investment in a subsidiary and associates	(138,180)	0
Interest received	33,788	31,198
Collections of advances to subsidiaries and associates	30,000	21,451
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	438,277	825,354
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Loans	200,000	0
Long-term Debt		
Issuance of Securities		
Others, specify:		
Payments of:		
(Loans)	(100,000)	(550,000)
(Long-term Debt)		
(Stock Subscriptions)		
Others, specify (negative entry):		
Interest paid	(3,222)	(20,533)
Acquisition of treasury shares		
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	96,778	(570,533)
D. Effect of Exchange Rate Changes to Cash and Cash Equivalents	4,730	(3,725)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(1,967)	134,778
Cash and Cash Equivalents		
Beginning of year	140,567	5,790
End of year	138,600	140,567

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.

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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 4. Statement of Changes in Equity

FINANCIAL DATA	(Amount in P'000)					TOTAL
	Capital Stock	Treasury Shares	Revaluation Reserve	Retained Earnings		
				Appropriated	Unappropriated	
A. Balance, 2013	953,984	(988,150)	53,441	2,523,150	957,453	3,499,879
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						
C.4.2						
C.4.3						
C.4.4						
C.4.5						
D. Net Income (Loss) for the Period			124,299		2,418,274	2,542,573
E. Dividends (negative entry)						
F. Appropriation for (specify)						
F.1 Appropriation during the year				2,600,000	(2,600,000)	0
F.2						
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						0
H. Balance, 2014	953,984	(988,150)	177,740	5,123,150	776,728	6,042,452
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						
J.4 Other Surplus (specify)						
J.4.1						
J.4.2						
J.4.3						
J.4.4						
J.4.5						
K. Net Income (Loss) for the Period			(55,282)		408,866	353,585
L. Dividends (negative entry)						
M. Appropriation for (specify)						
M.1 Appropriation during the year				1,150,000	(1,150,000)	0
M.2						
M.3						
M.4						
M.5						
N. Issuance of Capital Stock						
N.1 Common Stock						
N.2 Preferred Stock						
N.3 Others						
O. Balance, 2015	953,984	(988,150)	122,458	6,273,150	34,594	6,396,037

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

NAME OF CORPORATION: BERJAYA PHILIPPINES INC.
 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 5. Details of Income and Expenses, by source
 (applicable to corporations transacting with foreign corporations/entities)

FINANCIAL DATA	2016 (in P'000)	2015 (in P'000)	
A. REVENUE / INCOME (A.1 + A.2)	748,011	506,211	
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity) (A.1.1 +A.1.2)	693,474	494,585	
A.1.1 Domestic	253,474	419,553	
A.1.2 Foreign	440,000	75,033	
A.2 Other Revenue (A.2.1 +A.2.2)	54,537	11,626	
A.2.1 Domestic	45,550	2,639	
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)	8,987	8,987	
A.2.2.1 Gain on sale of available-for-sale financial assets	8,987	8,987	
A.2.2.2 Remeasurement of gain on reclassification of AFS	-	0	
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			
B. EXPENSES (B.1 + B.2)	62,116	115,976	
B.1 Domestic	62,116	6,500	
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)	0	109,476	
B.2.1 Expenses incurred in relation to HRO offer	0	109,476	
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			

COVER SHEET

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S.E.C. Registration Number

B E R J A Y A P H I L I P P I N E S I N C .

(Company's Full Name)

9 F R U F I N O P A C I F I C T O W E R

6 7 8 4 A Y A L A A V E N U E C O R . V . A .

R U F I N O S T . M A K A T I C I T Y

(Business Address : No. Street City / Town / Province)

Atty. Malu-Sia Bernas

Contact Person

811-0668/810-1814

Company Telephone Number

0 4

Month

3 0

Day

Fiscal Year

A F S

FORM TYPE

Month

Day

Secondary License Type, If Applicable

Dept. Requiring this Doc.

N.A.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

Cashier

STAMPS

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Berjaya Philippines Inc.** is responsible for the preparation and fair presentation of the financial statements for the years ended **April 30, 2016 and 2015**, in accordance with Philippine Financial Reporting Standards (PFRS), including the following additional supplemental information filed separately from the basic financial statements:

- a. Supplementary Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68
- b. Reconciliation of Retained Earnings Available for Dividend Declaration
- c. Schedule of PFRS Effective as of April 30, 2016
- d. Schedule of Financial Indicators for April 30, 2016 and 2015
- e. Map Showing the Relationship Between and Among the Company and its Related Entities

Management responsibility on the financial statements 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.

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors 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.

Tan Sri Dato Seri Dr Ibrahim Saad
Chairman

Tan Sri Dato Seri Dr Ibrahim Saad
President

Tan Eng Hwa
Treasurer

BUREAU OF INTERNAL REVENUE LARGE TAXPAYERS SERVICE LARGE TAXPAYERS ASSISTANCE DIVISION	
Date	AUG 09 2016 TSIS
JOSSABELLE D. OFRECIO	

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

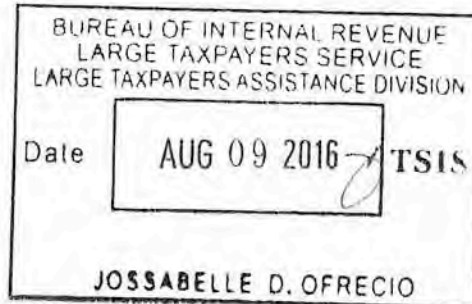
SUBSCRIBED AND SWORN TO BEFORE ME this day of AUG 01 2016 2016,
by the following who exhibited to me their government issued identification cards during
business hours.

Name	Tax Identification No.
Tan Sri Dato Seri Dr Ibrahim Saad	313-386-574
Tan Eng Hwa	204-172-228

Doc No.
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Series of

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~~ATTY. GERVASIO B. ORTIZ JR.~~
Notary Public City of Makati
Until December 31, 2016
IBP No. 656155-Lifetime Member
MCLE Compliance No. V-0006934
Appointment No. M-38-(2015-2016)
PTR No. 5323504 Jan. 4, 2016
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Ergy, Pio Del Pilar, Makati City





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Financial Statements and
Independent Auditors' Report

Berjaya Philippines Inc.

April 30, 2016, 2015 and 2014

Report of Independent Auditors

The Board of Directors and Stockholders

Berjaya Philippines Inc.

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

9th Floor, Rufino Pacific Tower

6784 Ayala Avenue, Makati City

Report on the Financial Statements

We have audited the accompanying financial statements of Berjaya Philippines Inc. which comprise the statements of financial position as at April 30, 2016 and 2015, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended April 30, 2016, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 financial statements that are free from material misstatement, whether due to fraud or error.

Certified Public Accountants

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd

Offices in Cebu, Davao, Cavite

BOA/PRC Cert. of Reg. No. 0002
SEC Accreditation No. 0002-FR-4



Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Berjaya Philippines Inc. as at April 30, 2016 and 2015, and its financial performance and its cash flows for each of the three years in the period ended April 30, 2016 in accordance with Philippine Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended April 30, 2016 required by the Bureau of Internal Revenue as disclosed in Note 21 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO



By: **Ramilito L. Nañaola**
Partner

CPA Reg. No. 0090741

TIN 109-228-427

PTR No. 5321729, January 4, 2016, Makati City

SEC Group A Accreditation

Partner - No. 0395-AR-3 (until May 19, 2019)

Firm - No. 0002-FR-4 (until Apr. 30, 2018)

BIR AN 08-002511-19-2015 (until Mar. 18, 2018)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

July 22, 2016

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2016 AND 2015
(Amounts in Philippine Pesos)

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	P 138,600,183	P 140,567,368
Dividends and other receivables - net	6	2,098,700,920	1,450,252,271
Advances to subsidiaries and associates	15	911,768,470	831,868,470
Prepayments and other current assets - net	7	68,021,462	57,319,320
		<u>3,217,091,035</u>	<u>2,480,007,429</u>
NON-CURRENT ASSETS			
Available-for-sale financial assets - net	8	869,409,393	1,130,764,251
Investments in subsidiaries and associates	9	2,848,699,128	2,654,519,128
Transportation equipment - net	10	7,504,610	10,005,814
Deferred tax assets - net	16	32,357,046	-
Advances to an associate	15	<u>-</u>	<u>131,360,000</u>
		<u>3,757,970,177</u>	<u>3,926,649,193</u>
TOTAL ASSETS		<u>P 6,975,061,212</u>	<u>P 6,406,656,622</u>
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Loans payable	11	P 100,000,000	P -
Trade and other payables		14,374,617	7,951,335
Deferred tax liability - net	16	<u>-</u>	<u>2,668,516</u>
		<u>114,374,617</u>	<u>10,619,851</u>
EQUITY			
Capital stock	12	953,984,448	953,984,448
Treasury shares		(988,150,025)	(988,150,025)
Revaluation reserve		(26,720,406)	122,458,347
Retained earnings		<u>6,921,572,578</u>	<u>6,307,744,001</u>
		<u>6,860,686,595</u>	<u>6,396,036,771</u>
TOTAL LIABILITIES AND EQUITY		<u>P 6,975,061,212</u>	<u>P 6,406,656,622</u>

See Notes to Financial Statements.

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED APRIL 30, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2016	2015	2014
DIVIDEND INCOME	8, 15	<u>P 693,473,677</u>	<u>P 494,585,048</u>	<u>P 2,269,037,259</u>
EXPENSES				
Professional fees		29,819,045	59,949,533	125,887,529
Taxes and licenses	21	10,698,742	4,389,464	10,490,844
Transportation and travel		5,307,150	4,629,315	3,473,972
Depreciation	10	2,501,204	2,501,204	-
Sponsorships		1,249,968	17,186,093	18,829,245
Others	13	9,317,807	6,786,683	26,186,266
		<u>58,893,916</u>	<u>95,442,292</u>	<u>184,867,856</u>
OPERATING INCOME		<u>634,579,761</u>	<u>399,142,756</u>	<u>2,084,169,403</u>
OTHER INCOME (EXPENSES)				
Impairment loss on financial assets	6, 8	(104,827,207)	-	-
Interest income	14	93,320,803	75,625,213	20,795,863
Net gain (loss) on sale of available-for-sale financial assets	8	(19,523,036)	8,987,180	118,295,452
Foreign exchange gain (loss) - net		(19,260,766)	(72,986,656)	89,837,516
Interest expense	11	(3,222,222)	(20,533,333)	(44,800,000)
Remeasurement gain on reclassification of available-for-sale financial assets to investment in subsidiary	9	-	-	180,705,716
Other income		-	134,696	-
		<u>(53,512,428)</u>	<u>(8,772,900)</u>	<u>364,834,547</u>
PROFIT BEFORE TAX		581,067,333	390,369,856	2,449,003,950
TAX EXPENSE (INCOME)	16	(32,761,244)	(18,496,620)	30,729,784
NET PROFIT		613,828,577	408,866,476	2,418,274,166
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	8, 12	(163,685,750)	(47,947,559)	366,574,662
Reclassification adjustments to profit or loss	8, 9, 12	14,506,997	(7,334,201)	(242,275,508)
		<u>(149,178,753)</u>	<u>(55,281,760)</u>	<u>124,299,154</u>
TOTAL COMPREHENSIVE INCOME		<u>P 464,649,824</u>	<u>P 353,584,716</u>	<u>P 2,542,573,320</u>
Earnings Per Share	17	<u>P 0.14</u>	<u>P 0.09</u>	<u>P 0.56</u>

See Notes to Financial Statements.

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED APRIL 30, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

DRAFT

Note	Capital Stock		Treasury Shares	Revaluation Reserve	Retained Earnings		Total	Total Equity
					Appropriated	Unappropriated		
Balance at May 1, 2015	P	953,984,448	(P 988,150,025)	P 122,458,347	P 6,273,150,025	P 34,593,976	P 6,307,744,001	P 6,396,036,771
Reversal of appropriation during the year	-	-	-	-	(4,000,000,000)	4,000,000,000	-	-
Appropriated for stock dividends distributable	-	-	-	-	3,473,024,684	(3,473,024,684)	-	-
Total comprehensive income for the year	-	-	-	(149,178,753)	-	613,828,577	613,828,577	464,649,824
Balance at April 30, 2016	12	<u>P 953,984,448</u>	<u>(P 988,150,025)</u>	<u>(P 26,720,406)</u>	<u>P 5,746,174,709</u>	<u>P 1,175,397,869</u>	<u>P 6,921,572,578</u>	<u>P 6,860,686,595</u>
Balance at May 1, 2014	P	953,984,448	(P 988,150,025)	P 177,740,107	P 5,123,150,025	P 775,727,500	P 5,898,877,525	P 6,042,452,055
Appropriation during the year	-	-	-	-	1,150,000,000	(1,150,000,000)	-	-
Total comprehensive income for the year	-	-	-	(55,281,760)	-	408,866,476	408,866,476	353,584,716
Balance at April 30, 2015	12	<u>P 953,984,448</u>	<u>(P 988,150,025)</u>	<u>P 122,458,347</u>	<u>P 6,273,150,025</u>	<u>P 34,593,976</u>	<u>P 6,307,744,001</u>	<u>P 6,396,036,771</u>
Balance at May 1, 2013	P	953,984,448	(P 988,150,025)	P 53,440,953	P 2,523,150,025	P 957,453,334	P 3,480,603,359	P 3,499,878,735
Appropriation during the year	-	-	-	-	2,600,000,000	(2,600,000,000)	-	-
Total comprehensive income for the year	-	-	-	124,299,154	-	2,418,274,166	2,418,274,166	2,542,573,320
Balance at April 30, 2014	12	<u>P 953,984,448</u>	<u>(P 988,150,025)</u>	<u>P 177,740,107</u>	<u>P 5,123,150,025</u>	<u>P 775,727,500</u>	<u>P 5,898,877,525</u>	<u>P 6,042,452,055</u>

See Notes to Financial Statements.

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED APRIL 30, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 581,067,333	P 390,369,856	P 2,449,003,950
Adjustments for:				
Dividend income	8, 15	(693,473,677)	(494,585,048)	(2,269,037,259)
Impairment loss on financial assets	6, 8	91,158,267	-	-
Interest income	14	(93,320,803)	(75,625,213)	(20,795,863)
Net loss (gain) on sale of available-for-sale financial assets	8	19,523,036	(8,987,180)	(118,295,452)
Foreign exchange loss (gain) - net		19,260,766	72,986,656	(89,837,516)
Interest expense	11	3,222,222	20,533,333	44,800,000
Depreciation	10	2,501,204	2,501,204	-
Remeasurement gain on reclassification of available-for-sale financial assets to investment in subsidiary	9	-	-	(180,705,716)
Operating loss before working capital changes		(70,061,652)	(92,806,392)	(184,867,856)
Increase in dividends and other receivables		(465,147,285)	(25,047,074)	(391,611,721)
Decrease (increase) in prepayments and other current assets		(10,702,142)	588,721	10,132,146
Increase (decrease) in trade and other payables		4,196,827	996,333	(3,490,876)
Cash used in operations		(541,714,252)	(116,268,412)	(569,838,307)
Cash paid for income taxes		(37,863)	(49,562)	(53,271)
Net Cash Used In Operating Activities		(541,752,115)	(116,317,974)	(569,891,578)
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash dividends received	6, 8, 15	537,873,677	1,005,571,715	1,735,314,969
Additional investment in associates	9	(138,180,000)	-	(24,000,000)
Interest received	14	33,788,355	31,197,514	3,031,336
Collections of advances to subsidiaries and associates	15	30,000,000	21,450,846	6,593,781
Increase in advances to subsidiaries and associates	15	(26,700,000)	(38,890,000)	(37,314,017)
Proceeds from sale of available-for-sale financial assets	8	20,435,557	24,369,739	243,556,184
Acquisitions of available-for-sale financial assets	8	(18,940,755)	(218,345,549)	(2,220,587,190)
Additional investment in a subsidiary	9	-	-	(25,122,619)
Acquisition of transportation equipment	10	-	-	(12,507,018)
Net Cash From (Used In) Investing Activities		438,276,834	825,354,265	(331,034,574)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from loans	11	200,000,000	-	1,000,000,000
Repayment of loans	11	(100,000,000)	(550,000,000)	(450,000,000)
Interest paid	11	(3,222,222)	(20,533,333)	(44,800,000)
Net Cash From (Used in) Financing Activities		96,777,778	(570,533,333)	505,200,000
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS				
		4,730,318	(3,725,140)	5,022,038
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
		(1,967,185)	134,777,818	(390,704,114)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
		140,567,368	5,789,550	396,493,664
CASH AND CASH EQUIVALENTS AT END OF YEAR				
		P 138,600,183	P 140,567,368	P 5,789,550

Supplemental Information on Non-cash Financing and Investing Activities:

- (1) The Company recognized dividend income amounting to P693,473,677 of which P155,600,000 remains unpaid as of April 30, 2016. Outstanding dividend receivable is presented as part of Dividends and Other Receivables in the 2016 statement of financial position (see Note 6). There were no unpaid dividends in 2015 and 2014.
- (2) In 2016, the Company reclassified P56,000,000 advances into an investment in an associate (see Note 15).
- (3) On October 5, 2015, the Company's Board of Directors approved the declaration of stock dividends at a rate of 4 common shares for every common share held (see Note 12).
- (4) In 2015, the Company purchased available-for-sale financial assets on account. The Company also reclassified P7,600,000 advances for stock subscription to investment in an associate (see Note 9).

See Notes to Financial Statements.

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

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

The Company is 74.20% owned as at April 30, 2016 and 2015, by Berjaya Lottery Management (HK) Limited of Hong Kong (the Parent Company). The Company's Ultimate Parent Company is Berjaya Corporation Berhad of Malaysia, a publicly listed company in the Main Market of Bursa Malaysia Securities Berhad.

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

The financial statements of the Company as at and for the year ended April 30, 2016 (including the comparative financial statements as at and for the year ended April 30, 2015 and 2014) were authorized for issue by the Board of Directors (BOD) on July 22, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the Company have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.

The 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 Financial Statements*

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

The Company 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.

(c) *Functional and Presentation Currency*

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

Items included in the financial statements of the Company are measured using its functional currency, the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amended PFRS

(a) *Effective in Fiscal Year 2016 that are Relevant to the Company*

The Company adopted for the first time the annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle), which are mandatorily effective for annual periods beginning on or after July 1, 2014, for its annual reporting period beginning May 1, 2015. These annual improvements made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Company but had no impact on the Company's financial statements as these amendments merely clarify the existing requirements:

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 clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

Annual Improvement to PFRS (2011-2013 Cycle)

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, *Financial Instruments: Recognition and Measurement*, or PFRS 9, *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32, *Financial Instruments: Presentation*.

(b) *Effective in Fiscal Year 2016 that are not Relevant to the Company*

The following amendment and annual improvements to PFRS are mandatory for accounting periods beginning on or after July 1, 2014 but are not relevant to the Company's financial statements:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plans – Employee Contributions
PFRS (2010-2012 Cycle)		
PFRS 2 (Amendment)	:	Share-based Payment – Definition of Vesting Condition
PFRS 3 (Amendment)	:	Business Combinations - Accounting for Contingent Consideration in a Business Combination
PFRS 8 (Amendments)	:	Operating Segments – Aggregation of Operating Segments, and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets
PFRS (2011-2013 Cycle)		
PFRS 3 (Amendment)	:	Business Combinations – Scope Exceptions for Joint Ventures
PAS 40 (Amendment)	:	Investment Property – Clarifying the Interrelationship between PFRS 3 and PAS 40

(c) *Effective Subsequent to Fiscal Year 2016 but not Adopted Early*

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2016 which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have any impact on the Company's financial statements:

- (i) PAS 1 (Amendment), *Presentation of Financial Statements – Disclosure Initiative* (effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions.

Moreover, the amendment clarifies that an entity's share of other comprehensive income of associates and joint ventures accounted for using equity method should be presented based on whether or not such other comprehensive income item will subsequently be reclassified to profit or loss. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

- (ii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendment to PAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.
- (iii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 41 (Amendment), *Agriculture – Bearer Plants* (effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendment further clarifies that produce growing on bearer plants remains within the scope of PAS 41.
- (iv) PAS 27 (Amendment), *Separate Financial Statements – Equity Method in Separate Financial Statements* (effective from January 1, 2016). This amendment introduces a third option which permits an entity to account for its investments in subsidiaries, joint ventures and associates under the equity method in its separate financial statements in addition to the current options of accounting those investments at cost or in accordance with PAS 39 or PFRS 9. As at the end of the reporting period, the Company has no plan to change the accounting policy for its investments in its subsidiaries and associates.

- (v) PFRS 10 (Amendment), *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Investment Entities – Applying the Consolidation Exception* (effective from January 1, 2016). This amendment addresses the concerns that have arisen in the context of applying the consolidation exception for investment entities. It clarifies which subsidiaries of an investment entity are consolidated in accordance with paragraph 32 of PFRS 10 and clarifies whether the exemption to present consolidated financial statements, set out in paragraph 4 of PFRS 10, is available to a parent entity that is a subsidiary of an investment entity. This amendment also permits a non-investment entity investor, when applying the equity method of accounting for an associate or joint venture that is an investment entity, to retain the fair value measurement applied by that investment entity associate or joint venture to its interests in subsidiaries.
- (vi) PFRS 10 (Amendment), *Consolidated Financial Statements*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendment to PFRS 10 requires full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendment has been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction. In December 2015, the IASB deferred the mandatory effective date of the amendment (i.e., January 1, 2016) indefinitely.
- (vii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:
- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;
 - an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,
 - a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

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

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

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

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company 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.

- (viii) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Company but management does not expect these to have any impact on the Company's financial statements:
- PFRS 5 (Amendment), *Non-current Assets Held for Sale and Discontinued Operations*. The amendment clarifies that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of PFRS 5 does not apply. It also states that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of PFRS 5.

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

2.3 Separate Financial Statements and Investments in Subsidiaries and Associates

These financial statements are prepared as the Company’s separate financial statements. The Company also publishes consolidated financial statements which comprise the financial statements of the Company and its subsidiaries.

Subsidiaries are entities over which the Company has control. The Company controls an entity when (i) it has power over the entity, (ii) it is exposed, or has rights to, variable returns from its involvement with the entity, and, (iii) it has the ability to affect those returns through its power over the entity.

The Company reassesses 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.

Associates are those entities over which the Company is able to exert significant influence but which are neither subsidiaries nor interests in a joint venture.

The Company’s investments in subsidiaries and associates are accounted for in these separate financial statements at cost, less any impairment loss. If there is objective evidence that the investments in subsidiaries and associates will not be recovered, an impairment loss is provided (see Note 2.12). Impairment loss is measured as the difference between the carrying amount of the investment and the present value of the estimated cash flows discounted at the current market rate of return for similar financial asset. The amount of the impairment loss is recognized in profit or loss.

2.4 Financial Assets

Financial assets are recognized when the Company 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 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 Company 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 Company 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 Company's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Dividends and Other Receivables and Advances to Subsidiaries and Associates in the statement of financial position. Cash and cash equivalents include 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 Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of impairment loss is determined as the difference between the asset's 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.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the profit or loss.

(b) *AFS Financial Assets*

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. All of the Company's AFS financial assets are 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 and are reported as part of the Revaluation Reserve 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.

When the financial asset is disposed of or is determined to be impaired, that is, when there is a significant or prolonged decline in the fair value of the security below its cost, 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 even though the financial asset has not been derecognized.

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 Other Income (Expenses) in the 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. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.5 Prepayments and Other Assets

Prepayments and other current assets pertain to other resources controlled by the Company as a result of past events. They are recognized in the 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 Company 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.

2.6 Transportation Equipment

Transportation equipment is stated at cost less accumulated depreciation 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. Depreciation of transportation equipment is computed on the straight-line basis over its estimated useful life of five years.

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 2.12).

The residual values, estimated useful life and method of depreciation of transportation equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Transportation equipment, including the related accumulated depreciation and impairment losses, if any, 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 year the item is derecognized.

2.7 Financial Liabilities

Financial liabilities, which include Loans Payable and Trade and Other Payables [except output value-added tax (VAT) and other taxes payable], are recognized when the Company 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 in the statement of comprehensive income.

Loans payable are raised for support of short-term funding needs. Finance charges are charged to profit or loss on an accrual basis using the effective interest method.

Trade and other payables 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.

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 Company 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 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 paid or payable is recognized in profit or loss.

2.8 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.9 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 financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company 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.

2.10 Revenue and Expense Recognition

Revenue comprises dividends, interest income and gain on sale of AFS financial assets, is measured by reference to the fair value of consideration received or receivable by the Company for investments sold, excluding VAT.

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

- (a) *Dividends* – Revenue is recognized when the Company's right to receive payment is established.

- (b) *Interest income* – Revenue is recognized as the interest accrues taking into account the effective yield on the asset.
- (c) *Gain on sale of AFS financial assets* – Revenue is recognized when the risks and rewards of ownership of the investments have passed to the buyer.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred. All finance costs are reported in profit or loss on accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.13).

2.11 Foreign Currency Transactions and Translation

The accounting records of the Company 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 in the statement of comprehensive income as part of income or loss from operations.

2.12 Impairment of Non-financial Assets

The Company's transportation equipment, investments in subsidiaries and associates and other non-financial assets are subject to impairment testing 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.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors. Impairment loss is charged pro-rata to other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.13 Borrowing Costs

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 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.

2.14 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 the 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 carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets, if any, 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 in 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 profit will be available to allow all or part of the deferred tax asset to be utilized.

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 Company has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.15 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Company 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 Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

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

2.16 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 Company's equity holders until the shares are cancelled, reissued or disposed of.

Revaluation reserve represents unrealized fair value gains or losses on AFS financial assets.

Retained earnings, the appropriated portion of which is not available for dividend declaration, represent all current and prior period results of operations as reported in the profit or loss section of the statement of comprehensive income, reduced by the amounts of dividends declared.

2.17 Earnings Per Share

Basic earnings per share is determined by dividing the net profit by the weighted average number of common shares subscribed and issued during the year after retroactive adjustment for stock dividend, stock split and reverse stock split declared during the year, if any.

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. Currently, the Company does not have potential dilutive shares outstanding, hence, the diluted earnings per share is equal to the basic earnings per share.

2.18 Events After the End of the Reporting Period

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements prepared in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the 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 differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the 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 Company 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 Company's AFS financial assets, management has recognized impairment loss on certain AFS financial assets in 2016 as disclosed in Note 8. Future changes in those information and circumstances might significantly affect the carrying amount of the assets.

(b) 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 2.9 and disclosure of commitments and contingencies is presented in Note 18.

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 reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Impairment of Dividends and Other Receivables and Advances to Subsidiaries and Associates

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectibility of the accounts.

The carrying value of dividends and other receivables and the analysis of allowance for impairment, and the carrying value of advances to subsidiaries and associates are shown in Notes 6 and 15, respectively.

(b) Measurement of AFS Financial Assets

The Company 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 amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect comprehensive income. For investments where fair value is not reliably determinable either through reference of similar instruments or valuation techniques, these are carried at cost.

The carrying value of the Company's AFS financial assets and the amount of fair value changes therein are disclosed in Note 8.

(c) Estimating the Useful Life of Transportation Equipment

The Company estimates the useful life of transportation equipment based on the period over which this is expected to be available for use. The estimated useful life of the transportation equipment is reviewed periodically and is updated if expectations differ from previous estimate due to physical wear and tear, commercial obsolescence and legal or other limits on the use of this asset.

The carrying amount of the Company's transportation equipment is analyzed in Note 10. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(d) *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 2.12). Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in those 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.

In 2016 and 2015, management has assessed that no impairment loss is required to be recognized on the Company's non-financial assets.

(e) *Determining Realizable Amount of Deferred Tax Assets*

The Company 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. The details of the Company's deferred tax assets are disclosed in Note 16.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's risk management is coordinated with its parent company, in close cooperation with the BOD, and focuses on actively securing the Company'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 most significant financial risks to which the Company is exposed to are described below and in the succeeding pages.

4.1 Foreign Currency Risk

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposure to currency exchange rates arises from the Company's cash and cash equivalents and dividends and other receivables denominated in United States Dollar (USD), Malaysian Ringgit (MYR), British Pound (GBP) and European Union Euro (EUR).

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

Foreign currency-denominated financial assets translated into Philippine pesos at the closing rate follow:

		2016			
		USD	MYR	GBP	EUR
Cash and cash equivalents	P	1,736,657	-	P 102,909,100	P 274,904
Dividends and other receivables - net		<u>9,933</u>	<u>24,205,757</u>	<u>1,004,533,636</u>	<u>46,632,985</u>
		<u>P 1,746,590</u>	<u>P 24,205,757</u>	<u>P 1,107,442,736</u>	<u>P 46,907,889</u>
		2015			
		USD	MYR	GBP	EUR
Cash and cash equivalents	P	2,419,815	-	P 71,298,391	-
Dividends and other receivables - net		<u>9,138</u>	<u>12,523,419</u>	<u>604,588,519</u>	<u>-</u>
		<u>P 2,428,953</u>	<u>P 12,523,419</u>	<u>P 675,886,910</u>	<u>P -</u>

The following table illustrates the sensitivity of the Company's profit before tax with respect to changes in Philippine peso against USD, MYR, GBP and EUR exchange rates. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 95.00% level of confidence.

The sensitivity analysis is based on the Company's foreign currency financial instruments held at the end of each reporting period with effect estimated from the beginning of the year.

	2016			2015		
	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	7.83%	P 136,758	P 95,731	7.09%	P 172,213	P 120,549
PhP - MYR	20.88%	5,054,162	3,537,913	13.38%	1,675,633	1,172,943
PhP - GBP	18.63%	206,316,582	144,421,607	16.55%	111,859,284	78,301,499
PhP - EUR	23.15%	10,859,176	7,601,423	-	-	-
		<u>P 222,366,678</u>	<u>P 155,656,674</u>		<u>P 113,707,130</u>	<u>P 79,594,991</u>

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 Company's currency risk.

4.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments arising from granting advances to related parties; placing deposits with banks; and entitlement of dividends from investments.

The Company continuously monitors defaults of its counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

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

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	5	P 138,600,183	P 140,567,368
Dividends and other receivables - net	6	2,098,700,920	1,450,252,271
Advances to subsidiaries and associates	15.1	<u>911,768,470</u>	<u>963,228,470</u>
		<u>P 3,149,069,573</u>	<u>P 2,554,048,109</u>

None of the Company's financial assets are secured by collateral or other credit enhancements.

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.

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

4.3 Liquidity Risk

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

As at April 30, 2016 and 2015, the Company's financial liabilities pertain to loans payable and trade and other payables, excluding tax-related payables. Trade and other payables are considered to be current because these are expected to be settled within 12 months from the end of the reporting period.

4.4 Other Price Risk

The Company's market price risk arises from its investments carried at fair value (financial assets classified as AFS financial assets). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

The sensitivity of equity with regard to the volatility of the Company's AFS financial assets assumes a +/-17.54% and a +/-18.58% volatility in the market value of the investment for the years ended April 30, 2016 and 2015, respectively. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in years 2016 and 2015. Based on the observed volatility rate, the estimated impact to other comprehensive income amounted to P142,646,856 and P184,975,401 for the fiscal years ended April 30, 2016 and 2015, respectively.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2016</u>	<u>2015</u>
Cash on hand and in banks	P 138,600,183	P 119,567,368
Short-term placements	<u>-</u>	<u>21,000,000</u>
	<u>P 138,600,183</u>	<u>P 140,567,368</u>

Cash in banks generally earn interest at rates based on daily bank deposit rates. Short-term placements have an average maturity of 30 days and average annual effective interest rate of 1.00% both in 2016 and 2015.

6. DIVIDENDS AND OTHER RECEIVABLES

This account consists of the following:

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Payments for future acquisition of investments	15.2	P1,094,266,046	P 613,705,792
Loans receivable		753,970,358	719,263,023
Dividends receivable	15.4	155,600,000	-
Advances for stock subscription		82,283,456	82,283,456
Others	9.2	<u>26,250,000</u>	<u>35,000,000</u>
		2,112,369,860	1,450,252,271
Allowance for impairment		<u>(13,668,940)</u>	<u>-</u>
		<u>P2,098,700,920</u>	<u>P 1,450,252,271</u>

Payments for future acquisition of investments represent deposits made to foreign parties for future acquisition of investment securities. These include deposits made to Inter-Pacific Securities Sdn Berhad (IPSSB), a related party under common ownership who acts as stockbroker of the Company (see Note 15.2).

In 2013, the Company granted a loan to a certain company amounting to P471,039,787. The loan is payable in cash to the Company on demand subject to interest based on current bank rate, which commenced on January 1, 2014. In 2015, additional loan was advanced to such company amounting to P127,061,392 (nil in 2016). Interest income earned for 2016, 2015 and 2014 is recorded as part of Interest Income in the statements of comprehensive income (see Note 14). Unpaid interest as at April 30, 2016 and 2015 amounted to P88,682,628 and P53,975,293, respectively, and is also included as part of loans from such company.

The dividend receivable as at April 30, 2016 (nil in 2015) represents receivable from Philippine Gaming Management Corporation (PGMC), a wholly owned subsidiary of the Company (see Note 15.4).

Advances for stock subscription represent deposits made by the Company for future stock subscription on an entity.

Other receivables pertain to receivables from TF Ventures, Inc. (TF) arising from payment made by the Company on behalf of TF (see Note 9.2).

All of the Company's dividends and other receivables have been reviewed for indications of impairment. In 2016, certain receivables were found to be impaired; hence, adequate amount of allowance for impairment has been recognized (nil in 2015).

7. PREPAYMENTS AND OTHER CURRENT ASSETS

The breakdown of this account is presented below.

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Input VAT	21.1(b)	P 30,938,402	P 26,621,090
Prepaid taxes		28,112,139	30,338,594
Prepaid expenses		8,080,510	-
Other prepayments		<u>10,265,411</u>	<u>9,734,636</u>
		77,396,462	66,694,320
Allowance for impairment		<u>(9,375,000)</u>	<u>(9,375,000)</u>
		<u>P 68,021,462</u>	<u>P 57,319,320</u>

In 2014, certain advance payments amounting to P9,375,000 were provided with full allowance for impairment due to several economic factors. The related expense is presented as Impairment loss expense as part of Other Expenses in the 2014 statement of comprehensive income (see Note 13).

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

	<u>2016</u>	<u>2015</u>
Equity securities	P 848,086,531	P 936,017,021
Loan stocks	96,984,777	182,061,693
Warrants	<u>15,496,352</u>	<u>12,685,537</u>
	960,567,660	1,130,764,251
Allowance for impairment	<u>(91,158,267)</u>	<u>-</u>
	<u>P 869,409,393</u>	<u>P1,130,764,251</u>

In 2015, certain equity securities with carrying amount of P135,411,534 (nil in 2016) are carried at cost, as the fair value of these unquoted equity securities is not reliably determinable either thru reference of similar instruments or valuation techniques.

In 2016 and 2015, the Company disposed certain AFS financial assets at a selling price of P20,435,557 and P24,369,739, respectively. Accordingly, the cumulative fair value gains in 2016 amounting to P9,212,952 and the cumulative fair value losses in 2015 amounting to P7,334,201 recognized in other comprehensive income were reclassified from equity to profit or loss and are presented as part of Reclassification Adjustments to Profit or Loss in the 2016 and 2015 statements of comprehensive income, respectively (see Note 12.5). Net realized loss arising from sale of AFS financial assets amounted to P19,523,036 in 2016 and net realized gain of P8,987,180 in 2015 are presented as part of Net Gain (Loss) on Sale of Available-for-sale Financial Assets under Other Income (Expenses) in the 2016 and 2015 statements of comprehensive income.

In 2016, management determined that certain investments were found to be impaired, that is, there is a significant or prolonged decline in the fair value of the securities below cost. Accordingly, impairment loss amounting to P91,158,267, of which P5,294,045 has been previously accumulated in equity, was recognized in profit or loss. There were no similar transactions recognized in 2015 and 2014.

The movements of AFS financial assets follow:

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year		P 1,130,764,251	P 979,758,710
Additions during the year		18,940,755	221,669,861
Fair value losses	12.5	(163,685,750)	(47,947,559)
Disposals during the year		(25,451,596)	(22,716,761)
Impairment loss		<u>(91,158,267)</u>	<u>-</u>
Balance at end of year		<u>P 869,409,393</u>	<u>P1,130,764,251</u>

Dividend income from these shares amounted to P13,473,677, P27,965,624 and P75,037,259 in 2016, 2015 and 2014, respectively, and are presented as part of Dividend Income in the statements of comprehensive income.

The fair values of all of the Company's investments, except for those carried at cost in 2015 which are categorized under Level 3, are categorized under Level 1 in fair value hierarchy, since these have been determined directly by reference to published prices in active markets and retained at cost for having no observable market data, respectively (see Note 20.2).

9. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

9.1 Investments in Subsidiaries and Associates

The components and carrying values of investments in subsidiaries and associates follow:

	% Interest Held		Cost of Investment	
	2016	2015	2016	2015
<i>Subsidiaries:</i>				
H.R. Owen Plc (H.R. Owen)	72%	72%	P 2,001,019,135	P 2,001,019,135
PGMC	100%	100%	520,000,000	520,000,000
Perdana Hotel Philippines Inc. (PHPI)	100%	100%	1,000,000	1,000,000
<i>Associates:</i>				
Berjaya Auto Philippines Inc. (BAPI)	35%	30%	178,380,000	62,700,000
Berjaya Pizza Philippines Inc. (BPPI)	41%	30%	117,400,000	61,400,000
Ssangyong Berjaya Motor Philippines, Inc. (SBMPI)	20%	-	22,500,000	-
Perdana Land Philippines Inc. (PLPI)	40%	40%	7,999,997	7,999,997
Cosway Philippines, Inc. (CPI)	40%	40%	399,996	399,996
			P 2,848,699,128	P 2,654,519,128

The Company's subsidiaries and associates are all incorporated in the Philippines, except H.R. Owen, a subsidiary incorporated in London, England.

H.R. Owen operates a number of vehicle franchises in the prestige and specialist car market for both sales and aftersales, predominantly in the London area. In 2013, the Company invested P31,546,472 in H.R. Owen. The fair value of such investment amounted to P37,245,839 as at April 30, 2013 and is presented as part of Available-for-sale Financial Assets in the 2013 statement of financial position. However, in October 31, 2013, the 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 P194,180,000. Consequently, the Company's investment in H.R. Owen totaling P1,795,190,800 was reclassified as part of Investments in Subsidiaries and Associates account in the 2014 statement of financial position at its fair market value of P1,975,896,516 as at October 31, 2013. Remeasurement gain arising from such reclassification amounted to P180,705,716 and is presented as Remeasurement Gain on Reclassification of Available-for-sale Financial Assets to Investment in Subsidiary under Other Income (Expenses) in the 2014 statement of comprehensive income.

Subsequent to October 31, 2013 the Company made additional investment to H.R. Owen, which amounted to P25,122,619.

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

The Company's organization of PHPI and subscription of 40% equity in PLPI are part of the Company's strategy of operating a hotel located in Makati City (see Note 9.2). In 2015, the Company's advances to PLPI amounting to P7,600,000 stock subscription was converted into investment upon approval of SEC of PLPI's application for increase in its authorized capital stock. The Company's ownership interest in PLPI remains at 40%.

BAPI was incorporated on August 10, 2012. BAPI is presently engaged 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. In April 2016, the Company purchased 5% holdings from an existing stockholder of BAPI resulting to the Company's increase in ownership over BAPI to 35%.

In 2013, the Company acquired 40% ownership interest in CPI. CPI was incorporated in September 2012 and was primarily established 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 at April 30, 2016, CPI has not yet started its commercial operations.

In January 2016, the Company acquired 20% ownership interest in SBMPI. SBMPI was incorporated on July 3, 2015 and is primarily engaged in the sale and distribution of automobiles in the country.

The tables below present the information on financial position and performance of the Company's subsidiaries and associates as at and for the years ended April 30, 2016 and 2015.

<u>2016</u>										
	<u>H.R. Owen</u>	<u>PGMC</u>	<u>PHPI</u>	<u>PLPI</u>	<u>BPPI</u>	<u>BAPI</u>	<u>CPI</u>	<u>SBMPI</u>	<u>Total</u>	
Total assets	P 9,060,906,438	P 564,967,154	P 769,750,002	P 203,556,039	P 186,403,874	P 2,287,632,263	P 222,310	P 132,883,725	P 13,206,321,805	
Total liabilities	7,645,126,716	306,293,471	764,923,829	97,203,216	460,277,633	1,302,605,094	2,468,986	25,633,373	10,604,532,318	
Total equity										
(capital deficiency)	1,415,779,722	258,673,683	4,826,173	106,352,823	(273,873,759)	985,027,169	(2,246,676)	107,250,352	2,601,789,487	
Net profit (loss)	100,126,716	614,117,978	2,758,074	4,820,732	(83,330,255)	366,124,878	(803,287)	(5,249,648)	999,864,379	
<u>2015</u>										
	<u>H.R. Owen</u>	<u>PGMC</u>	<u>PHPI</u>	<u>PLPI</u>	<u>BPPI</u>	<u>BAPI</u>	<u>CPI</u>	<u>SBMPI</u>	<u>Total</u>	
Total assets	P 7,164,390,351	P 476,903,297	P 795,940,615	P 208,467,648	P 238,955,405	P 1,346,705,973	P 326,883	P -	P 10,231,690,172	
Total liabilities	5,853,827,277	152,020,818	793,928,485	106,935,557	507,943,586	733,148,209	1,770,272	-	8,149,574,204	
Total equity										
(capital deficiency)	1,310,563,074	324,882,479	2,012,130	101,532,091	(268,988,181)	613,557,764	(1,443,389)	-	2,082,115,968	
Net profit (loss)	208,851,758	726,761,282	2,312,412	2,039,125	(116,616,314)	231,356,413	(850,326)	-	1,053,854,350	

9.2 Memorandum of Agreement (MOA)

In December 2009, the Company entered into a 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 P785,000,000.

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 (see Note 6). Accordingly in 2010, the Company advanced funds to PHPI for the acquisition of the hotel building. On the other hand, the land was acquired by PLPI through advances from the Company for the amount of P70,000,000 payable in equal installments over eight years.

10. TRANSPORTATION EQUIPMENT

In April 2014, the Company acquired a transportation equipment with cost amounting to P12,507,018 (see Note 15.3). Per Company's policy, depreciation shall commence one month after the date of acquisition; thus, no depreciation expense was recognized by the Company in 2014. The net book value of the equipment amounted to P7,504,610 and P10,005,814 in 2016 and 2015, respectively. Depreciation expense amounted to P2,501,204 both in 2016 and 2015 (nil in 2014), and is presented as part of Expenses in the 2016 and 2015 statements of comprehensive income.

11. LOANS PAYABLE

In 2014, the 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. In 2015, the Company fully paid such loan. Interest expense on this loan in 2015 amounted to P20,533,333 and is presented as Interest Expense under Other Income (Expenses) in the 2015 statement of comprehensive income.

In 2016, the Company obtained a secured loan amounting to P200,000,000 which represents the initial drawdown of a P700,000,000 loan facility from a local bank for its working capital requirements. Such loan bears a fixed annual interest based on prevailing market rate and is secured by surety from PGMC and real estate mortgage over parcels of land, including the improvements therein, owned by PLPI. Outstanding balance of such loan amounted to P100,000,000 as at April 30, 2016. Interest expense on this loan amounted to P3,222,222 and is presented as Interest Expense under Other Income (Expenses) in the 2016 statement of comprehensive income. There was no unpaid interest as at April 30, 2016.

12. EQUITY

12.1 Capital Management Objectives, Policies and Procedures

The Company's capital management objectives are to ensure the Company'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 Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position and also evaluates its equity through debt-to-equity ratio.

The Company sets the amount of capital in proportion to its overall financing structure. The Company 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. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

12.2 Capital Stock

As at April 30, 2016 and 2015, the Company has 2,000,000,000 authorized shares with P1 par value of which 953,984,448 shares are issued.

As at April 30, 2016 and 2015, there are 138 and 139 holders, respectively, of the Company's total outstanding shares. The Company's listed shares are bid at P28.5 per share and P28.0 per share as at April 30, 2016 and 2015, respectively.

The Company has 117 and 118 stockholders owning 100 or more shares each of the Company's capital stock, as at April 30, 2016 and 2015, respectively.

12.3 Treasury Shares

The Company's treasury shares represent the cost of 85,728,277 shares bought back by the Company prior to 2014.

The Company's retained earnings is restricted for dividend declaration to the extent of the cost of treasury shares (see Note 12.4).

12.4 Retained Earnings

In 2015 and 2014, the BOD approved the appropriation of retained earnings amounting to P1,150,000,000 and P2,600,000,000, respectively, for future investments, expansion and various expenditures which are expected to be carried out within the next two to five years in line with the Company's growth plans.

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

- (i) increase in authorized capital stock from P2,000,000,000 divided into 2,000,000,000 shares to P6,000,000,000 divided into 6,000,000,000 shares;
- (ii) reversal of P4,000,000,000 previously allocated funds for capital expenditures and corporate expansion back to unrestricted retained earnings; and,
- (iii) declaration of stock dividends at a rate of 4 common shares for every common share held to be taken from the increase in authorized capital stock.

Consequently, the Company set apart portion of the unappropriated retained earnings amounting to P3,473,024,684 for distribution of stock dividends.

On May 27, 2016, the Company filed the declaration of stock dividends and the increase in authorized capital stock for approval of the SEC. Subsequently, the SEC approved the increase in authorized capital stock on May 31, 2016. Further, on June 6, 2016 the SEC approved the declaration of stock dividends setting the date of record on June 24, 2016 and the date of payment on July 20, 2016.

Consequently on July 20, 2016, the Company issued stock dividends of 3,473,024,684 shares at par.

There were no dividend declarations in 2015 and 2014.

12.5 Revaluation Reserve

The movement of this account is shown below:

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year		P 122,458,347	P 177,740,107
Net unrealized fair value			
losses on AFS financial assets	8	(163,685,750)	(47,947,559)
Reclassification adjustments:			
Due to disposal of AFS			
financial assets	8	9,212,952	(7,334,201)
Due to impairment of AFS	8	5,294,045	-
Balance at end of year		<u>(P 26,720,406)</u>	<u>P 122,458,347</u>

13. OTHER EXPENSES

This account consists of the following:

	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Representation		P 3,103,632	P 1,368,555	P 3,734,275
Accommodation		2,357,990	1,725,208	328,952
Insurance		1,878,806	675,095	1,122
Bank charges		687,409	58,205	10,184,306
Advertising		108,623	297,739	134,321
Communication		82,077	31,722	1,175,306
Penalties and				
surcharges		56,459	12,250	12,000
Impairment loss	7	-	-	9,375,000
Miscellaneous		<u>1,042,811</u>	<u>2,617,909</u>	<u>1,240,984</u>
		<u>P 9,317,807</u>	<u>P 6,786,683</u>	<u>P 26,186,266</u>

Bank charges in 2014 include charges from a local bank in relation to the Company's availed loan during that year (see Note 11).

Miscellaneous expenses include trainings and seminar and repairs and maintenance, among others.

14. INTEREST INCOME

Interest income is composed of the following:

	Notes	2016	2015	2014
Cash advances	6, 15.1	P 46,917,263	P 44,427,699	P 17,764,527
Foreign deposits	6	46,176,604	30,895,944	2,737,827
Cash in banks and short-term placements	5	226,936	301,570	293,509
		<u>P 93,320,803</u>	<u>P 75,625,213</u>	<u>P 20,795,863</u>

15. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries, associates, related parties under common ownership, and officers and employees as described below. The following are the Company's transactions with related parties:

	Notes	2016		2015	
		Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
<i>Subsidiaries:</i>					
Cash advances	15.1	(P 27,000,000)	P 741,369,964	(P 21,450,846)	P 768,369,964
Dividend income	6, 15.4	680,000,000	155,600,000	466,619,424	-
<i>Associates –</i>					
Cash advances	15.1	26,700,000	170,398,506	31,050,000	194,858,506
<i>Related parties under common ownership –</i>					
Payments for future acquisition of investment securities	6, 15.2	(41,240,000)	72,578,345	(71,957,295)	12,627,952

15.1 Advances to Subsidiaries and Associates

The balance of these advances as at April 30, shown as Advances to Subsidiaries and Associates account in the statements of financial position, is shown below.

	2016	2015
<i>Current:</i>		
Subsidiary –		
PHPI	<u>P 741,369,964</u>	<u>P 768,369,964</u>
Associates:		
PLPI	29,775,010	31,775,010
CPI	2,423,496	1,723,496
BPPI	<u>138,200,000</u>	<u>30,000,000</u>
	<u>32,198,506</u>	<u>63,498,506</u>
	<u>P 911,768,470</u>	<u>P 831,868,470</u>
<i>Non-current:</i>		
Associate –		
BPPI	<u>P -</u>	<u>P 131,360,000</u>

The details of these advances are more fully described as follows:

- (a) In 2009, the Company granted advances to PHPI and PLPI as a result of the execution of a MOA, which is part of the Company's strategy to acquire an interest in the operation of a hotel located in Makati City (see Note 9.2). Collections of P27,000,000, P2,000,000 and P1,000,000 were made from PHPI, PLPI and BPPI, respectively in 2016.
- (b) In 2016 and 2015, the Company made advances to CPI, which amounted to P700,000 and P1,050,000, respectively. These advances are unsecured, noninterest-bearing and payable in cash upon demand of BPI. No collections were made on these advances in both years.
- (c) In 2011, the Company provided P100,000,000 loan to BPPI, bearing an annual interest rate of 7.00% payable in cash within two years from the borrowing date. The loan is secured by a guaranty from a major stockholder of BPPI. In 2013, the Company extended the term of this loan for an additional three years. The loan was further extended for another three years in 2016 bearing the same terms with the original loan except that the Company now has the discretion to recall the loan any time prior to maturity; hence, the loan is presented under current assets in the 2016 statement of financial position. Interest income amounting to P7,000,000 in 2016, 2015 and 2014 is recorded as part of Interest Income in the statements of comprehensive income.
- (d) In 2016, the Company granted cash advances to BPPI amounting to P26,000,000 and made collections amounting to P1,000,000. The advances are short-term, non-interest bearing and generally payable in cash. Furthermore, the Company reclassified P56,000,000 of advances to BPPI to Investments in associate after the board of directors of BPPI and the SEC approved the conversion of advances to equity.

The movements of Advances to Subsidiaries and Associates account are as follows:

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	P 963,228,470	P 945,789,316
Interest recognized during the year	7,000,000	7,000,000
Additions during the year:		
BPPI	26,840,000	30,840,000
CPI	700,000	1,050,000
	<u>997,768,470</u>	<u>984,679,316</u>
Collections during the year	(30,000,000)	(21,450,846)
Reclassification during the year	(56,000,000)	-
	(86,000,000)	(21,450,846)
Balance at end of year	<u>P 911,768,470</u>	<u>P 963,228,470</u>

15.2 Payments for Future Acquisition of Investments

The Company deposited funds to IPSSB on client trust basis for future acquisition of investment securities. IPSSB is principally engaged in the business of stockbroking. Outstanding payments to IPSSB as at April 30, 2016 and 2015 amounted to P72,578,345 and P12,627,952 respectively, and are presented as part of Payments for future acquisition of investments under Dividends and Other Receivables in the statements of financial position (see Note 6).

15.3 Purchase of Transportation Equipment

In April 2014, the Company acquired a transportation equipment on cash with cost amounting to P12,507,018 from H.R. Owen for use on its operations (see Note 10).

15.4 Dividends

The Company recognized dividend income amounting to P680,000,000, P440,000,000 and P2,190,000,000 arising from the declaration of cash dividends by PGMC in 2016, 2015 and 2014, respectively. Further, the Company recognized dividend income in 2015 amounting to P26,619,424 from cash dividends declared by H.R. Owen. Consequently, the Company received the cash dividends of P524,400,000, P977,606,091 and P1,683,013,333 in 2016, 2015 and 2014, respectively. Outstanding dividend receivable amounted to P155,600,000 as at April 30, 2016 (nil in 2015), is presented as part of Dividends and Other Receivables in the 2016 statement of financial position (see Note 6).

15.5 Loans

The loans of BPPI from a certain financial institution amounting to P250,000,000 as at April 30, 2016 are secured by the Company.

15.6 Key Management Personnel Compensation

There are no expenses recognized for employee benefits since the Company's accounting and administrative activities are being handled by PGMC at no cost to the Company.

16. INCOME TAXES

The components of tax expense (income) as reported in profit or loss are presented below.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Current tax expense:			
Minimum corporate income tax (MCIT) at 2%	P 2,226,455	P 2,924,057	P 3,707,335
Final tax at 20% and 7.5%	<u>37,863</u>	<u>49,562</u>	<u>53,271</u>
	2,264,318	2,973,619	3,760,606
Deferred tax expense (income) relating to the origination and reversal of temporary differences	(<u>35,025,562</u>)	(<u>21,470,239</u>)	<u>26,969,178</u>
	<u>(P 32,761,244)</u>	<u>(P 18,496,620)</u>	<u>P 30,729,784</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax on pretax profit at 30%	P 174,320,200	P 117,110,957	P 734,701,185
Adjustment for income subjected to lower income tax rates	(22,754)	(40,909)	(856,130)
Tax effects of:			
Non-taxable income	(204,000,000)	(132,000,000)	(720,165,080)
Application of unrecognized net operating loss carry over (NOLCO)	(8,343,872)	(7,586,037)	-
Non-deductible operating expenses	3,058,727	1,095,312	864,585
Unrecognized MCIT	2,226,455	2,924,057	3,707,335
Unrecognized NOLCO	-	-	10,170,207
Expired NOLCO	-	-	2,052,749
Expired MCIT	-	-	254,933
	(P 32,761,244)	(P 18,496,620)	P 30,729,784

The net deferred tax asset (liability) relates to the following as at April 30, 2016 and 2015:

	<u>Statements of Financial Position</u>		<u>Statements of Comprehensive Income</u>		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Unrealized foreign exchange gains	(P 1,903,616)	(P 5,481,016)	(P 3,577,400)	(P 21,470,239)	P 26,917,040
Impairment losses	34,260,662	2,812,500	(31,448,162)	-	(2,255,544)
NOLCO	-	-	-	-	2,052,749
MCIT	-	-	-	-	254,933
Deferred Tax Expense (Income)			(P 35,025,562)	(P 21,470,239)	P 26,969,178
Net Deferred Tax Asset (Liability)	<u>P 32,357,046</u>	<u>(P 2,668,516)</u>			

In 2016 and 2015, the management has taken a conservative position of not recognizing additional deferred tax assets arising from NOLCO, MCIT and impairment loss since their recoverability and utilization is unlikely at this time based on the assessment of management.

The details of the Company's NOLCO and MCIT, which can be applied against taxable income and regular corporate income tax (RCIT), respectively, follow:

Year	<u>Incurred</u>	<u>Amount</u>	<u>Applied</u>	<u>Expired</u>	<u>Balance</u>	<u>Expiry Date</u>
NOLCO						
2014	P	33,900,690	(P 641,184)	P -	P 33,259,506	2017
2013		<u>27,171,724</u>	<u>(27,171,724)</u>	<u>-</u>	<u>-</u>	2016
		<u>P 61,072,414</u>	<u>(P 27,812,908)</u>	<u>P -</u>	<u>P 33,259,506</u>	
MCIT						
2016	P	2,226,455	P -	P -	P 2,226,455	2019
2015		2,924,057	-	-	2,924,057	2018
2014		3,707,335	-	-	3,707,335	2017
2013		<u>140,000</u>	<u>-</u>	<u>(140,000)</u>	<u>-</u>	2016
		<u>P 8,997,847</u>	<u>P -</u>	<u>(P 140,000)</u>	<u>P 8,857,847</u>	

In 2016 and 2015, the Company opted to continue claiming itemized deductions in computing its income tax due.

17. EARNINGS PER SHARE

In fiscal year 2016, the Company declared stock dividends at a rate of 4 shares for every one share held (see Note 12.4). Consequently, the earnings per share has been adjusted retrospectively to account for the increase in the number of issued and outstanding shares. For purposes of calculating earnings per share, the weighted average number of outstanding common shares in 2016, 2015 and 2014 increased from 868,256,171 shares to 4,341,280,855 shares. The earnings per share of the Company is presented below.

	<u>2016</u>	<u>2015</u>		<u>2014</u>	
		<u>As Previously Presented</u>	<u>As Restated</u>	<u>As Previously Presented</u>	<u>As Restated</u>
Net profit	P 613,828,577	P 408,866,476	P 408,866,476	P 2,418,274,166	P 2,418,274,166
Divided by weighted average number of outstanding shares	<u>4,341,280,855</u>	<u>868,256,171</u>	<u>4,341,280,855</u>	<u>868,256,171</u>	<u>4,341,280,855</u>
Earnings Per Share	<u>P 0.14</u>	<u>P 0.47</u>	<u>P 0.09</u>	<u>P 2.79</u>	<u>P 0.56</u>

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

18. COMMITMENTS AND CONTINGENCIES

18.1 Loan Facility – Unused Line of Credit

As of April 30, 2016, the Company has unused line of credit amounting to P500,000,000 obtained from a local commercial bank (see Note 11).

18.2 Others

There are other commitments and contingent liabilities that are not reflected in the accompanying financial statements. As at April 30, 2016, management is of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

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

19.1 Carrying Amounts and Fair Value by Category

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

Notes	2016		2015		
	Carrying Values	Fair Values	Carrying Values	Fair Values	
Financial assets					
Loans and receivables:					
	Cash and cash equivalents	5 P 138,600,183	P 138,600,183	P 140,567,368	P 140,567,368
	Dividends and other receivables – net	6 2,098,700,920	2,098,700,920	1,450,252,271	1,450,252,271
	Advances to subsidiaries and associates	15.1 911,768,470	911,768,470	963,228,470	963,228,470
		<u>P 3,149,069,573</u>	<u>P3,149,069,573</u>	<u>P 2,554,048,109</u>	<u>P 2,554,048,109</u>
	AFS financial assets	8 <u>P 869,409,393</u>	<u>P 869,409,393</u>	<u>P 1,130,764,251</u>	<u>P 1,130,764,251</u>
Financial liabilities					
Financial liabilities at amortized costs:					
	Loans payable	11 P 100,000,000	P 100,000,000	P -	P -
	Trade and other payables	996,665	996,665	43,483	43,483
		<u>P 100,996,665</u>	<u>P 100,996,665</u>	<u>P 43,483</u>	<u>P 43,483</u>

See Notes 2.4 and 2.7 for a description of the accounting policies for each category of financial instruments. A description of the Company's risk management objectives and policies for financial instruments is provided in Note 4.

19.2 Offsetting of Financial Assets and Financial Liabilities

The Company has not set-off financial instruments in 2016 and 2015 and does not have relevant offsetting arrangements. Currently, financial assets and financial 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 in the event of default of the other party through approval by both parties.

20. FAIR VALUE MEASUREMENT AND DISCLOSURE

20.1 Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and financial 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:

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

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

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

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

20.2 Financial Instruments Measured at Fair Value

Quoted 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 decreased by P163,685,750 and P47,947,559 in 2016 and 2015, respectively. This was presented as Net Unrealized Fair Value Gains on Available-for-sale Financial Assets under Other Comprehensive Income (Loss) of the statements of comprehensive income.

Certain equity securities with carrying amount of P135,411,534 are carried at cost as at April 30, 2015 (provided with full allowance in 2016) (see Note 8).

The Company has no financial liabilities measured at fair value as at April 30, 2016 and 2015. There were no transfers across the levels of the fair value hierarchy in both years.

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

The Company's financial instruments measured at amortized cost include financial assets such as cash and cash equivalents, dividend and other receivables and advances to subsidiaries and associates (see Note 2.4). These also include financial liabilities such as loans payable and trade and other payables (see Note 2.7). As at April 30, 2016, management considers that the carrying amounts of these financial instruments are equal to or approximate their fair value; hence, no fair value hierarchy is presented.

21. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented in the succeeding pages is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

21.1 Requirements Under Revenue Regulations (RR) No. 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR No. 15-2010 are as follows:

(a) *Output VAT*

There were no transaction in 2016 subject to output VAT.

(b) *Input VAT*

The movements in Input VAT as for the year ended April 30, 2016 are summarized below.

Balance at beginning of year	P 26,621,090
Services rendered by non-residents	3,557,523
Services lodged under other accounts	759,439
Domestic purchases of goods other than capital goods	350
Applied against output VAT	<u> -</u>
Balance at end of year	<u>P 30,938,402</u>

Total input VAT as at April 30, 2016 is presented as Input VAT under Prepayments and Other Current Assets in the 2016 statement of financial position (see Note 7).

(c) *Taxes on Importation*

The Company has not paid or accrued any customs' duties and taxes on goods imported as it has no importation for the year ended April 30, 2016.

(d) *Documentary Stamp Tax*

The Company paid P6,941,836 documentary stamp tax (DST) for the year ended April 30, 2016 on advances made to related parties and on the availment of loan. This was presented as part of Taxes and licenses under Expenses in the 2016 statement of comprehensive income [see Note 21.1(f)].

(e) *Excise Tax*

The Company did not have any transactions in 2016, which are subject to excise tax.

(f) *Taxes and Licenses*

The details of Taxes and Licenses account in the 2016 statement of comprehensive income are broken down as follows:

	<u>Note</u>	
Listing fees		P 2,003,000
DST	21.1(d)	6,941,836
Municipal license and permits		1,690,706
Community tax		12,700
Registration fees		500
Others		<u>50,000</u>
		<u>P 10,698,742</u>

(g) *Withholding Taxes*

The details of total withholding taxes for the year ended April 30, 2016 are shown below.

Expanded	P 1,003,407
Final	<u>8,873,956</u>
	<u>P 9,877,363</u>

There are no transactions subject to withholding taxes on compensation in 2016.

(b) *Deficiency Tax Assessments and Tax Cases*

As at April 30, 2016, the Company does not have any final deficiency tax assessments from the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

21.2 Requirements Under RR No. 19-2011

RR No. 19-2011 requires schedules of taxable revenues and other non-operating income, costs of sales and services, itemized deductions and other significant tax information, to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts of revenues reflected in the 2016 statement of comprehensive income.

(a) *Taxable Revenues*

The Company recorded dividend income amounting to P13,473,677 for the fiscal year ended April 30, 2016 which is subject to RCIT.

(b) *Deductible Cost of Services*

The Company has no deductible cost of services under regular tax rate for the fiscal year ended April 30, 2016.

(c) *Taxable Non-operating and Other Income*

The Company's taxable non-operating and other income recognized in 2016 are as follows:

Interest income	P 93,118,748
Realized foreign currency exchange gain	<u>4,730,318</u>
	<u>P 97,849,066</u>

(d) *Itemized Deductions*

The amounts of itemized deductions for the fiscal year ended April 30, 2016 are as follows:

Professional fees	P 29,819,045
Loss on sale of AFS	19,523,036
Realized foreign currency exchange loss	12,066,418
Taxes and licenses	10,645,242
Interest expense	3,145,278
Transportation and travel	1,893,427
Insurance	1,878,806
Sponsorships	1,249,968
Representation and entertainment	1,113,227
Accommodation	860,908
Bank charges	687,409
Repairs and maintenance	120,333
Advertising	108,623
Communication, light and water	44,608
Miscellaneous	<u>353,507</u>
	83,509,835
Application of NOLCO	<u>27,812,908</u>
	<u>P 111,322,743</u>

(b) *Deductible Cost of Services*

The Company has no deductible cost of services under regular tax rate for the fiscal year ended April 30, 2016.

(c) *Taxable Non-operating and Other Income*

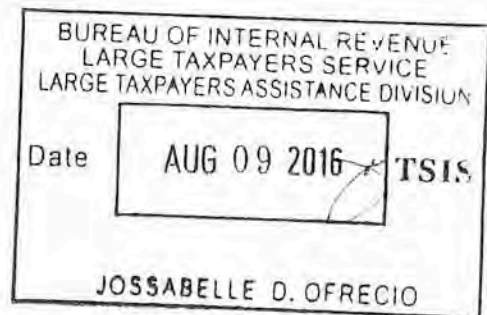
The Company's taxable non-operating and other income recognized in 2016 are as follows:

Interest income	P 93,118,748
Realized foreign currency exchange gain	<u>4,730,318</u>
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	83,509,835
Application of NOLCO	<u>27,812,908</u>
	<u>P 111,322,743</u>





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

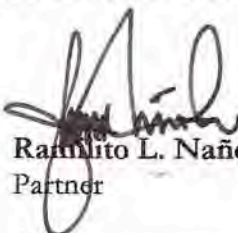
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The Board of Directors
Berjaya Philippines Inc. and Subsidiaries
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

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, 2016, on which we have rendered our report dated July 22, 2016. 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. Nañaola**
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 5321729, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-3 (until May 19, 2019)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-19-2015 (until Mar. 18, 2018)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

July 22, 2016

Certified Public Accountants

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd

Offices in Cebu, Davao, Cavite

BOA/PRC Cert. of Reg. No. 0002
SEC Accreditation No. 0002-FR-4

Berjaya Philippines Inc. and Subsidiaries
List of Supplementary Information
April 30, 2016

<u>Schedule</u>	<u>Content</u>	<u>Page No.</u>
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 (Long-term Loans from Related Companies)	6
G	Guarantees of Securities of Other Issuers	7
H	Capital Stock	8
Other Required Information		
	Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as at April 30, 2016	9 - 12
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Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule A - Financial Assets
April 30, 2016

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Income Received and Accrued
AVAILABLE-FOR-SALE FINANCIAL ASSETS			
Equity securities	47,149,321	P 756,928,264	P 13,473,677
Debt securities	40,330,000	96,984,777	-
Others	<u>6,050,001</u>	<u>15,496,352</u>	<u>-</u>
Totals	<u>93,529,322</u>	<u>P 869,409,393</u>	<u>P 13,473,677</u>

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, 2016

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Balance at End of Period
			Amounts Collected	Amounts Reclassified	Amounts Written off	
Related Parties:						
Berjaya Pizza Philippines Inc.	P 161,360,000	P 33,840,000	(P 1,000,000)	(P 56,000,000)	P -	P 138,200,000
Inter-Pacific Securities Sdn Berhad	12,627,952	79,246,428	(19,296,035)	-	-	72,578,345
Perdana Land Philippines Inc.	31,775,010	-	(2,091,879)	-	-	29,683,131
Cosway Philippines Inc.	1,723,496	700,000	-	-	-	2,423,496
Taaras Beach & Spa Resort	106,169	38,442	(8,682)	-	-	135,929
Berjaya Hills Berhad	60,725	-	(60,725)	-	-	-
Colmar Tropicale	300,370	-	-	-	-	300,370
Totals	P 207,953,722	P 113,824,870	(P 22,457,321)	(P 56,000,000)	P -	P 243,321,271

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, 2016

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Amounts Written off	Current	Non-current	
Perdana Hotel Philippines Inc.	<u>P 768,369,964</u>	<u>p -</u>	<u>(P 27,000,000)</u>	<u>p -</u>	<u>P 741,369,964</u>	<u>p -</u>	<u>P 741,369,964</u>

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule D - Intangible Assets - Other Assets
April 30, 2016

Description	Balance at Beginning of Period	Additions at Cost	Deductions		Other Changes -Additions (Deductions)	Balance at End of Period
			Charged to Cost and Expenses	Charged to Other Accounts		
Intangible Assets:						
Goodwill	P 1,108,183,290	P 61,351,471	p -	p -	(P 2,250,433)	P 1,167,284,328
Dealership rights	706,774,509	-	-	-	418,037	707,192,546
Customer relationships	-	42,174,557	-	-	(1,851,184)	40,323,373
Totals	P 1,814,957,799	P 103,526,028	P -	p -	(P 3,683,580)	P 1,914,800,247

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule E - Long-term Debt
April 30, 2016

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in Relation to Statement of Financial Position	Amount Shown under Caption "Long-term Debt" in Relation to Statement of Financial Position
---------------------------------------	--------------------------------	---	--

NOT APPLICABLE
The Group has no long-term debt as at April 30, 2016.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule F - Indebtedness to Related Parties (Long-term Loans from Related Companies)
April 30, 2016

Name of Related Party	Amount Authorized by Indenture	Balance at Beginning of Period	Balance at End of Period
-----------------------	--------------------------------	-----------------------------------	-----------------------------

NOT APPLICABLE

The Group has no indebtedness to related parties as at April 30, 2016.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule G - Guarantees of Securities of Other Issuers
April 30, 2016

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 this Statement is Filed	Nature of Guarantee
Berjaya Pizza Philippines Inc. (BPPI)*	Loan	P <u>250,000,000</u>	P <u>250,000,000</u>	Corporate guarantee

** the loan of BPPI from a certain local financial institution is secured by Berjaya Philippines Inc.*

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule H - Capital Stock
April 30, 2016

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under the 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 - P1 par value	<u>2,000,000,000</u>	<u>953,984,448</u>	-	<u>766,288,686</u>	<u>526,853</u>	<u>187,168,909</u>

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 at April 30, 2016

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				☑
<i>Philippine Financial Reporting Standards (PFRS)</i>				
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* (effective when PFRS 9 is first applied)				☑
PFRS 8	Operating Segments	☑		
PFRS 9	Financial Instruments (2014)* (effective January 1, 2018)			☑
PFRS 10	Consolidated Financial Statements	☑		
	Amendment to PFRS 10: Transition Guidance	☑		
	Amendment to PFRS 10: Investment Entities	☑		
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective January 1, 2016)			☑
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception* (effective January 1, 2016)			☑
PFRS 11	Joint Arrangements			☑
	Amendment to PFRS 11: Transition Guidance			☑
	Amendment to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations* (effective January 1, 2016)			☑

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 12	Disclosure of Interests in Other Entities	☑		
	Amendment to PFRS 12: Transition Guidance	☑		
	Amendment to PFRS 12: Investment Entities	☑		
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception* (effective January 1, 2016)			☑
PFRS 13	Fair Value Measurement	☑		
PFRS 14	Regulatory Deferral Accounts* (effective January 1, 2016)			☑
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	☑		
	Amendment to PAS 1: Disclosure Initiative* (effective January 1, 2016)			☑
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	☑		
	Amendment to PAS 16: Bearer Plants* (effective January 1, 2016)			☑
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization* (effective January 1, 2016)			☑
PAS 17	Leases	☑		
PAS 18	Revenue	☑		
PAS 19 (Revised)	Employee Benefits	☑		
	Amendment to PAS 19: Defined Benefit Plans – Employee Contributions **	☑		
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	☑		
	Amendment to PAS 27: Equity Method in Separate Financial Statements* (effective January 1, 2016)			☑
PAS 28 (Revised)	Investments in Associates and Joint Ventures	☑		
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective January 1, 2016)			☑
	Amendment to PAS 28: Investment Entities – Applying the Consolidation Exception* (effective January 1, 2016)			☑
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**	☑		
PAS 33	Earnings Per Share	☑		
PAS 34	Interim Financial Reporting	☑		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 36	Impairment of Assets	☑		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	☑		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	☑		
PAS 38	Intangible Assets	☑		
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization* (effective January 1, 2016)			☑
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**	☑		
PAS 40	Investment Property			☑
	Agriculture			☑
PAS 41	Amendment to PAS 41: Bearer Plants* (effective January 1, 2016)			☑
	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	☑		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
<i>Philippine Interpretations - Standing Interpretations Committee (SIC)</i>				
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 fiscal year 2016 and are not early adopted by the Group.

** These standards have been adopted in the preparation of financial statements but the Group 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, 2016



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

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
 9th Floor, Rufino Pacific Tower 6784 Ayala Avenue, Makati City
(Amounts in Philippine Pesos)

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended April 30, 2016

Unappropriated Retained Earnings at Beginning of Year, as Reported in the Audited Financial Statements	P	34,593,976
Prior Years' Outstanding Reconciling Items, net of tax	(	<u>15,601,537</u>)
Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year, as Adjusted		18,992,439
Net Profit Actually Earned during the Year		
Net Profit per audited financial statements	P	613,828,577
Deferred tax income on impairment loss	(	31,448,162)
Unrealized foreign currency gain	(	<u>8,347,267</u>)
		574,033,148
Other Transaction During the Year		
Reversal of appropriation during the year		4,000,000,000
Appropriation for stock dividends	(	<u>3,473,024,684</u>)
		<u>526,975,316</u>
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year	P	<u>593,025,587</u>

The Company plans to appropriate portions of available retained earnings for business expansions within three to five years.

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

Financial Indicators
 April 30, 2016

Financial Indicators	Computation		Ratios	
	2016	2015	2016	2015
Quick ratio				
Cash and cash equivalents + Trade and other receivables - net + Advances to associates	4,179,318,077	3,379,467,002		
Total Current Liabilities	7,845,999,342	5,933,196,789	0.53	0.57
Current/liquidity ratio				
Total Current Assets	10,295,298,364	8,386,873,079		
Total Current Liabilities	7,845,999,342	5,933,196,789	1.31	1.41
Debt-to-equity ratio				
Total Liabilities	7,931,571,574	6,025,287,783		
Total Equity	7,665,361,133	7,102,317,671	1.03	0.85
Debt-to-assets ratio				
Total Liabilities	7,931,571,574	6,025,287,783		
Total Assets	15,596,932,707	13,127,605,454	0.51	0.46
Equity-to-assets ratio				
Total Equity	7,665,361,133	7,102,317,671		
Total Assets	15,596,932,707	13,120,772,387	0.49	0.54
Return on assets				
Net Profit	706,326,108	950,965,023		
Total Assets	15,596,932,707	13,127,605,454	0.05	0.07
Return on equity				
Net Profit	706,326,109	950,965,023		
Total Equity	7,665,361,133	7,102,317,671	0.09	0.13
Earnings per share				
Net Profit Attributable to Owners of the Parent Company	678,320,666	892,549,186		
Weighted Average Number of Outstanding Common Shares	4,341,280,855	4,341,280,855	0.16	0.21

COVER SHEET

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S.E.C. Registration Number

B	E	R	J	A	Y	A	P	H	I	L	I	P	P	I	N	E	S	I	N	C	.					
A	N	D	S	U	B	S	I	D	I	A	R	I	E	S												

(Company's Full Name)

9	F	R	U	F	I	N	O	P	A	C	I	F	I	C	T	O	W	E	R					
6	7	8	4	A	Y	A	L	A	A	V	E	.	M	A	K	A	T	I	C	I	T	Y		

(Business Address : No. Street City / Town / Province)

Atty. Jose A. Bernas

Contact Person

811-0668

Company Telephone Number

0	4	3	0
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Month Day
Fiscal Year

P	H	I	F	S
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FORM TYPE

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Month Day
Annual Meeting

--

Secondary License Type, If Applicable

S	E	C
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Dept. Requiring this Doc.

-

Amended Articles Number/Section

--

Total No. of Stockholders

Total Amount of Borrowings (in '000)

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

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File Number

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LCU

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Document I.D.

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Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes



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, 2016 and 2015** 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, 2016 and 2015**.


TAN ENG HWA
Treasurer

SUBSCRIBED AND SWORN to before me this _____ day of **AUG 01 2016**, 2016, at **CITY OF MAKATI**, with affiant exhibiting to me his Tax Identification No. 204-172-228

Book No. 495 _____ :
Doc. No. 86 _____ :
Page No. EV _____ :
Series of 20 1 _____

ATTY. GERVAZIO B. ARTIZ JR.
NOTARY PUBLIC
Notary Public
Until December 31, 2016
IBP No. 656155-Lifetime Member
MCLE Compliance No. V-0006934
Appointment No. M-38-(2015-2016)
PTR No. 5323504 Jan. 4, 2016
Makati City Roll No. 40091
1011 Urban Ave. Campos Rueda Bldg.
Piso Plo Del Pilar, Makati City

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

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	2016 (in P'000)	2015 (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)	15,596,933	13,127,605
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)	10,295,298	8,386,873
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)	1,034,432	1,145,906
A.1.1.1 On hand	436	525
A.1.1.2 In domestic banks/entities	1,033,996	1,145,381
A.1.1.3 In foreign banks/entities		
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)	2,974,579	2,170,155
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)	2,974,579	2,170,155
A.1.2.1.1 Due from customers (trade)	750,151	610,674
A.1.2.1.2 Due from related parties	2,067,209	1,415,252
A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)	189,342	156,150
A.1.2.1.3.1 Receivable from supplier	0	0
A.1.2.1.3.2 Advances to officers and employees	5,302	5,216
A.1.2.1.3.3 Other receivables	184,040	150,935
A.1.2.1.4 Allowance for doubtful accounts (negative entry)	(32,123)	(11,922)
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)	5,279,148	4,373,028
A.1.3.1 Vehicles	5,123,409	4,280,622
A.1.3.2 Parts and components	208,941	184,664
A.1.3.3 Spare parts and accessories	32,266	24,709
A.1.3.4 Work-in-progress	43,209	11,063
A.1.3.5 Hotel supplies	7,143	7,817
A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2)		
A.1.3.6.1 Allowance for inventory write down	(135,820)	(135,846)
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.

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: 68910

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

Table 1. Balance Sheet

FINANCIAL DATA	2016 (in P'000)	2015 (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)	1,007,139	697,784
A.1.5.1 Advances to associate	170,307	63,407
A.1.5.2 Prepaid expenses	618,696	306,443
A.1.5.3 Prepaid taxes, input VAT and creditable withholding taxes	84,114	153,750
A.1.5.4 Refundable deposits and advance rental	123,152	164,626
A.1.5.5 Other current assets	20,244	18,934
A.1.5.6 Allowance for impairment (negative entry)	(9,375)	(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)	2,001,761	1,432,358
A.2.1 Land	89,397	89,344
A.2.2 Building and improvements including leasehold improvement	2,294,239	1,680,355
A.2.3 Machinery and equipment (on hand and in transit)	2,111,890	1,935,816
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment	53,839	47,922
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)	42,749	37,487
A.2.5.1 Furniture and fixture	42,749	37,487
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)	(2,590,352)	(2,358,566)
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	1,914,800	1,814,958
A.6.1 Major item/s, specify (A.6.1.1 + A.6.1.2)	1,914,800	1,814,958
A.6.1.1 Goodwill	1,914,800	1,814,958
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		

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	2016 (in P'000)	2015 (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)	1,385,073	1,493,417
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax	44,597	11,463
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)	1,340,476	1,481,954
A.10.4.1 Available-for-sale financial assets	869,409	1,130,764
A.10.4.2 Investment in associates	466,715	216,769
A.10.4.3 Advances to an associate	0	131,360
A.10.4.4 Other non-current assets	4,352	3,061
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)	7,931,572	6,025,288
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)	7,890,773	5,977,564
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)	3,571,890	2,804,894
B.1.1.1 Loans/Notes Payables		
B.1.1.2 Trade Payables	1,367,123	1,138,358
B.1.1.3 Payables to Related Parties	3,179	549
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)	363,788	288,852
B.1.1.5.1 Accrued expenses	363,788	288,852
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)	1,837,801	1,377,134
B.1.1.6.1 Advances from customer	1,439,274	1,034,542
B.1.1.6.2 Withholding taxes payable	134,089	220,020
B.1.1.6.3 Liability on stock vehicles	0	0
B.1.1.6.4 Management fee payable	19,880	16,585
B.1.1.6.4 Deferred output vat	28,733	19,690
B.1.1.6.4 Other payables	173,935	86,297
B.1.1.6.5 Deferred Income	41,891	0
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)	4,234,570	3,047,353
B.1.4.1 Loans payable and borrowings	4,234,570	3,047,353
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.4.5		
B.1.5 Liabilities for Current Tax	39,539	80,950
B.1.6 Deferred Tax Liabilities	44,773	44,367
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 Liabilities, specify:		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		

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	2016 (in P'000)	2015 (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)	40,799	47,724
B.5.1 Deferred Tax	0	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)	40,799	47,724
B.5.2.1 Post-employment benefit obligation	40,799	47,724
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)	7,665,361	7,102,318
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	335,890	306,461
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)	7,329,471	6,795,857
C.6.1 Attributable to owners of parent company	7,329,471	6,795,857
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)	15,596,933	13,127,605

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	2016 (in P'000)	2015 (in P'000)	
A. REVENUE / INCOME (A.1 + A.2 + A.3)	26,767,616	26,733,388	
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	26,501,585	26,467,911	
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for	55,766	70,223	
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)	210,265	195,254	
A.4.1 Interest Income	98,589	80,948	
A.4.2 Dividend Income	13,474	27,966	
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)	(19,523)	8,987	
A.4.3.1 Gain (loss) on sale of available-for-sale financial assets	(19,523)	8,987	
A.4.3.2 Gain on sale of property and equipment	0	0	
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)	117,725	77,354	
A.4.4.1 Gain / (Loss) on Foreign Exchange	0	0	
A.4.4.2 Remeasurement of gain on reclassification of AFS	0	0	
A.4.4.3 Excess 7% standard input vat over actual input vat	0	0	
A.4.4.4 Income from forfeited customer deposits	0	0	
A.4.4.5 Others	117,725	77,354	
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)	26,767,616	26,733,388	

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 und onwards.

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	2016 (in P'000)	2015 (in P'000)	
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)	25,547,239	25,274,669	
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)	25,547,239	25,274,669	
E.4.1 Cost of vehicles sold	19,647,392	19,138,169	
E.4.2 Salaries and employee benefits	1,625,215	1,564,536	
E.4.3 Bodyshop repairs and parts	1,772,943	2,155,350	
E.4.4 Professional fees	371,719	270,110	
E.4.5 Depreciation and amortization	238,359	319,227	
E.4.6 Rental	330,016	297,326	
E.4.7 Telecommunication	100,308	113,921	
E.4.8 Taxes and licenses	148,931	160,946	
E.4.9 Communication, light and water	71,437	87,680	
E.4.10 Maintenance of computer equipment	78,435	76,507	
E.4.11 Charitable contributions	0	0	
E.4.12 Transportation and travel	46,481	39,038	
E.4.13 Representation and entertainment	19,262	37,409	
E.4.14 Food and beverages	12,791	12,698	
E.4.15 Others	1,083,950	1,001,753	
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)	289,124	220,443	
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)	289,124	220,443	
F.5.1 Interest expense	117,420	114,503	
F.5.2 Bank charges	41,149	26,055	
F.5.3 Bad debts expense	111,479	6,998	
F.5.4 Foreign currency losses- net	19,077	72,887	
F.5.5			
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)	931,252	1,238,275	
H. INCOME TAX EXPENSE (negative entry)	(224,926)	(287,310)	
I. INCOME(LOSS) AFTER TAX	706,326	950,965	
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement 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	28,005	58,416	
L. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	678,321	892,549	
M. EARNINGS (LOSS) PER SHARE			
M.1 Basic	0.156	0.206	
M.2 Diluted			

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 3. Cash Flow Statements

FINANCIAL DATA	2016 (in P'000)	2015 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) Before Tax and Extraordinary Items	931,252	1,238,275
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Depreciation	238,359	319,227
Amortization, specif		
Others, specify: Dividend income	(13,474)	(27,966)
Remeasurement gain of available-for-sale financial assets	0	0
Net gain on sale of available-for-sale financial assets	19,523	(8,987)
Interest expense	117,420	114,503
Interest income	(98,589)	(80,948)
Unrealized foreign currency loss(gain)	19,077	72,887
Equity share in net losses(income) of associates	(55,766)	(70,223)
Gain on disposal of property and equipment	(1,438)	(1,930)
Bad debts expense	0	0
Impairment loss on AFS financial assets	91,158	0
Write-down of Property, Plant, and Equipment		
Changes in Assets and Liabilities:		
Decrease (Increase) in:		
Trade and other receivables	(677,316)	(104,323)
Prepayments and other current assets	(261,844)	(114,845)
Other non-current assets	(1,292)	(622)
Others, specify:		
Increase (Decrease) in:		
Inventories	193,382	(215,109)
Trade and other payables	725,461	303,634
Post-employment benefit obligation	(97)	(7,923)
Others, specify: Cash paid for income taxes	(247,129)	(289,372)
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	978,688	1,126,278
CASH FLOWS FROM INVESTING ACTIVITIES		
(Increase) Decrease in Long-Term Receivables		
(Increase) Decrease in Investment		
Reductions/(Additions) to Property, Plant, and Equipment	(786,031)	(293,372)
Others, specify: Acquisition of available-for-sale financial assets/investment in associates	(157,121)	(221,670)
Cash dividends received	13,474	27,966
Proceeds from sale of available-for-sale financial assets	20,436	24,370
Collection from associates	3,000	309
Payments to previous stockholders of H.R. Owen	0	0
Interest received	46,042	38,250
Acquisition of business	(186,493)	(161,094)
Additional advances granted to associates	(34,540)	(38,890)
Proceeds from disposal of property and equipment	1,795	1,970
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)	(1,079,438)	(622,161)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Bank loans and borrowings	200,000	0
Long-term Debt		
Issuance of Securities		
Others, specify:		
Payments of:		
(Loans and Bank Borrowings)	(100,000)	(550,000)
(Long-term Debt)		
(Stock Subscriptions)		
Others, specify (negative entry):		
Interest paid	(115,637)	(112,886)
Acquisition of treasury shares		
Dividends paid to minority interest	0	(10,292)
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	(15,637)	(673,178)
D. Effect of Exchange Rate Changes to Cash and Cash Equivalents	4,914	(3,739)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	(111,474)	(172,801)
Cash and Cash Equivalents:		
Beginning of year	1,145,906	1,318,707
Beginning balance from newly acquired subsidiary	0	0
End of year	1,034,432	1,145,906

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.

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.: 0
 COMPANY TYPE: INVESTMENT COMPANY OPERATION PSIC: 66910

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

Table 4. Statement of Changes in Equity

FINANCIAL DATA	Capital Stock	Treasury Shares	Revaluation Reserve	Other Reserves	Translation Adjustment	Retained Earnings		Non-controlling Interest	TOTAL
						Appropriated	Unappropriated		
A. Balance, 2014	953,984	(988,150)	177,927	(14,578)	160,019	4,623,263	1,247,998	284,785	6,445,248
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									0
C.4 Other Surplus (specify)									
C.4.1 Net unrealized fair value gains			(47,948)						(47,948)
C.4.2 Non-controlling interest in acquired									0
C.4.3 Change in equity share in a									0
C.4.4 Actuarial loss on remeasurement			(4,541)					(382)	(4,923)
C.4.5 Reclassification adjustments			(7,334)						(7,334)
C.4.6 Translation adjustment					(197,333)			(26,065)	(223,398)
D. Net Income (Loss) for the Period							892,549	58,416	950,965
E. Dividends (negative entry)								(10,292)	(10,292)
F. Appropriation for (specify)									
F.1 Reversal of appropriation									0
F.2 Appropriation during the year						1,430,000	(1,430,000)		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									
H. Balance, 2015	953,984	(988,150)	118,104	(14,578)	(37,314)	6,053,263	710,547	306,481	7,102,318
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									0
J.4 Other Surplus (specify)									
J.4.1 Non-controlling interest in acquired									0
J.4.2 Change in equity share in a									0
J.4.3 Actuarial gain on remeasurement			4,569					1,774	6,343
J.4.4 Net unrealized fair value losses			(163,685)						(163,685)
J.4.5 Reclassification adjustments			14,507						14,507
J.4.6 Translation adjustment					(96)			(350)	(446)
K. Net Income (Loss) for the Period							678,321	28,005	706,326
L. Dividends (negative entry)									0
M. Appropriation for (specify)									
M.1 Reversal of appropriation						(4,280,000)	4,280,000		0
M.2 Appropriation during the year									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, 2016	953,984	(988,150)	(26,506)	(14,578)	(37,410)	5,246,287	2,195,843	335,890	7,665,361

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.: #VALUE!
 COMPANY TYPE : INVESTMENT COMPANY OPERATION PSIC: 66910

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	2016 (in P'000)	2015 (in P'000)	
A. REVENUE / INCOME (A.1 + A.2)	26,711,850	26,663,165	
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity) (A.1.1 + A.1.2)	26,501,585	26,467,911	
A.1.1 Domestic	24,774,872	24,713,675	
A.1.2 Foreign	1,726,714	1,754,236	
A.2 Other Revenue (A.2.1 + A.2.2)	210,265	195,254	
A.2.1 Domestic	229,788	186,267	
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)	(19,523)	8,987	
A.2.2.1 Gain on sale of available-for-sale financial assets - BPI	(19,523)	8,987	
A.2.2.2 Remeasurement of gain on reclassification of AFS - BPI	0	0	
A.2.2.3 Interest Income - HRO	0	0	
A.2.2.4 Other Income - HRO	0	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)	25,836,364	25,495,113	
B.1 Domestic	25,836,364	25,495,113	
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)	0	0	
B.2.1 Finance Cost - HRO			
B.2.2 Operating Expenses - New Subsidiary - HRO			
B.2.3 Expenses incurred in relation to HRO offer - BPI			
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	



**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, 2016 & 2015** 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

Handwritten signature of Tan Sri Dato Seri Dr Ibrahim Saad in blue ink.

Tan Sri Dato Seri Dr Ibrahim Saad

President

Handwritten signature of Tan Sri Dato Seri Dr Ibrahim Saad in blue ink.

Tan Sri Dato Seri Dr Ibrahim Saad

Treasurer

Handwritten signature of Tan Eng Hwa in blue ink.

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 01 2016 2016,
by the following who exhibited to me their government issued identification cards during
business hours.

Name	Tax Identification No.
Tan Sri Dato Seri Dr Ibrahim Saad	313-386-574
Tan Eng Hwa	204-172-228

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ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2016
IBP No. 656155-Lifetime Member
MCLE Compliance No. V-0006934
Appointment No. M-38-(2015-2016)
PTR No. 5323504 Jan. 4, 2016
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City



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Consolidated Financial Statements and
Independent Auditors' Report

Berjaya Philippines Inc. and Subsidiaries

April 30, 2016, 2015 and 2014

Report of Independent Auditors

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, 2016 and 2015, 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, 2016, 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, 2016 and 2015, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended April 30, 2016 in accordance with Philippine Financial Reporting Standards.

PUNONGBAYAN & ARAULLO



By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741

TIN 109-228-427

PTR No. 5321729, January 4, 2016, Makati City

SEC Group A Accreditation

Partner - No. 0395-AR-3 (until May 19, 2019)

Firm - No. 0002-FR-4 (until Apr. 30, 2018)

BIR AN 08-002511-19-2015 (until Mar. 18, 2018)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

July 22, 2016

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
APRIL 30, 2016 AND 2015
(Amounts in Philippine Pesos)

	Notes	2016	2015
<u>A S S E T S</u>			
CURRENT ASSETS			
Cash and cash equivalents	7	P 1,034,432,119	P 1,145,905,764
Trade and other receivables - net	8	2,974,579,331	2,170,154,611
Inventories - net	9	5,279,148,130	4,373,028,498
Advances to associates	13, 22	170,306,627	63,406,627
Prepayments and other current assets - net	10	836,832,157	634,377,579
Total Current Assets		10,295,298,364	8,386,873,079
NON-CURRENT ASSETS			
Available-for-sale financial assets	11	869,409,393	1,130,764,251
Property and equipment - net	12	2,001,760,694	1,432,357,880
Investments in associates	13	466,714,517	216,768,762
Intangible assets	14	1,914,800,247	1,814,957,799
Deferred tax assets	24	44,597,174	11,463,154
Advances to an associate	13, 22	-	131,360,000
Other non-current assets	15	4,352,318	3,060,529
Total Non-current Assets		5,301,634,343	4,740,732,375
TOTAL ASSETS		P 15,596,932,707	P 13,127,605,454
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	17	P 3,571,890,388	P 2,804,894,249
Loans payable and borrowings	18	4,234,569,558	3,047,352,561
Income tax payable		39,539,396	80,949,979
Total Current Liabilities		7,845,999,342	5,933,196,789
NON-CURRENT LIABILITIES			
Deferred tax liabilities	24	44,773,406	44,367,114
Post-employment benefit obligation	20	40,798,826	47,723,880
Total Non-current Liabilities		85,572,232	92,090,994
Total Liabilities		7,931,571,574	6,025,287,783
EQUITY			
Attributable to owners of the Parent Company	23	7,329,471,059	6,795,856,694
Attributable to non-controlling interest		335,890,074	306,460,977
Total Equity		7,665,361,133	7,102,317,671
TOTAL LIABILITIES AND EQUITY		P 15,596,932,707	P 13,127,605,454

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, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2016	2015	2014
REVENUES				
Sale of vehicles	2	P 24,774,871,911	P 24,713,674,808	P 10,625,966,825
Rental	2, 6	1,580,259,448	1,610,723,022	1,721,851,230
Hotel operations	2	146,454,055	143,512,739	139,564,115
		<u>26,501,585,414</u>	<u>26,467,910,569</u>	<u>12,487,382,170</u>
COSTS AND OPERATING EXPENSES				
Cost of vehicles sold	2	19,647,391,744	19,138,168,994	8,311,729,837
Bodyshop repairs and parts	2	1,772,942,701	2,155,350,270	767,242,897
Salaries and employee benefits	20	1,625,215,210	1,564,535,663	809,576,175
Depreciation and amortization	12	238,359,344	319,227,075	266,793,322
Rental	22, 28	330,015,723	297,326,465	147,028,531
Professional fees	22	371,719,301	270,109,997	332,508,113
Taxes and licenses		148,931,177	160,945,755	87,478,485
Telecommunication		100,308,008	113,921,014	119,491,314
Communication, light and water		71,436,528	87,679,850	59,155,333
Maintenance of computer equipment	22	78,435,458	76,506,736	53,412,883
Transportation and travel		46,480,923	39,037,938	24,307,970
Representation and entertainment		19,262,134	37,408,543	21,173,262
Food and beverages		12,790,863	12,697,607	13,266,772
Charitable contributions		-	-	31,780,000
Others	19	1,083,950,209	1,001,753,317	463,497,099
		<u>25,547,239,323</u>	<u>25,274,669,224</u>	<u>11,508,441,993</u>
OPERATING PROFIT		<u>954,346,091</u>	<u>1,193,241,345</u>	<u>978,940,177</u>
OTHER INCOME (CHARGES)				
Finance costs and other charges	21	(289,124,450)	(220,443,380)	(122,717,563)
Finance income	11, 21	112,062,855	108,913,217	192,745,242
Equity share in net income of associates	13	55,765,755	70,222,574	13,004,692
Net gain (loss) on sale of available-for-sale financial assets	11	(19,523,036)	8,987,180	118,295,452
Remeasurement gain on reclassification of available-for-sale financial assets to investment in subsidiary	23	-	-	180,705,716
Others	19	117,725,227	77,354,082	102,428,111
		<u>(23,093,649)</u>	<u>45,033,673</u>	<u>484,461,650</u>
PROFIT BEFORE TAX		<u>931,252,442</u>	<u>1,238,275,018</u>	<u>1,463,401,827</u>
TAX EXPENSE	24	<u>224,926,333</u>	<u>287,309,995</u>	<u>332,801,574</u>
NET PROFIT		<u>706,326,109</u>	<u>950,965,023</u>	<u>1,130,600,253</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on remeasurement of post-employment benefit obligation - net of tax	20	6,342,575	(4,923,159)	(3,280,018)
Items that will be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	11, 23, 27	(163,685,750)	(47,947,559)	366,574,662
Reclassification adjustments to profit or loss	11, 23	14,506,997	(7,334,201)	(242,275,508)
Translation adjustment	2	(446,469)	(223,397,842)	199,903,079
		<u>(149,625,222)</u>	<u>(278,679,602)</u>	<u>324,202,233</u>
TOTAL COMPREHENSIVE INCOME		<u>P 563,043,462</u>	<u>P 667,362,262</u>	<u>P 1,451,522,468</u>
<i>Balance carried forward</i>		<u>P 563,043,462</u>	<u>P 667,362,262</u>	<u>P 1,451,522,468</u>

	Notes	2016	2015	2014
<i>Balance brought forward</i>		P 563,043,462	P 667,362,262	P 1,451,522,468
Net profit attributable to:				
Owners of the Parent Company		P 678,320,666	P 892,549,186	P 1,094,023,187
Non-controlling interest	13	28,005,443	58,415,837	36,577,066
		P 706,326,109	P 950,965,023	P 1,130,600,253
Total comprehensive income attributable to:				
Owners of the Parent Company		P 533,614,365	P 635,393,605	P 1,396,625,079
Non-controlling interest		29,429,097	31,968,657	54,897,389
		P 563,043,462	P 667,362,262	P 1,451,522,468
Earnings Per Share	25	P 0.16	P 0.21	P 0.25

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
 CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE YEARS ENDED APRIL 30, 2016, 2015 AND 2014
 (Amounts in Philippine Pesos)

Attributable to Owners of the Parent Company													
Notes		Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings		Total	Total	Non-controlling Interest	Total	
							Appropriated	Unappropriated					
	Balance at May 1, 2015	23	P 953,984,448	(P 988,150,025)	P 118,103,909	(P 14,577,611)	(P 37,314,019)	P 6,053,262,552	P 710,547,440	P 6,763,809,992	P 6,795,856,694	P 306,460,977	7,102,317,671
	Net profit for the year		-	-	-	-	-	678,320,666	678,320,666	678,320,666	28,005,443	-	706,326,109
	Reversal of prior year appropriation	23	-	-	-	-	(4,280,000,000)	4,280,000,000	-	-	-	-	-
	Appropriated for stock dividends distributable	23	-	-	-	-	3,473,024,684	(3,473,024,684)	-	-	-	-	-
	Actuarial gain on remeasurement of post-employment benefit obligation - net of tax	20, 23	-	-	4,568,609	-	-	-	-	-	4,568,609	1,773,966	6,342,575
	Net unrealized fair value losses on available-for-sale financial assets	11, 23	-	-	(163,685,750)	-	-	-	-	(163,685,750)	-	(163,685,750)	-
	Reclassification adjustments to profit or loss	11, 23	-	-	14,506,997	-	-	-	-	14,506,997	-	-	14,506,997
	Translation adjustment		-	-	-	-	(96,157)	-	-	-	(96,157)	(350,312)	(446,469)
	Total equity at April 30, 2016	23	P 953,984,448	(P 988,150,025)	(P 26,506,235)	(P 14,577,611)	(P 37,410,176)	P 5,246,287,236	P 2,195,843,422	P 7,442,130,658	P 7,329,471,059	P 335,890,074	P 7,665,361,133
	Balance at May 1, 2014	23	P 953,984,448	(P 988,150,025)	P 177,926,734	(P 14,577,611)	P 160,018,737	P 4,623,262,552	P 1,247,998,254	P 5,871,260,806	P 6,160,463,089	P 284,784,692	P 6,445,247,781
	Net profit for the year		-	-	-	-	-	892,549,186	892,549,186	892,549,186	58,415,837	-	950,965,023
	Appropriation during the year	23	-	-	-	-	-	1,430,000,000	(1,430,000,000)	-	-	-	-
	Actuarial loss on remeasurement of post-employment benefit obligation - net of tax	20, 23	-	-	(4,541,065)	-	-	-	-	(4,541,065)	(382,094)	(4,923,159)	-
	Net unrealized fair value losses on available-for-sale financial assets	11, 23	-	-	(47,947,559)	-	-	-	-	(47,947,559)	-	(47,947,559)	-
	Reclassification adjustments to profit or loss	11, 23	-	-	(7,334,201)	-	-	-	-	(7,334,201)	-	(7,334,201)	-
	Dividends from investee paid to holders of minority interest		-	-	-	-	-	-	-	-	(10,292,372)	(10,292,372)	-
	Translation adjustment		-	-	-	-	(197,332,756)	-	-	-	(197,332,756)	(26,065,086)	(223,397,842)
	Total equity at April 30, 2015	23	P 953,984,448	(P 988,150,025)	P 118,103,909	(P 14,577,611)	(P 37,314,019)	P 6,053,262,552	P 710,547,440	P 6,763,809,992	P 6,795,856,694	P 306,460,977	P 7,102,317,671
	Balance at May 1, 2013		P 953,984,448	(P 988,150,025)	P 53,440,953	p -	p -	P 3,433,262,552	P 1,345,954,845	P 4,779,217,397	P 4,798,492,773	p -	P 4,798,492,773
	Non-controlling interest in acquired subsidiary		-	-	-	-	-	-	-	-	215,309,692	-	215,309,692
	Change in equity share in a subsidiary		-	-	-	(14,577,611)	-	-	-	(14,577,611)	14,577,611	-	-
	Reversal of prior year appropriation	23	-	-	-	-	(1,410,000,000)	1,410,000,000	-	-	-	-	-
	Appropriation during the year	23	-	-	-	-	-	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 gain (loss) on remeasurement of post-employment benefit obligation - net of tax	20, 23	-	-	186,627	-	-	-	-	-	186,627	(3,466,645)	(3,280,018)
	Net unrealized fair value gains on available-for-sale financial assets	11, 23	-	-	366,574,662	-	-	-	-	366,574,662	-	-	366,574,662
	Reclassification adjustments to profit or loss	11, 23	-	-	(242,275,508)	-	-	-	-	(242,275,508)	-	(242,275,508)	-
	Translation adjustment		-	-	-	-	160,018,737	-	(1,979,778)	(1,979,778)	158,038,959	21,786,068	179,825,927
	Total equity at April 30, 2014		P 953,984,448	(P 988,150,025)	P 177,926,734	(P 14,577,611)	P 160,018,737	P 4,623,262,552	P 1,247,998,254	P 5,871,260,806	P 6,160,463,089	P 284,784,692	P 6,445,247,781

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, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

	Notes	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 931,252,442	P 1,238,275,018	P 1,463,401,827
Adjustments for:				
Depreciation and amortization	12	238,359,344	319,227,075	266,793,322
Interest expense	21	117,419,526	114,503,425	85,675,573
Impairment loss on AFS financial assets	21	91,158,267	-	-
Interest income	21	(98,589,178)	(80,947,593)	(25,885,120)
Equity share in net income of associates	13	(55,765,755)	(70,222,574)	(13,004,692)
Net gain on sale of available-for-sale financial assets	11	19,523,036	(8,987,180)	(118,295,452)
Unrealized foreign currency loss (gain) - net	21	19,077,234	72,887,108	(91,822,863)
Dividend income	11, 21	(13,473,677)	(27,965,624)	(75,037,259)
Gain on disposal of property and equipment	12, 19	(1,438,383)	(1,930,481)	(7,089,112)
Remeasurement gain of available-for-sale financial assets	23	-	-	(180,705,716)
Operating income before working capital changes		1,247,522,856	1,554,839,174	1,304,030,508
Increase in trade and other receivables		(677,316,226)	(104,323,390)	(231,614,068)
Decrease (increase) in inventories		193,381,641	(215,108,910)	(39,463,416)
Increase in prepayments and other current assets		(261,843,848)	(114,845,021)	(425,843,977)
Decrease (increase) in other non-current assets		(1,291,789)	(622,427)	227,694
Increase in trade and other payables		725,460,956	303,633,650	225,458,579
Increase (decrease) in post-employment benefit obligation		(97,405)	(7,923,085)	10,219,887
Cash generated from operations		1,225,816,185	1,415,649,991	843,015,207
Cash paid for income taxes		(247,128,579)	(289,372,463)	(240,857,107)
Net Cash From Operating Activities		978,687,606	1,126,277,528	602,158,100
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	12	(786,030,748)	(293,371,963)	(59,526,209)
Acquisition of subsidiary and business unit	14	(186,492,817)	(161,093,916)	-
Acquisition of investment in associates	13	(138,180,000)	-	-
Interest received		46,041,842	38,250,016	25,885,120
Additional advances granted to associates	22	(34,540,000)	(38,890,000)	(14,817,903)
Proceeds from sale of available-for-sale financial assets	11	20,435,557	24,369,739	243,556,184
Acquisition of available-for-sale financial assets	11	(18,940,755)	(221,669,861)	(2,220,587,190)
Dividends received	11	13,473,677	27,965,624	75,037,259
Collections of advances to associates	22	3,000,000	308,670	995,737
Proceeds from disposal of property and equipment		1,794,990	1,970,451	8,024,182
Payments to previous stockholders of H.R. Owen		-	-	(2,386,994)
Net Cash Used in Investing Activities		(1,079,438,254)	(622,161,240)	(1,943,819,814)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	18	200,000,000	-	1,000,000,000
Interest paid		(115,636,846)	(112,885,783)	(84,322,634)
Repayment of bank loans and borrowings		(100,000,000)	(550,000,000)	(450,000,000)
Dividends paid to minority interest		-	(10,292,372)	-
Net Cash From (Used in) Financing Activities		(15,636,846)	(673,178,155)	465,677,366
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS				
		4,913,849	(3,739,491)	10,140,553
NET DECREASE IN CASH AND CASH EQUIVALENTS				
		(111,473,645)	(172,801,358)	(865,843,795)
<i>Balance carried forward</i>		(P 111,473,645)	(P 172,801,358)	(P 865,843,795)

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Balance brought forward</i>	(P 111,473,645)	(P 172,801,358)	(P 865,843,795)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,145,905,764	1,318,707,122	1,409,737,406
BEGINNING BALANCE OF CASH AND CASH EQUIVALENTS OF NEWLY ACQUIRED SUBSIDIARY	<u>-</u>	<u>-</u>	<u>774,813,511</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>P 1,034,432,119</u>	<u>P 1,145,905,764</u>	<u>P 1,318,707,122</u>

Supplemental Information on Non-cash Financing and Investing Activities:

1. In 2016, the Parent Company reclassified P56,000,000 advances into an investment in an associate (see Note 22).
2. On October 5, 2015, the Parent Company's Board of Directors approved the declaration of stock dividends at a rate of 4 common shares for every common share held (see Note 23).
3. In 2015, the Group purchased available-for-sale financial assets on account. The Group also reclassified P7.6 million advances for stock subscription to investment in an associate (see Note 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, 2016, 2015 AND 2014
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

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

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

The Parent Company is 74.20% owned by Berjaya Lottery Management (HK) Limited of Hong Kong (BLML) as at April 30, 2016. The Parent Company's ultimate parent company is Berjaya Corporation Berhad of Malaysia, a publicly listed company in the Main Market of Bursa Malaysia Securities Berhad.

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

1.2 Subsidiaries and Associates

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

Subsidiaries/Associates	Short Name	Explanatory Notes	Effective % of Ownership	
			2016	2015
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%	72.03%
Broughtons of Cheltenham Limited		(d)	72.03%	72.03%
H.R. Owen Dealership Limited		(d)	72.03%	72.03%
Jack Barclay Limited		(d)	72.03%	72.03%
Holland Park Limited	Holland Park	(d)	72.03%	72.03%
Bodytechnics Limited	Bodytechnics	(d)	72.03%	-

Subsidiaries/Associates	Short Name	Explanatory Notes	Effective % of Ownership	
			2016	2015
Associates:				
Perdana Land Philippines Inc.	PLPI	(e)	40.00%	40.00%
Cosway Philippines Inc.	CPI	(f)	40.00%	40.00%
Berjaya Pizza Philippines Inc.	BPPI	(g)	41.40%	30.00%
Berjaya Auto Philippines Inc.	BAPI	(h)	35.00%	30.00%
Ssangyong Berjaya Motor Philippines, Inc.	SBMPI	(i)	20.00%	-

(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 as discussed under (d).

(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 and Bodytechnics, are engaged in luxury motor vehicle retail and provision of aftersales services, whereas, Holland Park and Bodytechnics provides aftersales services.

On December 4, 2015, H.R. Owen acquired 100% ownership over Bodytechnics in order to enhance its aftersales operations. The acquisitions resulted to recognition of goodwill (see Note 14).

(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) CPI was incorporated in the Philippines on September 28, 2012 to engage primarily in the wholesale of various products. As at April 30, 2016, CPI has not yet started its commercial operations.

(g) 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. In 2016, BPI reclassified advances to BPPI to Investments in Associate account resulting to an increase in ownership over BPPI to 41.40%.

- (b) BAPI was incorporated on August 10, 2012 and started commercial operations on January 1, 2013. BAPI is primarily engaged 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. In fiscal year 2016, BPI purchased 5% holdings from an existing stockholder of BAPI resulting to BPI's increase in ownership over BAPI to 35%.
- (i) SBMPI was incorporated on July 3, 2015 and started commercial operations on April 1, 2016. SBMPI is licensed by the SEC to engage in the business of purchasing, acquiring, owning, selling, transferring encumbering and generally dealing in all types of new automobiles, trucks and other motor vehicles and all types of supplies used by all types of motor vehicles. In fiscal year 2016, BPI subscribed 22,500,000 shares of SBMPI at P1 par value per share.

The Parent Company and its subsidiaries (the Group), including its 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 were incorporated and has principal place of business in London, England.

1.3 Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the year ended April 30, 2016 (including the comparative financial statements as at and for the year ended April 30, 2015 and 2014) were authorized for issue by the BOD on July 22, 2016.

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 (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy (BOA).

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.

(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 2.18). Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS

(a) *Effective in Fiscal Year 2016 that are Relevant to the Group*

The Group adopted for the first time the following amendment and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after July 1, 2014, for its annual reporting period beginning May 1, 2015:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plans – Employee Contributions
Annual Improvements	:	Annual Improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle)

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

- (i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions*. The amendment clarifies that if the amount of the contributions to defined benefit plans 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. The amendment did not have an impact on the Group's consolidated financial statements since the Group's defined benefit plan does not require employees or third parties to contribute to the benefit plan.

- (ii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Group but had no impact on the Group's consolidated financial statements as these amendments merely clarify the existing requirements:

Annual Improvements to PFRS (2010-2012 Cycle)

- PFRS 3 (Amendment), *Business Combination*. This amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity in accordance with PAS 32, *Financial Instruments – Presentation*. It also clarifies that all non-equity contingent consideration should be measured at fair value at the end of each reporting period, with changes in fair value recognized in profit or loss.
- PFRS 8 (Amendment), *Operating Segments*. This amendment requires disclosure of the judgments made by the management in applying the aggregation criteria to operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segments assets to the entity's assets if that amount is regularly provided to the chief operating decision maker. This amendment did not have an impact on the Group's consolidated financial statements as the Group do not present aggregated segment information.
- 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 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 not the amounts of compensation paid or payable by the management entity to its employees or directors.

Annual Improvements to PFRS (2011-2013 Cycle)

- PFRS 3 (Amendment), *Business Combinations*. It clarifies that PFRS 3 does not apply to the accounting for the formation of any joint arrangement under PFRS 11, *Joint Arrangement*, in the 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, *Financial Instruments: Recognition and Measurement*, or PFRS 9, *Financial Instruments*, 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 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 in accordance with PAS 40 or a business combination in accordance with PFRS 3.

(b) *Effective in Fiscal Year 2016 that are not Relevant to the Group*

The amendment to PFRS 2, *Share-based Payment – Definition of Vesting Condition*, which is mandatory for accounting periods beginning on or after July 1, 2014 is not relevant to the Group's consolidated financial statements.

(c) *Effective Subsequent to Fiscal Year 2016 but not Adopted Early*

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2016 of the Group which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have an impact on the Group's consolidated financial statements:

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

- (ii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendment to PAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.
- (iii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 41 (Amendment), *Agriculture – Bearer Plants* (effective from January 1, 2016). The amendment defines a bearer plant as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. On this basis, bearer plant is now included within the scope of PAS 16 rather than PAS 41, allowing such assets to be accounted for as property, plant and equipment and to be measured after initial recognition at cost or revaluation basis in accordance with PAS 16. The amendment further clarifies that produce growing on bearer plants remains within the scope of PAS 41.
- (iv) PAS 27 (Amendment), *Separate Financial Statements – Equity Method in Separate Financial Statements* (effective from January 1, 2016). This amendment introduces a third option which permits an entity to account for its investments in subsidiaries, joint ventures and associates under the equity method in its separate financial statements in addition to the current options of accounting those investments at cost or in accordance with PAS 39 or PFRS 9. As at the end of the reporting period, the Parent Company has no plan to change the accounting policy for its investments in its subsidiaries and associates.
- (v) PFRS 10 (Amendment), *Consolidated Financial Statements*, PFRS 12, *Disclosure of Interests in Other Entities*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Investment Entities – Applying the Consolidation Exception* (effective from January 1, 2016). This amendment addresses the concerns that have arisen in the context of applying the consolidation exception for investment entities. It clarifies which subsidiaries of an investment entity are consolidated in accordance with paragraph 32 of PFRS 10 and clarifies whether the exemption to present consolidated financial statements, set out in paragraph 4 of PFRS 10, is available to a parent entity that is a subsidiary of an investment entity. This amendment also permits a non-investment entity investor, when applying the equity method of accounting for an associate or joint venture that is an investment entity, to retain the fair value measurement applied by that investment entity associate or joint venture to its interests in subsidiaries.

- (vi) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:
- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;
 - an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,
 - a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

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

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

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

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Management is currently assessing the impact of PFRS 9 (2014) on the consolidated financial statements of the Group and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

- (vii) PFRS 10 (Amendment), *Consolidated Financial Statements*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendment to PFRS 10 requires full recognition in the investor’s financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor’s interests in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendment has been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction. In December 2015, the IASB deferred the mandatory effective date for the amendment (i.e., January 1, 2016) indefinitely.
- (viii) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Group but management does not expect these to have an impact on the Group’s consolidated financial statements:
- PFRS 7 (Amendment), *Financial Instruments – Disclosures*. The amendment provides additional guidance to help entities identify the circumstances under which a contract to “service” financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.
 - PAS 19 (Amendment), *Employee Benefits*. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

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 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.

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 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 Parent Company reassesses 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 to the former owners of the acquiree 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. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

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 Note 2.11). 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 as 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 of accounting. The purchase method involves recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the Parent Company's share of the identifiable net assets over the acquire 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 Group'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 comprehensive income.

Impairment loss is provided when there is objective evidence that the investment in an associate will not be recovered (see Note 2.17).

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, 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 transactions with noncontrolling interests that do not result to loss of control are accounted for as equity transaction – that is, as transaction with the owners of the Group with their capacity as owners. The 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 Group 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 Group 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.

The Parent Company holds interest in various subsidiaries and in an associate as presented in Note 1.2 and 13, respectively.

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 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 each 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 account 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.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the profit or loss.

(b) *AFS Financial Assets*

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 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 and are reported as part of Revaluation Reserve account in equity, except for interest and dividend income which are recognized in profit or loss.

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 even though the financial asset has not been derecognized.

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 and Other Charges 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. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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 Payable 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 spare parts inventory is the current replacement cost while the net realizable value of vehicles is fair value less estimated cost to sell.

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, except for land which is not subject to depreciation, is computed using the straight-line basis over the estimated useful lives of the assets as follows:

Building	50 years
Workshop equipment	5-10 years
Office furniture, fixtures and equipment	5-10 years
Communication equipment	8 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. The account is not depreciated 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 2.17).

The residual values, estimated useful lives and method of depreciation and amortization 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 Intangible Assets

Intangible assets include goodwill, dealership rights and customer relationships which are accounted for under the cost model. The costs of dealership rights and customer relationship were determined using a valuation approach based on estimated economic benefits of these assets over multiple time periods.

Goodwill and dealership rights have indefinite useful lives; hence, these are not amortized, but are reviewed for impairment at least annually (see Notes 2.11 and 2.17). Customer relationship is amortized over the estimated useful life of 10 years.

When these assets are retired or otherwise disposed of, the cost and the related accumulated impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged against current operations.

2.9 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.

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 paid or payable is recognized in profit or loss.

2.10 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. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.11 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 2.17).

Negative goodwill which is 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 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 the new information obtained about facts and circumstances that existed as at the acquisition date and, if known, would have affected the measurement of the amounts recognized as at 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 at the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as at that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

2.12 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.

2.13 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.

2.14 Equity

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

Treasury shares are shares reacquired by the Parent Company and are stated at the cost of reacquiring such shares. These are deducted from equity until the shares are cancelled, reissued or disposed of.

Revaluation reserves represent 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 represent the gain or loss on change in equity share in a subsidiary.

Translation adjustments represent 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, the appropriated portion of which is not available for dividend declaration, 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.

2.15 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).

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) *Sale 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, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.21).

2.16 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*

Lease which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating lease. Lease income from operating lease is recognized in profit or loss is 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 Equipment Lease Agreement (ELA) with PCSO.

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.

2.17 Impairment of Non-financial Assets

The Group's inventories, property and equipment, investments in associates, intangible assets, and other non-financial assets are subject to impairment testing. Goodwill and dealership rights are 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.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

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.

2.18 Foreign Currency Transactions and Translation

(a) Transactions and Balances

Except for H.R. Owen which uses the British Pounds (GBP) as its functional currency, the accounting records of the Group 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 comprehensive income.

(b) Translation of Financial Statements of Foreign Subsidiaries

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

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- (ii) Income and expenses for each profit or loss account are translated at the monthly 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 in other comprehensive income.

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 arising on the acquisition of a foreign entity is treated as asset of the foreign entity and translated at 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.

2.19 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; (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 plans.

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

2.20 Employee Benefits

The Group provides post-employment benefits to employees through defined benefit plans, as well as various defined benefit contribution plans, and other employee benefits which are recognized as follows:

(a) Post-employment Defined Benefit Plan

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. PGMC's pension plan is tax-qualified, noncontributory and administered by a trustee while H.R. Owen's pension plan operates on a pre-funded basis and is also administered by a trustee. PHPI, on the other hand, has an unfunded, non-contributory post-employment plan.

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 and 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 and Other Charges or Finance Income account in the consolidated statement of comprehensive income. Past-service costs are recognized immediately in profit or loss in the period of a plan amendment.

(b) Post-employment Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) 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.

2.21 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.

2.22 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.

2.23 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).

2.24 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 preparation of the Group's consolidated financial statements in accordance with PFRS requires 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 has recognized impairment loss on certain AFS financial assets in 2016 as disclosed in Note 11. 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. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(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 2.13 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 reporting period.

(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 methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual 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 and Intangible Assets

The Group estimates the useful lives of property and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment and intangible assets 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.

Based on management's assessment as at April 30, 2016 and 2015, there is no change in estimated useful lives of property and equipment and customer relationships during those years (see Notes 12 and 14).

On the other hand, management assessed that the acquired dealership rights resulting from the acquisition of H.R. Owen have indefinite useful lives as management has the intention and capacity to renew the dealership agreements with manufacturers indefinitely and that the Group will benefit from the use of such dealership rights over the foreseeable future. Further, these agreements were in effect for a long period (i.e., 70 to 80 years ago for Bentley dealership agreements and prior to 1990 for Ferrari and Lamborghini dealership agreements) and that there has been no compelling challenge to maintain the agreements historically.

The carrying amounts of property and equipment and intangible assets are analyzed in Notes 12 and 14, respectively.

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 values of AFS financial assets and the amounts of fair value changes recognized on those assets are 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 reporting period.

The amount of allowance for inventory writedown made by management are based on, among others, age and status of inventories and the Group's past experience. The net realizable value of inventories and analysis of allowance for inventory writedown are presented 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.

(f) *Impairment of Goodwill*

The Group follows the guidance of PAS 36 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.

Management assessed that the deferred tax assets recognized as at April 30, 2016 and 2015 will be fully utilized in the coming years. The carrying amount of deferred tax assets as at those dates is disclosed in Note 24.

(h) Estimating Impairment of Non-financial Assets Other than Goodwill

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 2.17). 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 2016 and 2015 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. A significant change in any of these actuarial assumptions generally affect the recognized expense, other comprehensive income or losses and the carrying amount of post-employment defined benefit obligation.

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 financial 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 below and in the succeeding pages.

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 at April 30, 2016 and 2015, the Group is exposed to changes in market interest rates through short-term placements included as part of Cash and Cash Equivalents account and stocking loans of H.R. Owen presented as Loans Payable and Borrowings, which are subject to variable interest rates, in the consolidated statements of financial position (see Notes 7 and 18).

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

(b) Foreign Currency Risk

Except for H.R. Owen whose functional currency is GBP, most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's overseas purchases, which is primarily denominated in United States Dollars (USD). The Group also holds USD, GBP, Malaysian Ringgit (MYR) and European Union Euro (EUR) denominated cash and cash equivalents and receivables. Further, the Group has AFS financial assets denominated in MYR and GBP. There were no foreign currency denominated financial liabilities as at April 30, 2016 and 2015.

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

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

	<u>2016</u>	<u>2015</u>
Php - USD	P 15,693,359	P 5,138,849
Php - MYR	24,205,757	12,523,419
Php - GBP	1,107,442,737	583,675,723
Php - EUR	46,907,889	-

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine peso against USD, MYR, GBP and EUR exchange rates. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 95.00% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period with effect estimated from the beginning of the year.

	<u>2016</u>			<u>2015</u>		
	<u>Reasonably possible change in rate</u>	<u>Effect in profit before tax</u>	<u>Effect in equity after tax</u>	<u>Reasonably possible change in rate</u>	<u>Effect in profit before tax</u>	<u>Effect in equity after tax</u>
PhP - USD	7.83%	P 1,228,790	P 860,153	7.09%	P 364,344	P 255,041
PhP - MYR	20.88%	5,054,162	3,537,913	13.38%	1,675,633	1,172,943
PhP - GBP	18.63%	206,316,582	144,421,607	16.55%	96,598,332	67,618,833
PhP - EUR	23.15%	10,859,176	7,601,423	-	-	-
		<u>P 223,458,710</u>	<u>P 156,421,096</u>		<u>P 98,638,309</u>	<u>P 69,046,817</u>

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

(c) Other Price Risk

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

The sensitivity of equity with regard to the volatility of the Group's AFS financial assets assumes a +/-17.54% and a +/-18.58% volatility in the market value of the investment for the years ended April 30, 2016 and 2015, respectively. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in 2016 and 2015. Based on the observed volatility rate, the estimated impact to other comprehensive income amounted to P142,646,856 and P184,975,401 for the fiscal years ended April 30, 2016 and 2015, 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.

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Cash and cash equivalents	7	P 1,034,432,119	P 1,145,905,764
Trade and other receivables – net	8	2,964,012,762	2,054,851,028
Advances to associates	13	170,306,627	194,766,627
Other non-current assets	15	<u>4,352,318</u>	<u>3,060,529</u>
		<u>P 4,173,103,826</u>	<u>P 3,398,583,948</u>

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

(a) Cash and Cash Equivalents

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

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

The Group's trade receivables as at April 30, 2016 and 2015 are due mainly from customers of H.R. Owen and from PCSO. The Group maintains policies that require appropriate credit checks to be completed on potential customers prior to delivery of goods and services. On-going credit checks are periodically performed on the Group's existing customers to ensure that the credit limits remain at appropriate levels.

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

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

H.R. Owen's trade receivables that are past due but not impaired as at April 30 are as follows:

	<u>2016</u>	<u>2015</u>
Not more than 30 days	P 2,050,341	P 951,342
31 to 90 days	<u>272,354</u>	<u>-</u>
	<u>P 2,322,695</u>	<u>P 951,342</u>

(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 at April 30, 2016, the Group had undrawn floating rate borrowing facilities of P79,704,683 represented by used and demonstrator vehicle stocking loans, all of which would be repayable on demand. Further, as at April 30, 2016, the Parent Company has undrawn loan facility of P500,000,000 from a local commercial bank.

As at April 30, 2016 and 2015, 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 and services for purposes of management assessment of each unit. In identifying its operating segments, the management generally follows the Group's four service lines. The Group is engaged in the business of Leasing, Services, Holdings and Investments and Motor Vehicle Dealership. Presented below is the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

- (a) The Leasing segment pertains to the lease of on-line lottery equipment, maintenance and repair services, and telecommunication and integration services rendered by the Group to PCSO.
- (b) The Services segment pertains to the hotel operations of PHPI.
- (c) Holdings and Investments segment relates to gains (losses) on disposal of investments and share in net gains (losses) of associates.
- (d) The Motor Vehicle Dealership segment pertains to the luxury motor vehicle retailers and provision of aftersales services of H.R. Owen.

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 tables in the succeeding pages present revenue and profit information regarding business segments for the years ended April 30, 2016, 2015 and 2014, and certain assets and liabilities information regarding industry segments as at April 30, 2016 and 2015.

2016						
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 1,638,353,797	P 151,136,550	P 162,560,235	P24,835,088,669	P -	P 26,787,139,251
Inter-segment	-	-	680,000,000	-	(680,000,000)	-
Total revenues	<u>P 1,638,353,797</u>	<u>P 151,136,550</u>	<u>P 842,560,235</u>	<u>P24,835,088,669</u>	<u>(P 680,000,000)</u>	<u>P 26,787,139,251</u>
Expenses:						
External	P 781,841,990	P 147,280,989	P 205,727,147	P24,721,036,683	P -	P 25,855,886,809
Inter-segment	-	-	-	-	-	-
Total expenses	<u>P 781,841,990</u>	<u>P 147,280,989</u>	<u>P 205,727,147</u>	<u>P 24,721,036,683</u>	<u>P -</u>	<u>P25,855,886,809</u>
Profit before tax	<u>P 856,511,807</u>	<u>P 3,855,561</u>	<u>P 636,833,088</u>	<u>P 114,051,986</u>	<u>(P 680,000,000)</u>	<u>P 931,252,442</u>
Net Profit	<u>P 613,846,986</u>	<u>P 2,758,074</u>	<u>P 669,594,332</u>	<u>P 100,126,717</u>	<u>(P 680,000,000)</u>	<u>P 706,326,109</u>
Segment assets	<u>P 564,967,154</u>	<u>P 769,750,002</u>	<u>P 6,975,061,212</u>	<u>P 9,060,906,438</u>	<u>(P 1,773,752,099)</u>	<u>P15,596,932,707</u>
Segment liabilities	<u>P 306,293,471</u>	<u>P 764,923,829</u>	<u>P 114,374,617</u>	<u>P 7,645,126,716</u>	<u>(P 899,147,059)</u>	<u>P 7,931,571,574</u>
Other segment items:						
Capital expenditures	<u>P 12,509,631</u>	<u>P 1,322,305</u>	<u>P -</u>	<u>P 772,198,812</u>	<u>P -</u>	<u>P 786,030,748</u>
Depreciation and amortization	<u>P 43,016,075</u>	<u>P 30,449,519</u>	<u>P 2,501,204</u>	<u>P 162,392,546</u>	<u>P -</u>	<u>P 238,359,344</u>
2015						
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
Revenues:						
External	P 1,672,163,380	P 146,703,351	P 182,935,287	P24,731,585,604	P -	P26,733,387,622
Inter-segment	-	-	466,619,424	-	(466,619,424)	-
Total revenues	<u>P 1,672,163,380</u>	<u>P 146,703,351</u>	<u>P 649,554,711</u>	<u>P24,731,585,604</u>	<u>(P 466,619,424)</u>	<u>P26,733,387,622</u>
Expenses:						
External	P 713,506,086	P 143,013,254	P 188,962,281	P24,449,630,983	P -	P25,495,112,604
Inter-segment	-	456,046	-	113,899	(569,945)	-
Total expenses	<u>P 713,506,086</u>	<u>P 143,469,300</u>	<u>P 188,962,281</u>	<u>P24,449,744,882</u>	<u>(P 569,945)</u>	<u>P25,495,112,604</u>
Profit before tax	<u>P 958,657,294</u>	<u>P 3,234,051</u>	<u>P 460,592,430</u>	<u>P 281,840,722</u>	<u>(P 466,049,479)</u>	<u>P 1,238,275,018</u>
Net Profit	<u>P 726,761,282</u>	<u>P 2,312,412</u>	<u>P 479,089,050</u>	<u>P 208,851,758</u>	<u>(P 466,049,479)</u>	<u>P 950,965,023</u>
Segment assets	<u>P 476,903,297</u>	<u>P 795,940,615</u>	<u>P 6,406,656,622</u>	<u>P 7,149,828,762</u>	<u>(P 1,701,723,842)</u>	<u>P13,127,605,454</u>
Segment liabilities	<u>P 152,020,818</u>	<u>P 793,928,485</u>	<u>P 10,619,851</u>	<u>P 5,839,265,688</u>	<u>(P 770,547,059)</u>	<u>P 6,025,287,783</u>
Other segment items:						
Capital expenditures	<u>P 1,195,599</u>	<u>P 5,218,115</u>	<u>P -</u>	<u>P 286,958,249</u>	<u>P -</u>	<u>P 293,371,963</u>
Depreciation and amortization	<u>P 143,186,582</u>	<u>P 32,089,093</u>	<u>P 2,501,204</u>	<u>P 141,906,242</u>	<u>(P 456,046)</u>	<u>P 319,227,075</u>

	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	<u>P 1,803,429,328</u>	<u>P 144,215,418</u>	<u>P 2,691,676,498</u>	<u>P10,659,712,026</u>	<u>(P 2,204,471,887)</u>	<u>P13,094,561,383</u>
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	<u>P 780,177,629</u>	<u>P 146,713,751</u>	<u>P 229,667,856</u>	<u>P10,483,957,470</u>	<u>(P 9,357,150)</u>	<u>P11,631,159,556</u>
Profit (loss) before tax	<u>P 1,023,251,699</u>	<u>(P 2,498,333)</u>	<u>P 2,462,008,642</u>	<u>P 175,754,556</u>	<u>(P 2,195,114,737)</u>	<u>P 1,463,401,827</u>
Net Profit	<u>P 769,189,941</u>	<u>(P 1,713,425)</u>	<u>P 2,431,278,858</u>	<u>P 126,959,616</u>	<u>(P 2,195,114,737)</u>	<u>P 1,130,600,253</u>
Other segment items:						
Capital expenditures	<u>P 3,706,335</u>	<u>P 25,188,990</u>	<u>P 12,507,015</u>	<u>P 21,729,783</u>	<u>(P 3,605,914)</u>	<u>P 59,526,209</u>
Depreciation and amortization	<u>P 165,187,938</u>	<u>P 28,521,901</u>	<u>P -</u>	<u>P 73,539,529</u>	<u>(P 456,046)</u>	<u>P 266,793,322</u>

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

5.5 Reconciliations

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

	2016	2015	2014
Revenues			
Total segment revenues	P 27,467,139,251	P 27,200,007,046	P 15,299,033,270
Elimination of intersegment revenues	(680,000,000)	(466,619,424)	(2,204,471,887)
Revenues as reported in profit or loss	<u>P 26,787,139,251</u>	<u>P 26,733,387,622</u>	<u>P 13,094,561,383</u>
Profit or loss			
Segment profit before tax	P 1,611,252,442	P 1,704,324,497	P 3,658,516,564
Elimination of intersegment revenues	(680,000,000)	(466,619,424)	(2,204,471,887)
Elimination of intersegment expenses	<u>-</u>	<u>569,945</u>	<u>9,357,150</u>
Profit before tax as reported in profit or loss	<u>P 931,252,442</u>	<u>P 1,238,275,018</u>	<u>P 1,463,401,827</u>

	<u>2016</u>	<u>2015</u>
Assets		
Segment assets	P 17,370,684,806	P 14,829,496,229
Elimination of intercompany accounts	<u>(1,773,752,099)</u>	<u>(1,701,723,842)</u>
Total assets reported in the consolidated statements of financial position	<u>P 15,596,932,707</u>	<u>P 13,127,772,387</u>
Liabilities		
Segment liabilities	P 8,830,718,633	P 6,795,834,842
Elimination of intercompany accounts	<u>(899,147,059)</u>	<u>(770,547,059)</u>
Total liabilities as reported in the consolidated statements of financial position	<u>P 7,931,571,574</u>	<u>P 6,025,287,783</u>

6. CONTRACTS WITH PCSO

PGMC is a party to the 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 August 13, 2015, a Supplemental and Status Quo Agreement was signed by both parties, and thereby, the term of ELA is extended for another three years.

Fees, maintenance and repair services, and telecommunication and integration services revenues recognized by PGMC from the foregoing ELA and related agreements amounted to P1,580,259,448, P1,610,723,022 and P1,721,851,230 in 2016, 2015 and 2014, respectively, and are presented as Rental under the Revenues section of the consolidated statements of comprehensive income (see Note 28.2). The related receivables amounting to P158,974,694 and P126,708,712 in 2016 and 2015, respectively, are shown as part of Trade receivables under Trade and Other Receivables account in the consolidated statements of financial position (see Note 8).

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>2016</u>	<u>2015</u>
Cash on hand and in banks	P 763,771,111	P 906,259,596
Short-term placements	<u>270,661,008</u>	<u>239,646,168</u>
	<u>P1,034,432,119</u>	<u>P 1,145,905,764</u>

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements have an average maturity of 30 days and average annual effective interest ranging from 0.75% to 1.50% in 2016, 0.50% to 1.15% in 2015 and 1.00% to 1.55% in 2014 (see Note 21).

8. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Trade receivables	6	P 750,151,310	P 610,673,921
Payments for future acquisition of investments	22.3	1,230,955,446	613,705,792
Loans receivable		665,287,730	665,287,730
Interest receivable		88,682,628	53,975,293
Advances for stock subscriptions	22.2	82,283,456	82,283,456
Advances to officers and employees	22.12	5,301,754	5,215,742
Other receivables	22.9	<u>184,040,041</u>	<u>150,934,646</u>
		3,006,702,365	2,182,076,580
Allowance for impairment		<u>(32,123,034)</u>	<u>(11,921,969)</u>
		<u>P2,974,579,331</u>	<u>P2,170,154,611</u>

Payments for future acquisition of investments represent deposits made to foreign parties for future acquisition of investment securities. These include deposits made to Inter-Pacific Securities Sdn Berhad (IPSSB), a related party under common ownership who acts as stockbroker of the Parent Company (see Note 22.3).

In 2013, the Parent Company granted loan to a certain company amounting to P471,039,787. The loan is payable to the Parent Company on demand subject to interest based on current bank rate, which commenced on January 1, 2014. In 2015, additional loan was advanced to such company amounting to P127,061,392 (nil in 2016). Unpaid interest as at April 30, 2016 and 2015 amounted to P88,682,628 and P53,975,293, respectively, and is also included as part of loans from such company. Interest income amounting to P39,917,264, P39,427,699 and P10,764,527 for 2016, 2015 and 2014, respectively, is recorded as part of Finance Income in the consolidated statements of comprehensive income.

Advances for stock subscription represent deposits made by the Group for future stock subscription on an entity.

Other receivables include receivables from TF Ventures, Inc. (TF) arising from payment made by the Group on behalf of TF (see Note 16).

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 2016 and 2015 is shown below.

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year		P 11,921,969	P 7,407,765
Impairment loss during the year	21.2	20,320,267	6,998,339
Write-off during the year		(119,202)	(2,484,135)
Balance at end of year		<u>P 32,123,034</u>	<u>P 11,921,969</u>

The impairment loss on receivable have been included as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 21.2).

9. INVENTORIES

The composition of this account are shown below.

	<u>2016</u>	<u>2015</u>
Vehicles	P5,123,409,109	P4,280,622,215
Parts and components	208,941,435	184,664,364
Work in progress	43,209,090	11,062,701
Spare parts and accessories	32,265,879	24,708,815
Hotel supplies	<u>7,143,014</u>	<u>7,816,590</u>
	5,414,968,527	4,508,874,685
Allowance for inventory write down	(135,820,397)	(135,846,187)
	<u>P5,279,148,130</u>	<u>P4,373,028,498</u>

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

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	P 135,846,187	P 84,720,817
Additional provision during the year	-	60,532,595
Reversal during the year	(108,197)	-
Translation adjustment	<u>82,407</u>	<u>(9,407,225)</u>
Balance at end of year	<u>P 135,820,397</u>	<u>P 135,846,187</u>

The additional provision in 2015 is presented as part of Cost of vehicles sold under Cost and Operating Expenses account in the 2015 consolidated statements of comprehensive income.

10. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Prepaid expenses		P 618,696,465	P 306,442,912
Refundable deposits		111,152,403	128,330,324
Input VAT		52,938,782	24,331,597
Prepaid taxes		28,112,637	127,039,424
Advance rental	22.10	12,000,000	36,295,768
Creditable withholding tax		3,062,497	2,379,014
Other current assets		<u>20,244,373</u>	<u>18,933,540</u>
		846,207,157	643,752,579
Allowance for impairment		(9,375,000)	(9,375,000)
		<u>P 836,832,157</u>	<u>P 634,377,579</u>

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

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

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

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity securities		P 848,086,531	P 936,017,021
Debt securities		96,984,777	182,061,693
Others		<u>15,496,352</u>	<u>12,685,537</u>
		960,567,660	1,130,764,251
Allowance for impairment	21.2	(91,158,267)	-
		<u>P 869,409,393</u>	<u>P1,130,764,251</u>

In 2016, 2015 and 2014, the Group disposed certain AFS financial assets at a selling price of P20,435,557, P24,369,739 and P243,556,184, respectively. Accordingly, the cumulative fair value gains recognized in other comprehensive income amounting to P9,212,952 in 2016 and P7,334,201 and P242,275,508, respectively, are reclassified from equity to profit or loss and presented as Reclassification Adjustments to Profit or Loss account in the consolidated statements of comprehensive income.

Consequently, net realized loss from the sales transaction amounting to P19,523,036 in 2016 and net realized gains amounting to P8,987,180 and P118,295,452 in 2015 and 2014, respectively, are shown as part of Net Gain (Loss) on Sale of Available-for-sale Financial Assets account in the consolidated statements of comprehensive income (see Note 23.4).

In 2016, management determined that certain investments were found to be impaired, that is, there is a significant or prolonged decline in the fair value of the securities below cost. Accordingly, impairment loss amounting to P91,158,267, of which P5,294,045 been previously accumulated in equity, were recognized in profit or loss. There were no similar transactions recognized in 2015 and 2014.

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

	<u>Notes</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year		P 1,130,764,251	P 979,758,710
Additions during the year		18,940,755	221,669,861
Fair value losses	23.4	(163,685,750)	(47,947,559)
Disposals during the year		(25,451,596)	(22,716,761)
Impairment	21.2	(91,158,267)	-
Balance at end of year		<u>P 869,409,393</u>	<u>P1,130,764,251</u>

Dividend income from these shares amounted to P13,473,677, P27,965,624 and P75,037,259 in 2016, 2015 and 2014, respectively, and are presented as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 21.1).

The fair values of all of the Group's investments, except those carried at cost in 2015 which are categorized under Level 3, are categorized under Level 1 in fair value hierarchy, since these have been determined directly by reference to published prices in active markets and retained at cost for having no observable market data, respectively (see Note 27.2).

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of fiscal years 2016 and 2015 are shown below.

	<u>Computers and On-line Lottery Equipment</u>	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Workshop Equipment</u>	<u>Office Furniture, Fixtures and Equipment</u>	<u>Hotel and Kitchen Equipment and Utensils</u>	<u>Communication Equipment</u>	<u>Leasehold Improvements</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>TOTAL</u>
April 30, 2016											
Cost	P 1,462,780,058	P 720,291,386	P 53,839,230	P 632,908,760	P 42,748,557	P 12,418,584	P 3,782,237	P 1,309,362,470	P 89,396,781	P 264,584,956	P 4,592,113,019
Accumulated depreciation and amortization	(1,457,004,319)	(83,704,927)	(44,224,760)	(320,637,660)	(36,426,225)	(10,047,274)	(3,580,166)	(634,726,994)	-	-	(2,590,352,325)
Net carrying amount	<u>P 5,775,739</u>	<u>P 636,586,459</u>	<u>P 9,614,470</u>	<u>P 312,271,100</u>	<u>P 6,322,332</u>	<u>P 2,371,310</u>	<u>P 202,071</u>	<u>P 674,635,476</u>	<u>P 89,396,781</u>	<u>P 264,584,956</u>	<u>P 2,001,760,694</u>
April 30, 2015											
Cost	P 1,464,373,633	P 720,291,386	P 47,921,590	P 455,554,914	P 37,487,189	P 12,105,408	P 3,782,237	P 960,063,243	P 89,343,937	P -	P 3,790,923,537
Accumulated depreciation and amortization	(1,422,427,370)	(69,253,662)	(38,232,347)	(250,628,763)	(33,957,876)	(8,044,942)	(3,531,880)	(532,488,817)	-	-	(2,358,565,657)
Net carrying amount	<u>P 41,946,263</u>	<u>P 651,037,724</u>	<u>P 9,689,243</u>	<u>P 204,926,151</u>	<u>P 3,529,313</u>	<u>P 4,060,466</u>	<u>P 250,357</u>	<u>P 427,574,426</u>	<u>P 89,343,937</u>	<u>P -</u>	<u>P 1,432,357,880</u>
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 -	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	<u>P 170,033,092</u>	<u>P 662,930,984</u>	<u>P 21,074,772</u>	<u>P 166,086,427</u>	<u>P 7,066,935</u>	<u>P 5,851,310</u>	<u>P 16,000</u>	<u>P 460,403,773</u>	<u>P -</u>	<u>P -</u>	<u>P 1,493,463,293</u>

The reconciliation of the carrying amounts at the beginning and end of fiscal years 2016 and 2015, of property and equipment is shown below.

	<u>Computers and On-line Lottery Equipment</u>	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Workshop Equipment</u>	<u>Office Furniture, Fixtures and Equipment</u>	<u>Hotel and Kitchen Equipment and Utensils</u>	<u>Communication Equipment</u>	<u>Leasehold Improvements</u>	<u>Land</u>	<u>Construction in Progress</u>	<u>TOTAL</u>
Balance at May 1, 2015											
net of accumulated depreciation and amortization	P 41,946,263	P 651,037,724	P 9,689,243	P 204,926,151	P 3,529,313	P 4,060,466	P 250,357	P 427,574,426	P 89,343,937	P -	P 1,432,357,880
Property and equipment of new subsidiary	-	-	-	9,845,257	-	-	-	9,435,306	-	-	19,280,563
Additions	1,061,944	-	5,917,641	169,119,575	5,261,368	313,176	-	339,772,088	-	264,584,956	786,030,748
Disposals	(12,000)	-	-	(180,088)	-	-	-	-	-	-	(192,088)
Depreciation and amortization charges for the year	(37,220,468)	(14,451,265)	(5,992,414)	(72,505,128)	(2,468,349)	(2,002,332)	(48,286)	(103,671,102)	-	-	(238,359,344)
Translation adjustment	-	-	-	1,065,333	-	-	-	1,524,758	52,844	-	2,642,935
Balance at April 30, 2016											
net of accumulated depreciation and amortization	<u>P 5,775,739</u>	<u>P 636,586,459</u>	<u>P 9,614,470</u>	<u>P 312,271,100</u>	<u>P 6,322,332</u>	<u>P 2,371,310</u>	<u>P 202,071</u>	<u>P 674,635,476</u>	<u>P 89,396,781</u>	<u>P 264,584,956</u>	<u>P 2,001,760,694</u>
Balance at May 1, 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 -	P 1,493,463,293
Property and equipment of new business	-	-	-	3,905,640	-	-	-	6,544,645	-	-	10,450,285
Additions	-	2,549,154	746,088	112,385,709	203,083	500,950	246,428	87,396,614	89,343,937	-	293,371,963
Disposals	(4,000)	-	(7,000)	(28,005)	-	-	-	-	-	-	(39,005)
Depreciation and amortization charges for the year	(128,082,829)	(14,442,414)	(12,124,617)	(65,107,522)	(3,740,705)	(2,291,794)	(12,071)	(93,425,123)	-	-	(319,227,075)
Translation adjustment	-	-	-	(12,316,098)	-	-	-	(33,345,483)	-	-	(45,661,581)
Balance at April 30, 2015											
net of accumulated depreciation and amortization	<u>P 41,946,263</u>	<u>P 651,037,724</u>	<u>P 9,689,243</u>	<u>P 204,926,151</u>	<u>P 3,529,313</u>	<u>P 4,060,466</u>	<u>P 250,357</u>	<u>P 427,574,426</u>	<u>P 89,343,937</u>	<u>P -</u>	<u>P 1,432,357,880</u>
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 -	P 1,071,810,826
Property 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
Reclassifications during the year	-	-	-	-	-	-	-	-	-	-	-
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	<u>P 170,033,092</u>	<u>P 662,930,984</u>	<u>P 21,074,772</u>	<u>P 166,086,427</u>	<u>P 7,066,935</u>	<u>P 5,851,310</u>	<u>P 16,000</u>	<u>P 460,403,773</u>	<u>P -</u>	<u>P -</u>	<u>P 1,493,463,293</u>

Workshop equipment includes fixtures and fittings utilized for bodyshop works.

Construction in progress pertains to buildings and leased properties undergoing renovation.

The Group recognized gain on disposal of certain property and equipment totaling P1,438,383, P1,930,481, and P7,089,112 in 2016, 2015 and 2014, respectively and are presented as part of Other Income under Other Income (Charges) in the consolidated statements of comprehensive income (see Note 19.1).

The cost of fully depreciated assets still being used in operations as at April 30, 2016 and 2015, amounted to P2,029,934,011 and P1,398,675,692, respectively.

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 the consolidated financial statements of the Group:

	Notes	PLPI	BPPI	BAPI	CPI	SBMPI	Total
April 30, 2016							
Investment:							
Acquisition costs							
Initial investment	P	399,997	P 26,000,000	P 62,700,000	P 399,996	P 22,500,000	P111,999,993
Reclassification	22.1, 22.2	7,600,000	91,400,000	-	-	-	99,000,000
Additional investment	22.1	-	-	115,680,000	-	-	115,680,000
		7,999,997	117,400,000	178,380,000	399,996	22,500,000	326,679,993
Accumulated equity share							
in net profit (losses):							
Share in net profit							
(losses) in prior years		32,680,551	(61,400,000)	113,388,214	(399,996)	-	84,268,769
Share in net profit							
(losses) during the year		1,928,292	(56,000,000)	109,837,463	-	-	55,765,755
		34,608,843	(117,400,000)	223,225,677	(399,996)	-	140,034,524
Total investments							
in associates		42,608,840	-	401,605,677	-	22,500,000	466,714,517
Advances	22.1	29,683,131	138,200,000	-	2,423,496	-	170,306,627
		P 72,291,971	P138,200,000	P401,605,677	P 2,423,496	P 22,500,000	P637,021,144
April 30, 2015							
Investment:							
Acquisition costs							
Initial investment	P	399,997	P26,000,000	P 62,700,000	P 399,996	P -	P 89,499,993
Reclassification	22.2	7,600,000	35,400,000	-	-	-	43,000,000
		7,999,997	61,400,000	62,700,000	399,996	-	132,499,993
Accumulated equity share							
in net profit (losses):							
Share in net profit							
(losses) in prior years		31,864,901	(61,400,000)	43,981,290	(399,996)	-	14,046,195
Share in net profit							
during the year		815,650	-	69,406,924	-	-	70,222,574
		32,680,551	(61,400,000)	113,388,214	(399,996)	-	84,268,769
Total investments							
in associates		40,680,548	-	176,088,214	-	-	216,768,762
Advances	22.1	31,683,131	161,360,000	-	1,723,496	-	194,766,627
		P 72,363,679	P161,360,000	P176,088,214	P 1,723,496	P -	P411,535,389

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

Starting 2014, the Group ceased to recognize further losses of BPPI and CPI and carried the related investments at nil in the consolidated statements of financial position as a result of the accumulated share in net losses recognized to the extent of the original cost of the investments [see Note 2.3(b)]. In 2016, the Group recognized share in net losses of BPPI equivalent to the additional investment made during the year (see Note 22.1). The cumulative unrecognized share in net losses over BPPI and CPI amounted to P34,990,347 and P321,315, respectively in 2016, while P76,696,149 and P694,896, respectively in 2015.

13.2 Summarized Financial Information

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

2016		PLPI	BPPI	BAPI	CPI	SBMPI	Total
Total Assets	P	203,556,039	P 186,403,874	P2,287,632,263	P 222,310	P 132,883,725	P2,810,698,211
Total Liabilities		97,203,216	460,277,633	1,302,605,094	2,468,986	25,633,373	1,888,188,302
Total Equity							
(Capital Deficiency)		106,352,823 (	273,873,759)	985,027,169 (	2,246,676)	107,250,352	922,509,909
Net Profit (Loss)		4,820,732 (	85,330,255)	366,124,878 (	803,287)(	5,249,648)	279,562,420
2015		PLPI	BPPI	BAPI	CPI	SBMPI	Total
Total Assets	P	208,467,648	P238,955,405	P1,346,705,973	P 326,883	P -	P1,794,455,909
Total Liabilities		106,935,557	507,943,586	733,148,209	1,770,272	-	1,349,797,624
Total Equity							
(Capital Deficiency)		101,532,091 (	268,988,181)	613,557,764 (	1,443,389)	-	444,658,285
Net Profit (Loss)		2,039,125 (	116,616,314)	231,356,413 (	850,326)	-	115,928,898

13.3 Subsidiary with Material Non-controlling Interest

NCI pertains to equity share of minority holders over H.R. Owen. As at April 30, 2016 and 2015, minority holders held 27.97% interest over H.R. Owen. Profit allocated to NCI amounted to P28,005,442 and P58,415,837, respectively. Dividends paid to NCI amounted to P10,292,372 in 2015 (nil in 2016).

The summarized financial position of H.R. Owen, before intragroup eliminations, as at April 30 is shown below.

	2016	2015
Assets	<u>P 9,060,906,438</u>	<u>P 7,164,390,351</u>
Liabilities	<u>P 7,645,126,716</u>	<u>P 5,853,827,277</u>
Equity	<u>1,415,779,722</u>	<u>1,310,563,074</u>
	<u>P 9,060,906,438</u>	<u>P 7,164,390,351</u>

The summarized financial performance and cash flows of H.R. Owen, before intragroup eliminations, for the year ended April 30, 2016 and 2015 is shown in the succeeding page.

	<u>2016</u>	<u>2015</u>
Revenues	P24,774,871,911	P 24,713,674,808
Net profit	100,126,717	208,851,758
Other comprehensive income (loss)	6,342,388	(1,366,086)
Net cash from (used in)		
operating activities	589,418,703	372,460,547
investing activities	(1,049,756,002)	(479,725,757)
financing activities	273,378,800	(34,213,419)
Net cash outflow	(P 186,958,499)	(P 141,478,628)

14. INTANGIBLE ASSETS

The compositions of this account as at April 30 are shown below.

	<u>2016</u>	<u>2015</u>
Goodwill	P 1,167,284,328	P 1,108,183,290
Dealership rights	707,192,546	706,774,509
Customer relationship	40,323,373	-
	<u>P 1,914,800,247</u>	<u>P 1,814,957,799</u>

The reconciliation of the carrying amounts of intangible assets at the beginning and end of fiscal years 2016 and 2015 is shown below.

	<u>Goodwill</u>	<u>Dealership Rights</u>	<u>Customer Relationships</u>	<u>Total</u>
Balance at May 1, 2015	P 1,108,183,290	P 706,774,509	P -	P 1,814,957,799
Additions	61,351,471	-	42,174,557	103,526,028
Translation adjustment	(2,250,433)	418,037	(1,851,184)	(3,683,580)
Balance a April 30, 2016	<u>P 1,167,284,328</u>	<u>P 707,192,546</u>	<u>P 40,323,373</u>	<u>P 1,914,800,247</u>
Balance at May 1, 2014	P 1,078,644,194	P 774,311,202	P -	P 1,852,955,396
Additions	92,210,805	-	-	92,210,805
Translation adjustment	(62,671,709)	(67,536,693)	-	(130,208,402)
Balance a April 30, 2015	<u>P 1,108,183,290</u>	<u>P 706,774,509</u>	<u>P -</u>	<u>P 1,814,957,799</u>

Goodwill represents the excess of the acquisition cost over the fair value of identifiable net assets of subsidiaries and businesses at the date the Group acquired control over them.

In 2015, PCSO has resolved to an extension of three years of ELA upon its expiry until August 2018 (see Note 6). The recoverable amount of a cash generating unit is determined based on value-in-use calculation using cash flow projections based on financial budgets over a certain period.

In August 2014, H.R. Owen acquired a Bentley dealership in Barnet, North London, in order to provide operational and cost synergies. Cash consideration amounted to P161,093,916 while total tangible assets and liabilities acquired amounted to P80,071,014 and P11,187,903, respectively. Consequently, the Group recorded goodwill amounting to P92,210,805 in relation to this acquisition.

In December 2015, H.R. Owen acquired Bodytechnics, in order to enhance the Group's aftersales operations. Cash consideration amounted to P186,492,817, while total tangible assets and liabilities acquired amounted to P132,772,439 and P49,805,650, respectively. The Group also recognized customer relationship amounting to P42,174,557 which was identified separately for the net assets of Bodytechnics. Consequently, the Group recorded goodwill amounting to P61,351,471.

Customer relationships pertains to the association of Bodytechnics with its insurers and franchised garages.

Dealership rights were determined as separately identifiable intangible assets acquired separately from the net assets of H.R. Owen. The dealership rights pertain to agreements with various luxury car manufacturers which authorized H.R. Owen to sell new and used cars as well as provide after-sale services across England.

Goodwill and dealership rights have indefinite useful lives, thus, not subject to amortization but would require an annual test for impairment. Goodwill and dealership rights are subsequently carried at cost less accumulated impairment losses. Customer relationship is amortized over the estimated useful life of 10 years. No impairment loss was recognized at end of the periods presented based on management's assessment.

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 P4,352,318 and P3,060,529 as at April 30, 2016 and 2015, 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 P785,000,000.

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:

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Trade payables		P1,367,122,558	P 1,138,358,267
Advances from customers		1,439,274,113	1,034,541,914
Accrued expenses		363,787,871	288,852,444
Withholding taxes payable		134,088,729	220,019,805
Deferred income		41,890,790	-
Deferred output VAT		28,732,782	19,690,376
Management fee payable	22.4	19,880,000	16,585,379
Due to a related party	22.8	3,178,732	549,333
Other payables		<u>173,934,813</u>	<u>86,296,731</u>
		<u>P 3,571,890,388</u>	<u>P 2,804,894,249</u>

Advances from customers pertain to amounts received as deposits in anticipation of future sale of vehicles before title passes to the customer.

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

Deferred income includes the amount received by H.R. Owen in relation to the sale and leaseback transaction between H.R. Owen and a third party. There is no similar transaction in 2015.

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. In 2015, the Parent Company fully paid such loan. Interest expense on this loan in 2015 amounted to P20,533,333 and is presented as part of Interest Expense under Other Income (Expenses) in the 2015 consolidated statement of comprehensive income (see Note 21.2).

In 2016, the Parent Company obtained a secured loan amounting to P200,000,000 which represents the initial drawdown of a P700,000,000 loan from a local bank for its working capital requirements. Such loan bears a fixed annual interest based on prevailing market rate and is secured by surety from PGMC and real estate mortgage over parcels of land, including the improvements therein, owned by PLPI. Outstanding balance of such loan amounted to P100,000,000 as at April 30, 2016. Interest expense on this loan amounted to P3,222,222 and is presented as part of Interest Expense under Other Income (Expenses) in the 2016 statement of comprehensive income (see Note 21.2). There was no unpaid interest as at April 30, 2016.

H.R. Owen's loans are secured by fixed and floating charges over the assets (i.e., vehicles) of H.R. Owen and are repayable on demand. H.R. Owen has entered into an agreement with Barclays Bank Plc whereby its credit balance with the bank can, at any time, be used to discharge sums due to the bank by any Group undertaking. H.R. Owen has outstanding credit facility amounting to P273,378,800 as at April 30, 2016 (nil in 2015).

18.2 Vehicle Stocking Loans

Manufacturers' vehicle stocking loans and other loans amounting to P2,872,403,969 and P2,266,443,843 as at April 30, 2016 and 2015, respectively, 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 P988,786,789 and P780,908,718 as at April 30, 2016 and 2015, respectively, 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 P112,066,288, P92,281,791 and P39,073,400 as at April 30, 2016, 2015 and 2014, respectively, and are presented as part of Finance Costs and Other Charges under Other Income (Charges) in the consolidated statements of comprehensive income (see Note 21.2).

19. OTHER INCOME AND EXPENSES

19.1 Other Income

Other income consists of the following:

	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Excess of 7% standard input VAT over actual input VAT related to revenues with the PCSO Manufacturer support		P 55,140,463 27,866,840	P 57,276,573 -	P 70,845,423 -
Net gain on disposal of property and equipment	12	1,438,383	1,930,481	7,089,112
Income from forfeited customer deposits		-	2,411,612	16,249,247
Miscellaneous		<u>33,279,541</u>	<u>15,735,416</u>	<u>8,244,329</u>
		<u>P 117,725,227</u>	<u>P 77,354,082</u>	<u>P 102,428,111</u>

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.

In 2016, manufacturer support pertains to a one-time gain related to the amount received by H.R. Owen from a manufacturer as an incentive for dealing vehicles in London. There is no similar transaction in 2015 and 2014.

Miscellaneous income include rental income from sublease of certain properties.

19.2 Other Operating Expenses

Other operating expenses account is composed of the following:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Advertising and promotions	P 704,742,326	P 671,821,189	P 102,630,880
Stationery and office supplies	115,556,592	41,956,282	14,127,116
Repairs and maintenance	76,637,025	75,697,396	22,701,294
Insurance	65,853,705	65,104,111	29,762,742
Outside services	28,399,991	12,064,404	64,866,682
Hotel supplies	9,519,342	7,665,672	8,427,149
Membership fees, dues and subscription	5,354,910	3,824,144	2,804,325
Commissions	5,304,884	3,800,769	73,925,809
Security services	4,177,485	8,580,550	6,131,738
Laundry	3,209,739	3,076,341	2,579,893
Computer supplies	1,623,632	64,476,342	31,889,541
Sponsorships	1,249,968	17,186,093	18,829,245
Reversal of receivables	-	-	11,480,180
Miscellaneous expenses	<u>62,320,611</u>	<u>26,500,024</u>	<u>73,340,505</u>
	<u>P1,083,950,210</u>	<u>P1,001,753,317</u>	<u>P 463,497,099</u>

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.

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits:			
Salaries	P 1,399,044,914	P 1,352,255,117	P 662,995,235
Social security cost	159,611,204	143,933,255	76,696,754
Bonuses	17,408,151	14,780,032	14,793,564
Fringe benefits	10,016,282	2,238,863	2,042,360
Compensated absences	2,199,779	2,812,471	2,418,125
Health benefits	1,251,341	2,938,880	2,141,855
Others	<u>16,763,236</u>	<u>38,762,598</u>	<u>28,823,718</u>
	<u>1,606,294,907</u>	<u>1,557,721,216</u>	<u>789,911,611</u>
Post-employment benefits	<u>18,920,303</u>	<u>6,814,447</u>	<u>19,664,564</u>
	<u>P 1,625,215,210</u>	<u>P 1,564,535,663</u>	<u>P 809,576,175</u>

20.2 Post-employment Defined Benefit Obligation

(a) Characteristics of Defined Benefit Plan

PGMC maintains a tax-qualified, non-contributory post-employment plan covering all regular full-time employees. PHPI, on the other hand, has an unfunded, non-contributory post-employment defined benefit plan covering all regular full-time employees; while H.R. Owen's retirement benefit plan administered by a trustees operates on a pre-funded basis.

(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 2016 and 2015.

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

	<u>2016</u>	<u>2015</u>
Present value of the obligation	P 845,937,277	P 893,161,001
Fair value of plan assets	(805,138,451)	(845,437,121)
	<u>P 40,798,826</u>	<u>P 47,723,880</u>

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

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	P 893,161,001	P 885,658,022
Actuarial gain (loss)	(52,974,188)	63,685,198
Current service and interest costs	38,137,850	40,829,828
Benefits paid by the plan	(33,883,459)	(20,441,651)
Translation adjustment	<u>1,496,073</u>	<u>(76,570,396)</u>
Balance at end of year	<u>P 845,937,277</u>	<u>P 893,161,001</u>

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

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	P 845,437,121	P 838,417,841
Return on plan assets	(44,517,277)	57,292,994
Interest income	29,000,909	32,447,979
Benefits paid by the plan	(33,883,459)	(20,441,651)
Employer's contribution	8,220,718	13,337,833
Translation adjustment	1,255,698	(75,162,055)
Actuarial gain	<u>(375,259)</u>	<u>(455,820)</u>
Balance at end of year	<u>P 805,138,451</u>	<u>P 845,437,121</u>

The plan assets consist of the following:

	<u>2016</u>	<u>2015</u>
Equity securities	P 521,543,120	P 549,114,523
Debt securities	279,188,250	288,397,088
Cash in bank	3,022,613	7,043,557
Unit investment trust funds	1,169,741	583,272
Government bonds	128,285	281,885
Miscellaneous receivables	<u>86,442</u>	<u>16,796</u>
	<u>P 805,138,451</u>	<u>P 845,437,121</u>

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 plan assets, except for miscellaneous receivables which is at Level 3, are determined based on quoted market prices in active markets and are 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:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Reported in consolidated profit or loss:</i>			
Current service costs	P 7,132,699	P 6,814,446	P 8,661,338
Net interest costs	2,004,242	1,567,403	1,802,173
Transitional adjustment	<u>-</u>	<u>-</u>	<u>11,003,226</u>
	<u>P 9,136,941</u>	<u>P 8,381,849</u>	<u>P 21,466,737</u>

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Reported in consolidated other comprehensive income:</i>			
Remeasurement gains (losses) arising from changes in:			
Demographic assumptions	P 44,765,779	P 47,292,804	(P 288,033)
Return on plan assets	(44,047,523)	54,927,424	8,823,662
Experience adjustments	5,359,505	(3,280,615)	5,260,770
Financial assumptions	1,850,492	(105,728,755)	(22,275,113)
Tax effect	(1,585,678)	1,865,983	(672,853)
Translational adjustment	-	-	5,871,549
	<u>P 6,342,575</u>	<u>(P 4,923,159)</u>	<u>(P 3,280,018)</u>

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 by the Group ranges from 3.50% to 5.11% in 2016 and 3.40% to 4.75% in 2015, and 4.20% to 5.07% in 2014.

(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:

	Maximum Impact on		
	Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
<u>2016</u>			
Discount rate	+/- 1.00%	(P 4,975,053) P	4,975,053
Turn-over rate	+/-10.00%	(33,999)	33,999
<u>2015</u>			
Discount rate	+/- 1.00%	(P 4,889,595) P	4,889,595
Turn-over rate	+/-10.00%	(54,626)	54,626

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*

PGMC, 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.

There are no asset-liability matching strategies currently being used by H.R. Owen's retirement plan.

(iii) Funding Arrangements and Expected Contributions

The undiscounted expected benefit payment from the plan is expected to be paid more than 15 years from the reporting date. The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years.

The best estimate of contribution to be paid by H.R. Owen to the plan for the fiscal year 2017 is P8,064,675.

21. FINANCE INCOME AND FINANCE COSTS

The components of this account follow:

21.1 Finance Income

	<u>Notes</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Interest income	7, 8, 22.1	P 98,589,178	P 80,947,593	P 25,885,120
Dividend income	11	13,473,677	27,965,624	75,037,259
Foreign currency gains – net		-	-	91,822,863
		<u>P112,062,855</u>	<u>P108,913,217</u>	<u>P192,745,242</u>

21.2 Finance Costs and Other Charges

	<u>Notes</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Interest expense	18, 20	P 117,419,526	P114,503,425	P 85,675,573
Bank charges		41,149,156	26,054,508	24,170,468
Foreign currency losses – net		19,077,234	72,887,108	-
Impairment losses	8, 11	<u>111,478,534</u>	<u>6,998,339</u>	<u>12,871,522</u>
		<u>P289,124,450</u>	<u>P220,443,380</u>	<u>P122,717,563</u>

22. RELATED PARTY TRANSACTIONS

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

Notes	2016		2015	
	Amount of Transactions	Outstanding Balance	Amount of Transactions	Outstanding Balance
Associates:				
Cash advances given	13.1, 22.1	P 34,540,000	P 170,306,627	P 194,766,627
Advances for future stock subscription	8, 22.2	(26,000,000)	-	(31,600,000)
Related party under common indirect ownership:				
Payments for future acquisition of investment securities	8, 22.3	(41,240,000)	72,578,345	(71,957,295)
Purchase of spare parts and accessories	22.5	11,226,954	11,284,303	1,447,250
Software support services	22.7	18,535,298	-	18,953,428
Rental	22.10	6,000,000	-	6,000,000
Share in allocated expenses	17, 22.8	(366,081)	183,252	(1,429,537)
Payment for certain expenses (net)	8, 22.9	29,760	436,299	215,350
Advance rental	10, 22.10	-	12,000,000	-
Stockholders -				
Purchase of inventories	17, 22.6	8,472,687,812	29,494,292	6,396,004,953
Directors, officers and employees:				
Key management compensation	22.11	107,477,108	-	184,410,607
Advances	8, 22.12	1,166,105	5,301,754	(2,958,763)
Purchase of car	22.12	40,725,445	-	102,918,050
Entity owned by a key management personnel -				
Management services	17, 22.4	85,910,000	19,880,000	85,038,686

22.1 Advances with 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 at April 30, are shown below.

	2016	2015
Current:		
PLPI	P 29,683,131	P 31,683,131
CPI	2,423,496	1,723,496
BPPI	<u>138,200,000</u>	<u>30,000,000</u>
	<u>170,306,627</u>	<u>63,406,627</u>
Non-current –		
BPPI	<u>-</u>	<u>131,360,000</u>
	<u>P 170,306,627</u>	<u>P 194,766,627</u>

In 2009, the Group granted unsecured noninterest-bearing 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 at April 30, 2016 and 2015 are presented as part of Advances to Associates account under current assets section of the consolidated statements of financial position.

In 2011, the Parent Company provided P100,000,000 secured loan to BPPI, bearing an annual interest rate of 7.00% payable in cash within two years from the borrowing date. The loan is secured by a guaranty from a major stockholder of BPPI. In 2013, the Parent Company extended the term of this loan for an additional three years. The loan was further extended for another three years in 2016 bearing the same terms with the original loan except that the Parent Company now has the discretion to recall the loan any time prior to maturity; hence, the loan is presented under current assets in the 2016 consolidated statement of financial position. Interest income amounting to P7,000,000 in 2016, 2015 and 2014 is recorded as part of Finance Income in the consolidated statements of comprehensive income.

In April 2016, the Parent Company purchased 5% holdings from an existing stockholder of BAPI amounting to P115,680,000.

Also, in 2016, the Parent Company granted cash advances to BPPI amounting to P26,000,000 and made collections amounting to P1,000,000. The advances are short-term, non-interest bearing and generally payable in cash. Furthermore, the Parent Company reclassified P56,000,000 of advances to BPPI to Investments in Associate account after the board of directors of BPPI and the SEC approved the conversion of advances to equity.

In 2016 and 2015, the Parent Company made advances to CPI for its pre-operating activities which amounted to P700,000 and P1,050,000, respectively. This loan presented as part of Advances to an Associate account under current assets section of the consolidated statements of financial position.

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

	<u>Note</u>	<u>2016</u>	<u>2015</u>
Balance at beginning of year		P 194,766,627	P 156,185,297
Interest recognized during the year		7,000,000	7,000,000
Additions during the year:			
BPPI		26,840,000	30,840,000
CPI		700,000	1,050,000
		<u>229,306,627</u>	<u>195,075,297</u>
Collections during the year		(3,000,000)	(308,670)
Reclassification		(56,000,000)	-
		(59,000,000)	(308,670)
Balance at end of year	13	<u>P 170,306,627</u>	<u>P 194,766,627</u>

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 stock subscriptions under Trade and Other Receivables account in the 2014 consolidated statement of financial position; while advances to BPPI was added to the Investment in Associate account per management intention.

In 2015, the Group's advances to PLPI amounting to P7,600,000 stock subscription was converted into investment upon approval of the SEC on PLPI's application for increase in its authorized capital stock (see Note 8). The Group's ownership interest in PLPI remains at 40%.

22.3 Payment for Future Acquisition of Investments

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 for future acquisition of investment as at April 30, 2016 and 2015 amounted to P72,578,345 and P12,627,952, respectively, and are presented as part of Payments for future acquisition of investments under Trade and Other Receivables account in the consolidated statements of financial position (see Note 8). These advance payments are noninterest-bearing and collectible in cash upon demand of the Group.

22.4 Management Service Agreement

Total management fees paid to an entity owned by a key management personnel of the Group based on Management Services Agreement amounted to P85,910,000, P85,038,686 and P91,964,417 in 2016, 2015 and 2014, 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 P19,880,000 and P16,585,379 as at April 30, 2016 and 2015, 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). The payable arising from this transaction is unsecured, non-interest bearing and payable in cash within a year.

22.5 Purchase of Goods

The Group made purchases from International Lottery Totalizator System (ILTS) of spare parts and accessories amounting to P11,284,303 and P1,447,250 in 2016 and 2015, respectively. The amount remains outstanding as at April 30, 2016, and is unsecured, non-interest bearing and payable in cash within a year.

22.6 Purchase of Inventories

In the normal course of business, the Group purchased a total value of vehicles and parts from Bentley Motors Limited (Bentley Motors) of P8,472,687,812 and P6,396,004,953, respectively. As at April 30, 2016 and 2015, outstanding payable to Bentley Motors amounted to P29,494,292 and P53,439,372, respectively, and are presented as part of Trade payables under Trade and Other Payables account in the consolidated statements of financial position (see Note 17). The payable arising from this transaction is unsecured, non-interest bearing and payable in cash within a year.

22.7 Software Support Services Agreement

The Group entered into a Software Support Services Agreement (Software Agreement) with Sports Toto Malaysia Sdn Bhd, a related party under common ownership, for the maintenance of the Group's on-line lottery equipment. The Software Agreement is automatically renewed annually unless terminated by either party. In 2016, 2015 and 2014, the Group recognized royalty expenses arising from the transaction amounting to P18,535,298, P18,953,428 and P18,725,927, 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 payable arising from this transaction as at April 30, 2016 and 2015.

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 in 2016, 2015 and 2014 amounted to P366,081, P1,429,537 and P2,320,157, respectively. The outstanding allocated expenses 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 payable arising from this transaction is unsecured, non-interest bearing and payable in cash upon demand.

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

	<u>2016</u>	<u>2015</u>
Balance at beginning of year	P 549,333	P 1,978,870
Expenses incurred during the year	4,021,061	3,328,811
Payments made during the year	(4,387,142)	(4,758,348)
Balance at end of year	<u>P 183,252</u>	<u>P 549,333</u>

22.9 Due from Other Related Parties

In 2016 and 2015, 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 at April 30, 2016 and 2015 amounting to P436,299 and P467,264, 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 receivables arising from these transactions are noninterest-bearing and collectible upon demand of the Group.

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

	<u>2016</u>	<u>2015</u>
<i>Taaras:</i>		
Balance at beginning of year	P 106,169	P 24,243
Expenses paid during the year	38,442	81,926
Collections during the year	(8,682)	-
Balance at end of year	<u>135,929</u>	<u>106,169</u>
<i>Berjaya Hills:</i>		
Balance at beginning of year	60,725	227,671
Collections during the year	(60,725)	(692,169)
Expenses paid during the year	<u>-</u>	<u>525,223</u>
Balance at end of year	<u>-</u>	<u>60,725</u>
<i>Colmar Tropicale:</i>		
Balance at beginning of year	300,370	-
Expenses paid during the year	<u>-</u>	<u>300,370</u>
Balance at end of year	<u>300,370</u>	<u>300,370</u>
	<u>P 436,299</u>	<u>P 467,264</u>

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 2016, 2015 and 2014, 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 as at April 30, 2016 and 2015, which are presented as part of Advance rentals under Prepayments and Other Current Assets account in the consolidated statements of financial position (see Note 10).

22.11 Key Management Personnel Compensation

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Short-term benefits	P 105,073,156	P 178,388,360	P 90,068,167
Post-employment benefits	<u>2,403,952</u>	<u>6,022,247</u>	<u>-</u>
	<u>P 107,477,108</u>	<u>P 184,410,607</u>	<u>P 90,068,167</u>

Director emoluments in 2016, 2015 and 2014 amounted to P4,000,000, P2,850,000 and P2,510,000, 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 as at April 30, 2016 and 2015.

22.12 Transactions with 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 P5,301,754 and P5,215,742 as at April 30, 2016 and 2015, 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 2016 and 2015, the directors of H.R. Owen purchased cars from H.R. Owen with a total cost of P40,725,445 and P102,918,050, respectively. These transactions were conducted on an arm's length basis and under normal commercial terms and no amounts remained unpaid as at April 30, 2016 and 2015.

22.13 Loan Guarantee

The loans of BPPI from a certain financial institution amounting to P250,000,000 as at April 30, 2016 and 2015 are secured by the Parent Company.

22.14 Retirement Plan

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

The retirement plan neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

22.15 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 at April 30, 2016 and 2015 amounted to P741,369,964 and P768,369,964, respectively.

(b) Dividend Income

The Parent Company recognized dividend income amounting to P680,000,000, P440,000,000 and 2,190,000,000 arising from the declaration of cash dividends by PGMC in 2016, 2015 and 2014, respectively. The Parent Company also recognized dividend income amounting to P4,000,000 and P10,000,000 from cash dividend declaration of PHPI in 2014 and 2012, respectively. Further, the Parent Company recognized dividend income in 2015 amounting to P26,619,424 from cash dividends declared by H.R. Owen (nil in 2016). Consequently, the Parent Company received the cash dividends of P524,400,000, P977,606,091 and P1,683,013,333 in 2016, 2015 and 2014, respectively. Outstanding dividend receivable amounted to P155,600,000 as at April 30, 2016 (nil in 2015).

(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. As at April 30, 2016 and 2015, the Parent Company has no outstanding balance to H.R. Owen arising from such acquisition.

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.

	<u>2016</u>	<u>2015</u>
Total liabilities	P 7,931,571,574	P6,025,287,783
Total equity	<u>7,665,361,133</u>	<u>7,102,317,671</u>
Debt-to-equity ratio	<u>1.00 : 1.03</u>	<u>1.00 : 0.85</u>

23.2 Capital Stock

As at April 30, 2016 and 2015, the Parent Company has 2,000,000,000 authorized shares with P1 par value of which 953,984,448 shares are issued.

As at April 30, 2016 and 2015, there are 138 and 139 holders, respectively, of the Parent Company's total outstanding shares. The Parent Company's listed shares are bid at P28.5 per share and P28.0 per share as at April 30, 2016 and 2015, respectively.

The Parent Company has 117 and 118 stockholders owning 100 or more shares each of the Parent Company's capital stock, as at April 30, 2016 and 2015, respectively.

23.3 Treasury Shares

The Parent Company's treasury shares represent the cost of 85,728,277 shares bought back by the Parent Company prior to 2014.

The Parent Company's retained earnings is restricted for dividend declaration to the extent of the cost of treasury shares.

23.4 Revaluation Reserves

The movements of Revaluation Reserves follow:

	Note	2016	2015	2014
Revaluation of AFS				
Balance at beginning of year		P 122,458,347	P 177,740,107	P 53,440,953
Net unrealized fair value gains (loss) on AFS financial assets	11	(163,685,750)	(47,947,559)	366,574,662
Reclassification adjustments:				
Due to disposal of AFS financial asset	11	9,212,952	(7,334,201)	(61,569,792)
Due to impairment of AFS	11	5,294,045	-	-
Due to reclassification of AFS financial assets to investment in subsidiary		-	-	(180,705,716)
Balance at end of year		<u>(P 26,720,406)</u>	<u>P 122,458,347</u>	<u>P 177,740,107</u>
Measurement of post-employment benefits				
Balance at beginning of year		(P 4,354,438)	P 186,627	P -
Net actuarial gain (loss) on remeasurement of post-employment benefit obligation – net of tax		6,342,575	(4,923,159)	(3,280,018)
Actuarial loss attributable to minority interest		(1,773,966)	382,094	3,466,645
Balance at end of year		<u>P 214,171</u>	<u>(P 4,354,438)</u>	<u>P 186,627</u>

23.5 Retained Earnings

In 2015 and 2014, the BOD of the Parent Company approved an additional appropriation of retained earnings amounting to P1,430,000,000, and P2,600,000,000 respectively (nil in 2016), for future investments, expansion and various expenditures including but not limited to the purchase of additional equipment and inventory, improvement of facilities, and repairs of corporate assets and property and equipment. A portion of these appropriations amounting to P4,280,000,000 and P1,410,000,000 was reversed in 2016 and 2015, respectively. These appropriations are expected to be carried out within the next two to five years in line with the Group's growth plans (i.e. from 2017 to 2021).

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

- (i) increase in authorized capital stock from P2,000,000,000 divided into 2,000,000,000 shares to P6,000,000,000 divided into 6,000,000,000 shares;
- (ii) reversal of P4,000,000,000 previously allocated funds for capital expenditures and corporate expansion back to unrestricted retained earnings; and,
- (iii) declaration of stock dividends at a rate of 4 common shares for every common share held to be taken from the increase in authorized capital stock.

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

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

There were no dividend declarations in 2015 and 2014.

24. CURRENT AND DEFERRED TAXES

The components of tax expense relating to profit or loss and other comprehensive income follow:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Reported in profit or loss:</i>			
Current tax expense:			
Regular corporate income tax (RCIT) at 30% and 22.5%	P257,896,593	P 308,643,363	P306,129,150
Minimum corporate income tax (MCIT)	2,957,475	3,164,378	4,482,163
Final tax on passive income at 20% and 7.5%	<u>410,643</u>	<u>503,563</u>	<u>504,288</u>
	261,264,711	312,311,304	311,115,601
Deferred tax expense (income) relating to the origination, reversal of temporary differences, and unused tax losses	<u>(36,338,378)</u>	<u>(25,001,309)</u>	<u>21,685,973</u>
	<u>P224,926,333</u>	<u>P287,309,995</u>	<u>P332,801,574</u>
<i>Reported in other comprehensive income -</i>			
Deferred tax expense (income) relating to measurements of retirement benefit obligation	<u>(P 2,405,814)</u>	<u>(P 1,865,983)</u>	<u>P 672,853</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Tax on pretax income at 30%	P 279,375,733	P371,482,505	P439,020,548
Adjustments for:			
Application of optional standard deduction (OSD)	(14,160,275)	(55,521,510)	(52,728,635)
Income subjected to lower income tax rates	(11,726,542)	(24,930,219)	(14,271,598)
Tax effects of:			
Adjustments to current tax for prior years	(18,614,074)	(5,559,356)	-
Non-taxable income	(16,711,348)	(13,251,929)	(68,211,806)
Non-deductible expenses	12,880,331	17,763,982	15,480,594
Net operating loss carry over (NOLCO)	(8,343,947)	(7,586,037)	10,170,207
Unrecognized MCIT	2,226,455	2,924,057	3,707,335
Marginal corporate tax rate	-	3,597,775	1,216,670
Utilization of brought-forward losses	-	(900,345)	(1,121,928)
Remeasurement of deferred tax asset due to change in United Kingdom (UK) tax rate	-	(708,928)	(2,767,495)
Expiration of NOLCO	-	-	2,052,749
Expiration of MCIT	<u>-</u>	<u>-</u>	<u>254,933</u>
Tax expense reported in the consolidated profit or loss	<u>P 224,926,333</u>	<u>P287,309,995</u>	<u>P332,801,574</u>

The deferred tax assets and liabilities as at April 30 presented in the consolidated statements of financial position relate to the following:

	<u>2016</u>	<u>2015</u>
Deferred tax assets – net:		
Impairment loss	P 34,260,662	P -
Post-employment benefit obligation	10,892,116	9,588,976
Unamortized past service cost	1,359,557	1,550,805
Unrealized foreign currency losses – net	(1,915,161)	<u>323,373</u>
	<u>P 44,597,174</u>	<u>P 11,463,154</u>

	<u>2016</u>	<u>2015</u>
Deferred tax liabilities – net:		
Rolled-over and held over capital gains	P 51,817,516	P 51,786,886
Depreciation in excess of capital allowance	(11,262,318)	(11,255,661)
Advance rental	3,446,403	2,676,715
MCIT	(1,746,169)	(1,015,149)
Capitalized direct cost	1,396,926	1,428,674
Post-employment benefit obligation	(1,259,141)	(3,437,694)
NOLCO	(537,945)	-
Unrealized foreign currency gains	39,509	5,525,086
Security deposit	(32,039)	(1,083,287)
Impairment losses	-	(2,812,500)
Pre-operating expenses	-	17,632
Other short-term timing differences	<u>2,910,664</u>	<u>2,536,412</u>
	<u>P 44,773,406</u>	<u>P 44,367,114</u>

The deferred tax expense (income) reported in the consolidated statements of comprehensive income is shown below and in the succeeding page.

	<u>Consolidated Profit or Loss</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Deferred tax expense (income):			
Impairment losses	(P 31,448,162)	P -	(P 2,255,544)
Unrealized foreign currency loss – net	(3,247,043)	(21,689,321)	27,179,481
Security deposit	1,051,248	(730,487)	3,247,200
Post-employment benefit obligation	(1,528,875)	(2,258,163)	(3,589,615)
Advance rental	769,688	(110,999)	(2,309,506)
MCIT	(731,020)	(240,322)	(519,895)
NOLCO	(537,945)	1,259,282	793,467
Unamortized past service cost	(616,889)	(543,520)	(928,299)
Capitalized direct cost	(31,748)	(31,748)	(31,749)
Pre-operating expenses	(17,632)	52,897	-
Depreciation in excess of capital allowance	-	-	161,261
Other short-term timing differences	<u>-</u>	<u>(708,928)</u>	<u>(60,828)</u>
	<u>(P 36,338,378)</u>	<u>(P 25,001,309)</u>	<u>P 21,685,973</u>
	<u>Consolidated Other Comprehensive Income</u>		
	<u>2016</u>	<u>2015</u>	<u>2014</u>
Deferred tax expense (income) – Post-employment benefit obligation	<u>(P 2,405,814)</u>	<u>(P 1,865,983)</u>	<u>P 672,853</u>

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

Year	Incurring	Amount	Applied	Expired	Balance	Expiry Date
NOLCO						
2014	P	33,900,690	(P 641,184)	P -	P 33,259,506	2017
2013		<u>27,171,724</u>	<u>(27,171,724)</u>	<u>-</u>	<u>-</u>	2016
		<u>P 61,072,414</u>	<u>(P 27,812,908)</u>	<u>P -</u>	<u>P 33,259,506</u>	
MCIT						
2016	P	2,226,455	P -	P -	P 2,226,455	2019
2015		2,924,057	-	-	2,924,057	2018
2014		3,707,335	-	-	3,707,335	2017
2013		<u>140,000</u>	<u>-</u>	<u>(140,000)</u>	<u>-</u>	2016
		<u>P 8,997,847</u>	<u>P -</u>	<u>(P 140,000)</u>	<u>P 8,857,847</u>	

The Group's NOLCO and MCIT pertain to the Parent Company. In 2016 and 2015, the management has taken a conservative position of not recognizing additional deferred tax assets arising from NOLCO and MCIT since their recoverability and utilization is unlikely at this time based on the assessment of management.

In 2016 and 2015, 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

In fiscal year 2016, the Parent Company declared stock dividends at a rate of 4 shares for every one share held (see Note 23.5). Consequently, the EPS has been adjusted retrospectively to account for the increase in the number of issued and outstanding shares. For purposes of calculating EPS, the weighted average number of outstanding common shares in 2016, 2015 and 2014 increased from 868,256,171 shares to 4,341,280,855 shares. The calculation of EPS is presented in the succeeding page.

	2016	2015		2014	
		As Previously Presented	As Restated	As Previously Presented	As Restated
Net profit attributable to Owners of the Parent Company	P 678,320,666	P 892,549,186	P 892,549,186	P 1,094,023,187	P 1,094,023,187
Divided by weighted average number of outstanding shares	<u>4,341,280,855</u>	<u>868,256,171</u>	<u>4,341,280,855</u>	<u>868,256,171</u>	<u>4,341,280,855</u>
Earnings Per Share	<u>P 0.16</u>	<u>P 1.03</u>	<u>P 0.21</u>	<u>P 1.26</u>	<u>P 0.25</u>

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

26. CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL 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	2016		2015		
	Carrying Values	Fair Values	Carrying Values	Fair Values	
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	7	P 1,034,432,119	P 1,034,432,119	P 1,145,905,764	P 1,145,905,764
Trade and other receivables - net	8	2,964,012,762	2,964,012,762	2,054,851,028	2,054,851,028
Advances to associates	22.1	170,306,627	170,306,627	194,766,627	194,766,627
Other non-current assets	15	<u>4,352,318</u>	<u>4,352,318</u>	<u>3,060,529</u>	<u>3,060,529</u>
		<u>P 4,173,103,826</u>	<u>P 4,173,103,826</u>	<u>P 3,398,583,948</u>	<u>P 3,398,583,948</u>
AFS financial assets	11	<u>P 869,409,393</u>	<u>P 869,409,393</u>	<u>P 1,130,764,251</u>	<u>P 1,130,764,251</u>
Financial Liabilities					
Financial liabilities at amortized cost:					
Loans payable and borrowings	18	P 4,234,569,558	P 4,234,569,558	P 3,047,352,561	P 3,047,352,561
Trade and other payables	17	<u>2,000,465,442</u>	<u>2,000,465,442</u>	<u>2,564,634,735</u>	<u>2,564,634,735</u>
		<u>P 6,235,035,000</u>	<u>P 6,235,035,000</u>	<u>P 5,611,987,296</u>	<u>P 5,611,987,296</u>

See Notes 2.4 and 2.9 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 that an entity can access at the measurement date;
- (b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

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

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

27.2 Financial Instruments Measured at Fair Value

Quoted equity securities, debt securities and others classified as AFS financial assets are included in Level 1 as their prices are derived from quoted prices in active market that the entity can access at the measurement date, except for certain equity securities with carrying amount of P135,411,534 which are carried at cost as at April 30, 2015 (provided with full allowance in 2016) (see Note 11).

The fair value of these shares decreased by P163,685,750 and P47,947,559 in 2016 and 2015, respectively. This was presented as Net Unrealized Fair Value Gains on Available-for-sale Financial Assets under Other Comprehensive Income (Loss) of the consolidated statements of comprehensive income.

The Group has no financial liabilities measured at fair value as at April 30, 2016 and 2015. 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, 2016 and 2015:

	2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,034,432,119	P -	P -	P 1,034,432,119
Trade and other receivables	-	-	2,964,012,762	2,964,012,762
Advances to associates	-	-	170,306,627	170,306,627
Other non-current assets	-	-	4,352,318	4,352,318
	<u>P 1,034,432,119</u>	<u>P -</u>	<u>P 3,138,671,707</u>	<u>P 4,173,103,826</u>
Financial liabilities:				
Loans payable and borrowings	P -	P -	P 4,234,569,558	P 4,234,569,558
Trade and other payables	-	-	2,000,465,442	2,000,465,442
	<u>P -</u>	<u>P -</u>	<u>P 6,235,035,000</u>	<u>P 6,235,035,000</u>
2015				
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,145,905,764	P -	P -	P 1,145,905,764
Trade and other receivables	-	-	2,054,851,028	2,054,851,028
Advances to associates	-	-	194,766,627	194,766,627
Other non-current assets	-	-	3,060,529	3,060,529
	<u>P 1,145,905,764</u>	<u>P -</u>	<u>P 2,252,678,364</u>	<u>P 3,398,584,128</u>
Financial liabilities:				
Loans payable and borrowings	P -	P -	P 3,047,352,561	P 3,047,352,561
Trade and other payables	-	-	2,564,634,735	2,564,634,735
	<u>P -</u>	<u>P -</u>	<u>P 5,611,987,296</u>	<u>P 5,611,987,296</u>

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, respectively, under lease agreements from certain lessors, which will expire at various dates from 2015 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 at April 30 is as follows:

	<u>2016</u>	<u>2015</u>
Within one year	P 351,125,448	P 293,294,296
After one year but not more than five years	1,048,054,719	898,145,057
More than five years	<u>1,325,209,406</u>	<u>659,285,535</u>
	<u>P2,724,389,573</u>	<u>P 1,850,724,888</u>

Rental expense arising from these leases amounted to P323,924,852, P291,326,465, and P140,730,628 in 2016, 2015 and 2014, 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 include P82,906,085 relating to two properties which are sub-leased to third parties. Of this amount, P82,615,825 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 P314,522, 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 three years under certain conditions. Rental income derived from ELA amounted to P1,580,259,448, P1,610,723,022, and P1,721,851,230 in 2016, 2015 and 2014, respectively, and are recognized as Rental under Revenues in the consolidated statements of comprehensive income (see Note 6).

28.3 Loan Facility – Unused Line of Credit

As of April 30, 2016, the Parent Company has unused line of credit amounting to P500,000,000 obtained from a local commercial bank (see Note 18.1).

28.4 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 at April 30, 2016, the case is still under arbitration.

28.5 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.

28.6 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 P785,000,000.

28.7 Others

There are other 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 at April 30, 2016, 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.



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**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, 2016, on which we have rendered our report dated July 22, 2016. 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. Nanola
Partner

CPA Reg. No. 0090741
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PTR No. 5321729, January 4, 2016, Makati City
SEC Group A Accreditation
Partner - No. 0395-AR-3 (until May 19, 2019)
Firm - No. 0002-FR-4 (until Apr. 30, 2018)
BIR AN 08-002511-19-2015 (until Mar. 18, 2018)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

July 22, 2016

Certified Public Accountants

Punongbayan & Araullo (P&A) is the Philippine member firm of Grant Thornton International Ltd

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BOA/PRC Cert. of Reg. No. 0002
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Berjaya Philippines Inc. and Subsidiaries
List of Supplementary Information
April 30, 2016

Schedule	Content	Page No.
Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68		
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Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule A - Financial Assets
April 30, 2016

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes		Amount Shown in the Statement of Financial Position		Income Received and Accrued
AVAILABLE-FOR-SALE FINANCIAL ASSETS					
Equity securities	47,149,321	P	756,928,264	P	13,473,677
Debt securities	40,330,000		96,984,777		-
Others	6,050,001		15,496,352		-
Totals	93,529,322	P	869,409,393	P	13,473,677

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, 2016

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions			Balance at End of Period
			Amounts Collected	Amounts Reclassified	Amounts Written off	
Related Parties:						
Berjaya Pizza Philippines Inc.	P 161,360,000	P 33,840,000	(P 1,000,000)	(P 56,000,000)	P	P 138,200,000
Inter-Pacific Securities Sdn Berhad	12,627,952	79,246,428	(19,296,035)	-		72,578,345
Perdana Land Philippines Inc.	31,775,010		(2,091,879)			29,683,131
Cosway Philippines Inc.	1,723,496	700,000				2,423,496
Taaras Beach & Spa Resort	106,169	58,442	(8,682)			155,929
Berjaya Hills Berhad	60,725		(60,725)			
Colmar Tropicale	300,370					300,370
Totals	P 207,953,722	P 113,824,870	(P 22,457,321)	(P 56,000,000)	P -	P 243,321,271

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, 2016

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Ending Balance		Balance at End of Period
			Amounts Collected	Amounts Written off	Current	Non-current	
Perdana Hotel Philippines Inc.	P 768,369,964	p -	(P 27,000,000)	p -	P 741,369,964	p -	P 741,369,964

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule D - Intangible Assets - Other Assets
April 30, 2016

Description	Balance at Beginning of Period	Additions at Cost	Deductions		Other Changes -Additions (Deductions)	Balance at End of Period
			Charged to Cost and Expenses	Charged to Other Accounts		
Intangible Assets:						
Goodwill	P 1,108,183,290	P 61,351,471	P -	P -	(P 2,250,433)	P 1,167,284,328
Dealership rights	706,774,509	-	-	-	418,037	707,192,546
Customer relationships	-	42,174,557	-	-	(1,851,184)	40,323,373
Totals	P 1,814,957,799	P 103,526,028	P -	P -	(P 3,683,580)	P 1,914,800,247

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule E - Long-term Debt
April 30, 2016

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in Relation to Statement of Financial Position	Amount Shown under Caption "Long-term Debt" in Relation to Statement of Financial Position
---------------------------------------	--------------------------------	---	--

NOT APPLICABLE
The Group has no long-term debt as at April 30, 2016.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule F - Indebtedness to Related Parties (Long-term Loans from Related Companies)
April 30, 2016

Name of Related Party	Amount Authorized by Indenture	Balance at Beginning of Period	Balance at End of Period
-----------------------	--------------------------------	-----------------------------------	-----------------------------

NOT APPLICABLE

The Group has no indebtedness to related parties as at April 30, 2016.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule G - Guarantees of Securities of Other Issuers
April 30, 2016

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 this Statement is Filed	Nature of Guarantee
Berjaya Pizza Philippines Inc. (BPPI)*	Loan	P <u>250,000,000</u>	P <u>250,000,000</u>	Corporate guarantee

** the loan of BPPI from a certain local financial institution is secured by Berjaya Philippines Inc.*

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-E
Schedule H - Capital Stock
April 30, 2016

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under the 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 - P1 par value	2,000,000,000	953,984,448	-	766,288,686	526,853	187,168,900

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 at April 30, 2016

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				☑
<i>Philippine Financial Reporting Standards (PFRS)</i>				
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* (effective when PFRS 9 is first applied)				☑
PFRS 8	Operating Segments	☑		
PFRS 9	Financial Instruments (2014)* (effective January 1, 2018)			☑
PFRS 10	Consolidated Financial Statements	☑		
	Amendment to PFRS 10: Transition Guidance	☑		
	Amendment to PFRS 10: Investment Entities	☑		
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective January 1, 2016)			☑
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception* (effective January 1, 2016)			☑
PFRS 11	Joint Arrangements			☑
	Amendment to PFRS 11: Transition Guidance			☑
Amendment to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations* (effective January 1, 2016)				☑

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 12	Disclosure of Interests in Other Entities	☑		
	Amendment to PFRS 12: Transition Guidance	☑		
	Amendment to PFRS 12: Investment Entities	☑		
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception* (effective January 1, 2016)			☑
PFRS 13	Fair Value Measurement	☑		
PFRS 14	Regulatory Deferral Accounts* (effective January 1, 2016)			☑
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	☑		
	Amendment to PAS 1: Disclosure Initiative* (effective January 1, 2016)			☑
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	☑		
	Amendment to PAS 16: Bearer Plants* (effective January 1, 2016)			☑
	Amendment to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization* (effective January 1, 2016)			☑
PAS 17	Leases	☑		
PAS 18	Revenue	☑		
PAS 19 (Revised)	Employee Benefits	☑		
	Amendment to PAS 19: Defined Benefit Plans - Employee Contributions **	☑		
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	☑		
	Amendment to PAS 27: Equity Method in Separate Financial Statements* (effective January 1, 2016)			☑
PAS 28 (Revised)	Investments in Associates and Joint Ventures	☑		
	Amendment to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective January 1, 2016)			☑
	Amendment to PAS 28: Investment Entities - Applying the Consolidation Exception* (effective January 1, 2016)			☑
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**	☑		
PAS 33	Earnings Per Share	☑		
PAS 34	Interim Financial Reporting	☑		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 36	Impairment of Assets	☑		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	☑		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	☑		
PAS 38	Intangible Assets	☑		
	Amendment to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization* (effective January 1, 2016)			☑
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**	☑			
PAS 40	Investment Property			☑
PAS 41	Agriculture			☑
	Amendment to PAS 41: Bearer Plants* (effective January 1, 2016)			☑
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	☑		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
<i>Philippine Interpretations - Standing Interpretations Committee (SIC)</i>				
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 fiscal year 2016 and are not early adopted by the Group.

** These standards have been adopted in the preparation of financial statements but the Group 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, 2016



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

BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
 9th Floor, Rufino Pacific Tower 6784 Ayala Avenue, Makati City
(Amounts in Philippine Pesos)

Reconciliation of Retained Earnings Available for Dividend Declaration
 For the Year Ended April 30, 2016

Unappropriated Retained Earnings at Beginning of Year, as Reported in the Audited Financial Statements		P	34,593,976
Prior Years' Outstanding Reconciling Items, net of tax			<u>15,601,537</u>
Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year, as Adjusted			18,992,439
Net Profit Actually Earned during the Year			
Net Profit per audited financial statements	P	613,828,577	
Deferred tax income on impairment loss	(	31,448,162)	
Unrealized foreign currency gain	(	<u>8,347,267</u>)	574,033,148
Other Transaction During the Year			
Reversal of appropriation during the year		4,000,000,000	
Appropriation for stock dividends	(	<u>3,473,024,684</u>)	<u>526,975,316</u>
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year		P	<u><u>593,025,587</u></u>

The Company plans to appropriate portions of available retained earnings for business expansions within three to five years.

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

Financial Indicators
April 30, 2016

Financial Indicators	Computation		Ratio	
	2016	2015	2016	2015
Quick ratio				
Cash and cash equivalents + Trade and other receivables - net + Advances to associates	4,179,318,077	3,379,467,002	0.55	0.57
Total Current Liabilities	7,845,999,342	5,933,196,789		
Current/liquidity ratio				
Total Current Assets	10,295,298,364	8,386,873,079	1.31	1.41
Total Current Liabilities	7,845,999,342	5,933,196,789		
Debt-to-equity ratio				
Total Liabilities	7,931,571,574	6,025,287,783	1.03	0.85
Total Equity	7,665,361,133	7,102,417,671		
Debt-to-assets ratio				
Total Liabilities	7,931,571,574	6,025,287,783	0.51	0.46
Total Assets	15,596,932,707	13,127,605,454		
Equity-to-assets ratio				
Total Equity	7,665,361,133	7,102,417,671	0.49	0.53
Total Assets	15,596,932,707	13,127,605,454		
Return on assets				
Net Profit	706,326,108	950,965,023	0.05	0.07
Total Assets	15,596,932,707	13,127,605,454		
Return on equity				
Net Profit	706,326,109	950,965,023	0.09	0.13
Total Equity	7,665,361,133	7,102,417,671		
Earnings per share				
Net Profit Attributable to Owners of the Parent Company	678,320,666	892,549,186	0.16	0.09
Weighted Average Number of Outstanding Common Shares	4,341,280,855	868,256,171		

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

(A) Use of Form ACGR

This SEC Form shall be used to meet the requirements of the Revised Code of Corporate Governance.

(B) Preparation of Report

These general instructions are not to be filed with the report. The instructions to the various captions of the form shall not be omitted from the report as filed. The report shall contain the numbers and captions of all items. If any item is inapplicable or the answer thereto is in the *negative*, an appropriate statement to that effect shall be made. Provide an explanation on why the item does not apply to the company or on how the company's practice differs from the Code.

(C) Signature and Filing of the Report

- A. Three (3) complete sets of the report shall be filed with the Main Office of the Commission.
- B. At least one complete copy of the report filed with the Commission shall be **manually** signed.
- C. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.
- D. This report is required to be filed annually together with the company's annual report.

(D) Filing an Amendment

Any material change in the facts set forth in the report occurring within the year shall be reported through SEC Form 17-C. The cover page for the SEC Form 17-C shall indicate "Amendment to the ACGR".

SECURITIES AND EXCHANGE COMMISSION
SEC FORM – ACGR
ANNUAL CORPORATE GOVERNANCE REPORT


1. Report is Filed for the Year : **fiscal year ended 30 April 2016**
2. Exact Name of Registrant as Specified in its Charter. **BERJAYA PHILIPPINES INC.** 
3. **9th Floor Rufino Pacific Tower, 6784 Ayala Avenue**
corner V.A. Rufino Street, Makati City, Metro Manila
Address of Principal Office Postal Code
4. SEC Identification Number **476**
5. (SEC Use Only)
Industry Classification Code
6. BIR Tax Identification Number **001-289-374**
7. **(632) 811-0668**
Issuer's Telephone number, including area code
8. **Not Applicable**
Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	6
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Actual number of Directors for the year	6
---	---

(a) Composition of the Board

Complete the table with information on the Board of Directors:

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date first elected	Date last elected (if ID, state the number of years served as ID) ¹	Elected when (Annual /Special Meeting)	No. of years served as director
Tan Sri Ibrahim B. Saad	ID		Lim Meng Kwong (no relationship)	2012	6 October 2015 / 4 years	A	4
Wong Ee Coln	ED		Tan Eng Hwa (an officer)	2016	3 June 2016 / 1 year	Board Meeting	0
Seow Swee Pin	NED		Tan Eng Hwa (an officer)	1996	6 October 2015 / 2 years	A	20
George T. Yang	ID		Lim Meng Kwong (no relationship)	1996	6 October 2015 / 4 years	A	20
Jaime Y. Ladao	ID		Jose A. Bernas (counsel in one of the corporations where ID is Chairman)	2010	6 October 2015 / 4 years	A	6
Jimmy S. Soo	NED		Lim Meng Kwong (no relationship)	2007 (until 2012) re-elected 2014	6 October 2015 / 2	A	7
					* the figures in this column follow the period in SEC Memorandum Circular 9 Series of 2011 which became effective 2 January 2012		

(b) Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of minority

¹ Reckoned from the election immediately following January 2, 2012, based on SEC Memorandum Circular No. 9, Series of 2011 .

shareholders and of other stakeholders, disclosure duties, and board responsibilities.

Compliance with the principles of good corporate governance shall start with the Board of Directors. It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

(c) How often does the Board review and approve the vision and mission?

The Board approves the Corporation's vision and mission every three (3) years.

(d) Directorship in Other Companies

(i) Directorship in the Company's Group²

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Seow Swee Pin	1. Sports Toto Malaysia Sdn Bhd 2. Berjaya Sports Toto Berhad 3. Philippine Gaming Management Corporation	1. Executive 2. Executive 3. Chairman
Wong Ee Coln	1. Berjaya Land Berhad	1. Executive

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group:

Director's Name	Name of the Significant Shareholder	Description of the relationship

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary

² The Group is composed of the parent, subsidiaries, associates and joint ventures of the company.

and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	No limit imposed on no. of board seats	
Non-Executive Director	No limit imposed on no. of board seats	
CEO	No limit imposed on no. of board seats	

(e) Shareholding in the Company

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company:

Name of Director	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Tan Sri Ibrahim B. Saad	5 *		.00000001%
Wong Ee Coln	1 *		.00000001%
Seow Swee Pin	80 *		.00000001%
George T. Yang	80 *		.00000001%
Jaime Y. Ladao	80 *		.00000001%
Jimmy S. Soo	75 *		.00000001%
TOTAL	105 *		

* These shares reflect the current shareholdings of the directors, which is a higher number of shares than those recorded in April 2016.

2) Chairman and CEO

(a) Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.

Yes No

Identify the Chair and CEO:

Chairman of the Board	Tan Sri Ibrahim B. Saad
CEO/President	Tan Sri Ibrahim B. Saad

(b) Roles, Accountabilities and Deliverables

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer
Role	The Chairman of the Board, if present, preside at all meetings of the Board of Directors. He shall perform such other duties as shall, from time to time, be assigned to him by the Board of Directors.	(a) Preside at all meetings of the stockholders and of directors in the absence of the Chairman and submit reports of the operations of the Corporation to the Board of Directors and an annual report thereof to the stockholders at the annual meeting; (b) Have direct and active management of the business and operations of the

		<p>Corporation, conducting the same according to the orders, resolutions and instructions of the Board of Directors, and according to his own discretion whenever and wherever the same is not expressly limited by such orders, resolutions and instructions, and exercise general supervision over all the other officers of the Corporation;</p> <p>(c) With the approval of the Board of Directors, to borrow money for the Corporation by any legal means whatsoever, including the arrangement of letters of credit and overdraft and other credit facilities with any and all banking or lending institutions, and to execute on behalf of the Corporation all contracts and agreements which the said Corporation may enter into;</p> <p>(d) To appoint and at his discretion remove or suspend any or all of the agents, employees and other subordinate personnel of the Corporation, prescribe their duties and fix or change from time to time their respective salaries or wages, and require certain guarantees or bonds in such amounts as he may determine to secure the faithful discharge by certain employees or agents of their official trust, and to exercise general superintendence and direction over all the agents, employees and other subordinate personnel of the Corporation, and see to it that their respective duties are properly performed;</p> <p>(e) Submit to the Board of Directors such statements, reports, memoranda and accounts as the latter may require and prepare such statements and reports as may be required from time to time by law with respect to corporations organized according to the laws of the Republic of the Philippines; and</p> <p>(f) Exercise such other powers and perform such other duties as the Board of Directors may, from time to time, fix or delegate.</p> <p>The President may, with the approval of the Board of Directors, delegate any of the foregoing powers and duties to any other officers, employee or agent of the Corporation.</p>
Accountabilities		
Deliverables		

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions?

There is no policy on the succession of CEO/Managing Director/President and other key management positions.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board?

The company requires diversity of experience and background of directors in the board.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to?

Yes, the company ensures that at least one non-executive director has experience in the sector or industry the company belongs to; that it has at least one director who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	By definition in the Corporation Code and By-Laws of the Corporation, the President is the Chief Executive Officer of the Board. He shall preside in all meetings of the Board and stockholders in the absence of Chairman. He shall initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the board, including those for executive training, development, and compensation. General supervision and management of business affairs and property of the Corporation. Ensures administrative and operational policies of the corporation are carried out under his supervision and control. Power to appoint, remove, suspend, or discipline employees, prescribe their duties and determine their salaries subject to guidelines prescribed by law. Oversee preparation of budgets and statement of accounts. Prepare statements and reports required by law. Represent the Corporation at functions and proceedings. Execute, on behalf of the Corporation, contracts, agreements, and other instructions, which requires the approval of the board. Make reports to the board and stockholders. Sign stock certificates. Perform other duties	They should be able to effectively participate in the deliberations of the Board	They should be able to effectively participate in the deliberations of the Board

	incidental to his position or entrusted to him by the board.		
Account abilities	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws	The powers, roles, responsibilities and accountabilities are stated in both Corporate Governance Manual and Corporation's By-Laws
Deliverables			

Provide the company's definition of "independence" and describe the company's compliance to the definition.

A person other than an officer or employee of the corporation, its parent or subsidiaries, or any other individual having any relationship with the corporation, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to be, materially interfere with the exercise of independent judgment in carrying out his responsibilities as a director of the Corporation.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years?

The company provides for a term limit of five (5) consecutive years for independent directors, with a second five (5) consecutive term limit after the lapse of a two-year cooling off period pursuant to SEC Memorandum Circular No. 9, Series of 2011. The company began counting the term limit of five years from 2 January 2012, the effectivity date of SEC Memorandum Circular No. 9, Series of 2011.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal –

Indicate any changes in the composition of the Board of Directors that happened during the period:

Name	Position	Date of Cessation	Reason
Lim Meng Kwong	President	3 June 2016	Retirement

(b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

The directors plan to hold a meeting prior to the regular meeting of the stockholders increasing the number of directors from six (6) to seven (7) and to amend the Corporation's Articles in order to reflect the increase. The directors plan to submit the resolutions increasing the number of directors from six (6) to seven (7) and the amendment of the Corporation's Articles to reflect the increase for approval at the regular meeting of the stockholders to be held in October 2016.

Procedure	Process Adopted	Criteria
a. Selection/Appointment		

(i) Executive Director	Screening by the existing Board and by election of majority of shareholders	He should possess the qualification, knowledge in the industry, and stature that would enable him to participate in the Board and improve the performance or net worth of the company. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the existing Board and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the performance or net worth of the company. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company's performance or net worth. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
b. Re-appointment		
(i) Executive Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company as a whole. Should not possess any of the grounds for disqualifications as provided for by law.
(ii) Non-Executive Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company as a whole. Should not possess any of the grounds for disqualifications as provided for by law.
(iii) Independent Directors	Screening by the Board of Directors and by election of majority of shareholders	They should possess the qualification, knowledge in the industry, and stature that would enable them to participate in the Board and improve the company as a whole. Should not possess any of the grounds for disqualifications as provided for by law. Must be at least a college graduate, or he shall have been engaged or exposed to the

		business of the corporation for at least 5 years. He shall possess integrity / probity. He shall be assiduous.
c. Permanent Disqualification		
(i) Executive Directors	Screening by the Board of Directors.	<p>Any person convicted by final judgment or order by a competent Judicial or administrative body of any crime that :</p> <ul style="list-style-type: none"> - involves the purchase of or sale of securities as defined in the Securities Regulation Code - arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor or floor broker; or - arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house, or as an affiliated person or any of them <p>Any person who, by reason of misconduct, after hearing, is permanently enjoined by final judgment or order of the Commission or any court or administrative body of competent jurisdiction from:</p> <ul style="list-style-type: none"> - acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor or floor broker; - acting as director or officer of a bank, quasi-bank, trust company, - engaging in or continuing any conduct or practice in any of the capacities mentioned in the subparagraphs above, or willfully violating the laws that govern securities and banking activities; <p>Any person who is currently the subject of an order of the Commission or any court or administrative body denying, revoking, or suspending any registration, license, or permit issued to him under the Corporation Code, Securities Regulation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or under any rule or regulation issued</p>

		<p>by the Commission or BSP</p> <p>Any person who has been restrained to engage in any activity involving securities and banking</p> <p>Any person who is currently the subject of an effective order of a self regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization</p> <p>Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions;</p> <p>Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the SRC the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or BSP;</p> <p>Any person judicially declared to be insolvent</p> <p>Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs; and</p> <p>Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment</p>
(ii) Non-Executive Directors	Screening by the Board of Directors	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(iii) Independent Directors	Screening by the Board of	Same as above

	Directors	
d. Temporary Disqualification		
(i) Executive Directors	Screening by the Board of Directors.	Refusal to fully disclose the extent of his business. Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular and special, during his incumbency, or any 12 months period during said incumbency. Dismissal / termination from directorship in another listed company for cause. Being under preventive suspension by the corporation. If the Independent Director becomes an officer or employee of the same corporation. If the beneficial security ownership in the company or in its related companies shall exceed the 10% limit. Conviction that has not yet become final referred to in the grounds for the disqualification of directors.
(ii) Non-Executive Directors	Screening by the Board of Directors.	
(iii) Independent Directors	Screening by the Board of Directors	
e. Removal		
(i) Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(ii) Non-Executive Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	With or without cause.
(iii) Independent Directors	Vote from office by a vote of the stockholders holding or representing at least 2/3 of the outstanding capital stock	<p>He becomes an officer or employee of the corporation where he sits as independent director, or becomes any of the persons listed below:</p> <ol style="list-style-type: none"> 1. Director or officer of substantial stockholder of the corporation or any of its related companies or any of its substantial shareholders. 2. Relative of any director, officer, or substantial shareholder, any of its related companies and substantial shareholders. 3. Not acting as nominee or representative of a substantial shareholder of the corporation, any of its related companies, or any of its substantial shareholders. 4. Has been employed in any

		<p>executive capacity by the corporation, any of its related companies, or by any of its substantial shareholders within the last 5 years.</p> <p>5. Retained as professional adviser by the company, any of its related companies, or any of its substantial shareholders, either personally or through his firm.</p> <p>6. Engaged in any transaction with the company, any of its related companies, or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.</p> <p>His beneficial ownership exceeds 10% of the outstanding capital stock. Fails, without any justifiable cause, to attend at least 50% of the total number of Board meetings during his incumbency unless due to grave illness or death of an immediate family.</p>
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f. Re-instatement

(i) Executive Directors	Screening by the Board of Directors	Same criteria and disqualifications for appointment or selection.
(ii) Non-Executive Directors	Screening by the Board of Directors	Same criteria and disqualifications for appointment or selection.
(iii) Independent Directors	Screening by the Board of Directors	Same criteria and disqualifications for appointment or selection.

g. Suspension

(i) Executive Directors	By approval of the Board of Directors	Convicted by final judgment of an offense punishable by imprisonment for a period of 6 years, or a violation of the Corporation Code committed within 5 years prior to the date of election
(ii) Non-Executive Directors	By approval of the Board of Directors	
(iii) Independent Directors	By approval of the Board of Directors	

Voting Result of the last Annual General Meeting

Name of Director
Tan Sri Ibrahim Bin Saad
Lim Meng Kwong
Seow Swee Pin
George T. Yang
Jaime Y. Ladao

6) Orientation and Education Program –

- (a) Disclose details of the company's orientation program for new directors, if any.

Attendance in seminars and programs.

- (b) State any in-house training and external courses attended by Directors and Senior Management³ for the past three (3) years: **None**
- (c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Tan Sri Ibrahim Saad	30 Sept 2015 / 21 June 2016	Corporate Governance Seminar / Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance Inc.
Lim Meng Kwong	30 Sept 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance Inc.
Seow Swee Pin	30 Sept 2015 / 21 June 2016	Corporate Governance Seminar / Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance Inc.
Tan Eng Hwa	30 Sept 2015 / 21 June 2016	Corporate Governance Seminar / Corporate Governance and AMLA Seminar	Philippine Corporate Enhancement and Governance Inc.
George T. Yang	21 October 2014	Corporate Governance Forum	Institute of Corporate Directors
Jimmy S. Soo	30 Sept 2015	Corporate Governance Seminar	Philippine Corporate Enhancement and Governance Inc.

B. CODE OF BUSINESS CONDUCT & ETHICS

- 1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior

³ Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

management and employees:

While the Company's Code of Business Conduct and Ethics covers employees, the company currently does not have employees.

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company	Any direct or indirect interest in, connection with, or benefits from business or commercial activities which will in any way adversely affect the company
(b) Conduct of Business and Fair Dealings	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award	Ownership of material interest or acting in any capacity with which the company does business which will directly or indirectly influence the terms and conditions of any business deal or transaction with the company such as sale, purchase or award
(c) Receipt of gifts from third parties	Direct or indirect acceptance of payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area is not allowed	Direct or indirect acceptance of payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area is not allowed	Direct or indirect acceptance of payments, services or loans from a supplier, contractor, subcontractor, customer or other entity with which the company does business and the receiver is directly responsible for the functional area is not allowed
(d) Compliance with Laws & Regulations	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation	Company complies with all laws and regulations affecting its business operation
(e) Respect for Trade Secrets/Use of Non-public Information	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality	The company respects trade secrets and use of non-public information with utmost confidentiality
(f) Use of Company Funds, Assets and Information	Company abides by policies	Company abides by policies	Company abides by policies
(g) Employment & Labor Laws & Policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies
(h) Disciplinary action	Company abides by all labor laws and policies	Company abides by all labor laws and policies	Company abides by all labor laws and policies
(i) Whistle Blower	Company abides by	Company abides by	Company abides by policies

	policies	policies	
(j) Conflict Resolution	There is a provision for conflict resolution	There is a provision for conflict resolution.	There is a provision for conflict resolution.

- 2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees? **YES**
- 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The company does not have employees. It has 6 directors, 5 officers, and an Audit Committee composed of 3 directors who are transparent, responsible and highly motivated. They monitor each other's compliance with the code of ethics or conduct and are responsible for fostering the long term success of the company, and in sustaining the competitiveness and profitability thereof in a manner consistent with its corporate objectives and the best interest of its stockholders.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.

The Corporation adheres to the requirements of Section 33 of the Corporation Code with respect to interlocking directors.

Related Party Transactions	Policies and Procedures
(1) Parent Company	
(2) Joint Ventures	
(3) Subsidiaries	
(4) Entities Under Common Control	
(5) Substantial Stockholders	
(6) Officers including spouse/children/siblings/parents	
(7) Directors including spouse/children/siblings/parents	
(8) Interlocking director relationship of Board of Directors	Interlocking directors do not participate in the voting process

(b) Conflict of Interest –

There are no conflicts of interest between the corporation's directors, officers, and shareholders owning at least 5% of the corporation's outstanding capital stock.

(i) Directors/Officers and 5% or more Shareholders

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

Even if Mr. Seow Swee Pin holds an executive position with Berjaya Sports Toto, we do not foresee a probable conflict. Mr. Seow does not participate nor vote in matters affecting the major stockholder concerned.

Details of Conflict of Interest (Actual or Probable)

Name of Director/s	Seow Swee Pin
Name of Officer/s	
Name of Significant Shareholders	Berjaya Sports Toto

- (ii) Mechanism – **The corporation has no mechanism to detect, determine, and resolve possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.**

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

Directors/Officers/Significant Shareholders	
Company	
Group	

- 5) Family, Commercial and Contractual Relations – **There are no relation of a family, commercial, contractual or business nature that exists between the holders of significant equity, to the extent that they are known to the company.**

- (a) Indicate, if applicable, any relation of a family,⁴ commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship

- (b) Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:

Names of Related Significant Shareholders	Type of Relationship	Brief Description

- (c) Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:

There are no shareholders agreements that may impact on the control, ownership, and strategic direction of the company.

Name of Shareholders	% of Capital Stock affected (Parties)	Brief Description of the Transaction

- 6) Alternative Dispute Resolution

⁴ Family relationship up to the fourth civil degree either by consanguinity or affinity.

The company has no alternative dispute resolution system in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	
Corporation & Third Parties	
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

1) Are Board of Directors' meetings scheduled before or at the beginning of the year?

The Board of Directors' meetings are scheduled before or at the beginning of the year and as the need arises.

2) Attendance of Directors

Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%
Chairman	Tan Sri Ibrahim Bin Saad	6 Oct 2015	23	23	100%
President	Lim Meng Kwong	6 Oct 2015	23	*20	100%
Member	Seow Swee Pin	6 Oct 2015	23	23	100%
Independent	George T. Yang	6 Oct 2015	23	20	87%
Independent	Jaime Y Ladao	6 Oct 2015	23	23	100%
Member	Jimmy S. Soo	6 Oct 2015	23	21	91%

* Mr. Lim Meng Kwong's attendance is indicated as 100% because he attended all meetings during his term as President and Director until 3 June 2016. The other 3 meetings which he did not attend were held after his retirement.

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

Non-executive directors do not hold separate meetings during the year without the presence of any executive.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

Article 2 Section 2 of the Corporation's By-Laws states that "The directors shall act only as a Board, and the individual directors shall have no power as such. A majority of the directors shall be necessary at all meetings to constitute a quorum for the transaction of any business, and every decision of a majority of the quorum duly assembled as a Board shall be valid as a corporate act."

5) Access to Information

(a) How many days in advance are board papers⁵ for board of directors meetings provided to the board?

The board papers are provided to the board on the day of the scheduled meeting unless the matter to be taken

⁵ Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

up is extensive or requires advance reading or review.

(b) Do board members have independent access to Management and the Corporate Secretary?

The board members have independent access to Management and the Corporate Secretary.

(c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The duties and responsibilities of the Corporate Secretary include the following:

Based on the Corporation's By-Laws -

- (a) Keep full minutes of all meetings of the Board of Directors and of the stockholders;
- (b) Keep the stock and transfer book and the corporate seal, which he shall stamp on all documents requiring such seal of the Corporation.
- (c) Fill and countersign the certificates of stock issued, making the corresponding annotation on the margin or stub of such certificates upon issuance;
- (d) Give, or cause to be given, all notices required by law or by the By-Laws of the Corporation as well as notices of all meetings of the Board of Directors and of the stockholders;
- (e) Perform such other duties as may be prescribed by the Board of Directors or the President.

Based on the Corporation's Revised Manual on Corporate Governance -

- Work fairly and objectively with the Board, Management and stockholders;
- Have appropriate administrative and interpersonal skills;
- Be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- Understand the operations of the Corporation;
- Prepare the Agenda, Issue Notices of meetings in accordance with the By-Laws;
- Attend all Board meetings, except for justifiable causes;
- Ensure that all Board procedures, rules and regulations are strictly followed by the members;
- Perform all the duties and responsibilities of a Compliance Officer as provided for under the Code, if he is also the Compliance Officer;
- Issue a Certification on or before the 30th day of January of each year, on the attendance of directors in directors meetings of the board, countersigned by the Chairman of the Board pursuant to SEC Memorandum Circular No. 3, Series of 2007.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

The company secretary and assistant company secretary are both attorneys in the active practice of law .

(e) Committee Procedures

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes No

Committee	Details of the procedures
Executive	
Audit	Prior to the commencement of yearly financial audit, the Audit Committee discusses with external auditor the nature, scope and expenses of audit, and ensure proper coordination
Nomination	The company does not have a Nomination Committee and the company's corporate governance manual does not provide for one.
Remuneration	The company does not have a Nomination Committee and the company's

	corporate governance manual does not provide for one.
Others (specify)	

6) External Advice

There is no procedure provided by the corporation whereby directors can receive external advice. There is also no prohibition.

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

Procedures	Details

7) Change/s in existing policies

There are no changes introduced by the Board of Directors on existing policies that may have an effect on the business of the company.

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

Existing Policies	Changes	Reason

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	The CEO does not receive a fixed remuneration.	Management Officers do not receive a fixed remuneration from the Company.
(2) Variable remuneration	The CEO does not receive variable remuneration.	Management Officers do not receive variable remuneration from the Company.
(3) Per diem allowance	The CEO receives per diems on an annual basis based on the existing company policy on per diems or allowances	All members of the board receive per diems on an annual basis based on the existing company policy on per diems or allowances
(4) Bonus	The CEO does not and has not received a bonus.	The Board does not and has not received a bonus .
(5) Stock Options and other financial instruments	none	none
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

There is no remuneration, salary or compensation package, except for the Chairman.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Chairman : RM10,000.00	Fixed monthly	.
Non-Executive Directors			

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Stockholders do not have the opportunity to approve the decision on total remuneration.

Remuneration Scheme	Date of Stockholders' Approval

3) Aggregate Remuneration

Complete the following table on the aggregate remuneration accrued during the most recent year:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	The Chairman receives a monthly remuneration of RM10,000.00 Malaysian Ringgit or its equivalent in pesos	none	none
(b) Variable Remuneration	none	none	none
(c) Per diem Allowance	Total of P1,050,000.00 paid to all executive directors for all meetings held from Oct 2015 to Oct 2016	Total of P2,300,000.00 paid to all non-executive directors for all meetings held from Oct 2015 to Oct 2016	Total of P900,000.00 paid to the independent directors for all meetings held from Oct 2015 to Oct 2016
(d) Bonuses	none	none	none
(e) Stock Options and/or other financial instruments	none	none	None
(f) Others (Specify)			
Total			

Other Benefits	Executive Directors	Non-Executive Director (other than independent directors)	Independent Directors
1) Advances	none	none	none
2) Credit granted	none	none	none
3) Pension Plan/s Contributions	none	none	none
(d) Pension Plans, Obligations incurred	none	none	none
(e) Life Insurance Premium	none	none	none
(f) Hospitalization Plan	none	none	none
(g) Car Plan	none	none	none
(h) Others (Specify)	none	none	none
Total			

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares: **There is none.**

Director's Name	Number of Direct Option/Rights/Warrants	Number of Indirect Option/Rights/Warrants	Number of Equivalent Shares	Total % from Capital Stock

(b) Amendments of Incentive Programs

The company has no incentive programs.

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval

5) Remuneration of Management

There are no members of management who are not at the same time directors or officers.

Identify the five (5) members of management who are not at the same time executive directors and indicate the total remuneration received during the financial year:

Name of Officer/Position	Total Remuneration

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Execut ive Direct or (ED)	Non- execut ive Direct or (NED)	Indepen dent Director (ID)				
Executive							
Audit		1	2		Assists the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations, among others		
Nomination							
Remunerati on							
Strategic Planning							

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

(b) Audit Committee

Officer	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Jaime Y. Ladao	Oct-6-2015	4	4	100	
Member (ID)	George T. Yang	Oct-6-2015	4	4	100	
Member (NED)	Seow Swee Pin	Oct-6-2015	4	4	100	

The Audit Committee performs the following functions:

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, and monitoring of compliance with applicable laws, rules and regulations;
- Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal, and other risks of the corporation. This function includes regular receipt from Management of information on risk exposures and risk management activities;
- Perform oversight functions over its internal and external auditors. It ensures that the internal and external auditors act independently from each other, and that both are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- Review the annual internal audit plan to ensure its conformity with the objective of the corporation. This plan includes audit scope, resources and budget necessary to implement it;
- Prior to commencement of yearly financial audit, discuss with the external auditor the nature, scope and expenses of audit, and ensure proper coordination If more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;
- Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
 - (i) any change in accounting policies and practices
 - (ii) major judgmental areas
 - (iii) significant adjustments resulting from the audit
 - (iv) going concern assumptions
 - (v) compliance with accounting standards
 - (vi) compliance with tax, legal and regulatory requirements
- The Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's annual report;
- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee;
- The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties;

- Under its supervision, the formulation of rules and procedures on financial reporting and internal control in accordance with the following guidelines:
 - (a) The extent of responsibility in the preparation of the financial statements, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
 - (b) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation should be maintained;
 - (c) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of control that cover the corporation's governance, operations and information systems, including reliability and integrity of financial and operational information effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations.
 - (d) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency. The annual report should include significant risk exposures, control issues and such other matters as may be deemed necessary or requested by the Board and Management.

(c) Nomination Committee

The Company does not have a Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

(d) Remuneration Committee

The Company does not have a Remuneration Committee.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

(e) Strategic Planning Committee

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee

3) Changes in Committee Members

There are no changes in committee membership that occurred during the year.

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year.

Name of Committee	Work Done	Issues Addressed
Executive		
Audit	Supervision of external auditor; Review of Audited Financial Statements before presenting to the Board for approval.	
Nomination	There is no Nomination Committee	
Remuneration	There is no Remuneration Committee	
Strategic Planning	There is no Strategic Planning Committee	

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

Name of Committee	Planned Programs	Issues to be Addressed
Executive		
Audit		
Nomination		
Remuneration		
Others (specify)		

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board of Directors review and approve policies for managing risks.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

The Board of Directors has reviewed the effectiveness of the risk management system and commented on

the adequacy thereof.

(c) Period covered by the review;

The period covered by the review is 1 May 2015 to 30 April 2016, with some current information to date.

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

The risk management system is reviewed annually.

(e) Where no review was conducted during the year, an explanation why not.

2) Risk Policy

(a) Company

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective
	The Board of Directors review and approve policies for managing risks.	

(b) Group

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

Risk Exposure	Risk Management Policy	Objective

(c) Minority Shareholders

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders

3) Control System Set Up

(a) Company

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(b) Group

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)

(c) Committee

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) Explain how the internal control system is defined for the company;

Internal control refers to the process effected by a company’s board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the effectiveness and efficiency of operations, the reliability of financial reporting, and compliance with applicable laws, regulations, and internal policies.

(b) A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;

The directors have reviewed the effectiveness of the internal control system and have considered them effective and adequate.

(c) Period covered by the review;

Period of the review is 1 May 2015 to 30 April 2016.

(d) How often internal controls are reviewed and the directors’ criteria for assessing the effectiveness of the internal control system; and

The internal controls are reviewed annually.

(e) Where no review was conducted during the year, an explanation why not.

2) Internal Audit

(a) Role, Scope and Internal Audit Function

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role	Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process

(b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?

No. While the Audit Committee recommends the appointment, or the removal of the Internal Auditor, the approval of the Audit Committee is not absolutely necessary for the appointment or removal of the Internal Auditor or the accounting or auditing firm or corporation to which the internal audit function is outsourced. However, while this is the policy, the Corporation has a treasurer but no internal auditor.

(c) Discuss the internal auditor’s reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel? YES

(d) Resignation, Re-assignment and Reasons

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them. **There is none as the corporation does not have employees.**

Name of Audit Staff	Reason

(e) Progress against Plans, Issues, Findings and Examination Trends

State the internal audit’s progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	
Issues⁶	
Findings⁷	
Examination Trends	

(f) Audit Control Policies and Procedures

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been

⁶ “Issues” are compliance matters that arise from adopting different interpretations.

⁷ “Findings” are those with concrete basis under the company’s policies and rules.

implemented under the column “Implementation.”

Policies & Procedures	Implementation

(g) Mechanisms and Safeguards

State the mechanism established by the company to safeguard the independence of the auditors, financial analysts, investment banks and rating agencies (example, restrictions on trading in the company’s shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies

(h) State the officers (preferably the Chairman and the CEO) who will have to attest to the company’s full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.

H. ROLE OF STAKEHOLDERS

1) Disclose the company’s policy and activities relative to the following:

	Policy	Activities
Customers' welfare		
Supplier/contractor selection practice		
Environmentally friendly value-chain		
Community interaction		
Anti-corruption programmes and procedures?		
Safeguarding creditors' rights		

2) Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?

The company has no separate corporate responsibility report / section or sustainability report / section.

3) Performance-enhancing mechanisms for employee participation.

(a) What are the company’s policy for its employees’ safety, health, and welfare?

The Company does not have employees.

(b) Show data relating to health, safety and welfare of its employees.

Not applicable.

(c) State the company's training and development programme for its employees. Show the data.

The company has no employees.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The company has no reward / compensation policy that accounts for the performance of the company beyond short – term financial measure.

4) What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behaviour? Explain how employees are protected from retaliation.

The Company does not have employees.

I. DISCLOSURE AND TRANSPARENCY

1) Ownership Structure

(a) Holding 5% shareholding or more

Shareholder	Number of Shares (as of 30 Apr 2016)	Number of Shares (current)	Current Percent	Beneficial Owner
Berjaya Lottery Management	644,247,656	3,221,238,280	74.20	shareholder
Berjaya Sports Toto (Cayman) Limited	122,041,030	610,205,150	14.06	shareholder
PCD Nominee Corporation (Filipino)	79,971,840	399,859,200	9.21	various

Name of Senior Management	Number of Direct shares	Number of Indirect shares / Through (name of record owner)	% of Capital Stock
Not Applicable			
TOTAL			

2) Does the Annual Report disclose the following:

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	No
Dividend policy	Yes
Details of whistle-blowing policy	No
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner – explanations please	No
Number of board of directors/commissioners meetings held during the year	No

Attendance details of each director/commissioner in respect of meetings held	No
Details of remuneration of the CEO and each member of the board of directors/commissioners	Yes

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

Number of board of directors meeting and attendance of the directors are reported to the Securities and Exchange Commission every 30 January of each year under SEC Form 17-C.

3) External Auditor's fee

Name of auditor	Audit Fee	Non-audit Fee
Punongbayan & Araullo	Php 165,000.00	

4) Medium of Communication

List down the mode/s of communication that the company is using for disseminating information.

Disclosures filed to the Securities and Exchange Commission and the Philippine Stock Exchange.

5) Date of release of audited financial report: **22 July 2016**

6) Company Website

Does the company have a website disclosing up-to-date information about the following? **Yes**

Business operations	
Financial statements/reports (current and prior years)	
Materials provided in briefings to analysts and media	
Shareholding structure	
Group corporate structure	
Downloadable annual report	
Notice of AGM and/or EGM	
Company's constitution (company's by-laws, memorandum and articles of association)	

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

7) **Disclosure of RPT – Not Applicable**

RPT	Relationship	Nature	Value

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Majority of outstanding capital stock, pursuant to Sec 3 Article VIII of the Corporation's By-Laws
------------------------	--

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Ratification by stockholders of corporate acts during the annual stockholders meeting.
Description	Approved corporate acts subject to stockholder ratification pursuant to the requirements of the Corporation Code are subjected to stockholders ratification during the annual stockholders meetings.

(c) Stockholders' Rights

List any Stockholders' Rights concerning Annual/Special Stockholders' Meeting that differ from those laid down in the Corporation Code.

The Corporation is compliant to the requirements of the Corporation Code.

Stockholders' Rights under The Corporation Code	Stockholders' Rights not in The Corporation Code
Voting Right	
Pre-emptive Right	
Power of Inspection	
Right to Dividends	
Appraisal Right	
Right to Information	

Dividends –

Declaration Date	Record Date	Payment Date
6 October 2015. This is the date when stockholders' ratified the Board's resolutions of 5 October 2015 declaring stock dividends, and increasing the authorized capital stock in order to accommodate the declaration of stock dividends, and finally amending the Articles of Incorporation of the Issuer in order to reflect the increase in capital.	24 June 2016	20 July 2016

(d) Stockholders' Participation

1. State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.

Measures Adopted	Communication Procedure
The Chairman opens the floor for questions to give stockholders the opportunity to speak during annual stockholders meetings.	The Chairman verbally announces during the annual stockholders meeting.

2. State the company policy of asking shareholders to actively participate in corporate decisions regarding:
 - a. Amendments to the company's constitution – **Ratified through a special or annual stockholders meeting.**
 - b. Authorization of additional shares – **Ratified through a special or annual stockholders meeting.**
 - c. Transfer of all or substantially all assets, which in effect results in the sale of the company – **Ratified through a special or annual stockholders meeting.**
3. Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up? **The By-Laws of the Corporation provides for a prior ten (10) day Notice to be sent to stockholders. However, the Notice is sent together with the Definitive Information Statement to stockholders fifteen (15) business days prior to the scheduled meeting.**
 - a. Date of sending out notices: **13 September 2016**
 - b. Date of the Annual/Special Stockholders' Meeting: **Annual Stockholders' Meeting for 2016 is scheduled on 4 October 2016.**
4. State, if any, questions and answers during the Annual/Special Stockholders' Meeting. **The Board responded to (i) a question about the other corporations where the Issuer has investments; and (ii) the request of a stockholder to give out dividends to stockholders.**
5. Result of Annual/Special Stockholders' Meeting's Resolutions (held on 6 October 2015)

Resolution	Approving	Dissenting	Abstaining
To increase the authorized capital of the corporation from two billion pesos (P2,000,000,000.00) divided into two billion (2,000,000,000) shares to six billion pesos (P6,000,000,000.00) divided into six billion (6,000,000,000) shares	more than the required 2/3	none	none
The declaration of stock dividends at the rate of 1:4 or four hundred percent (400%)	More than the required 2/3 vote	none	none
The election of the current year's directors	more than the required 2/3 vote	none	six

6. Date of publishing of the result of the votes taken during the most recent AGM for all resolutions:

A current report under SEC Form 17-C was filed on the same day of the meeting, 6 October 2015.

(e) Modifications

There are no modifications made in the Annual Stockholder's Meeting regulations during 2014.

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

During the annual stockholders meeting of 6 October 2015, stockholders representing eighty nine percent (89%) of the corporation's equity were present in person and by proxy. All of the members of the Board were present.

Type of Meeting	Names of Board members / Officers present	Date of Meeting	Voting Procedure (by poll, show of hands, etc.)	% of SH Attending in Person	% of SH in Proxy	Total % of SH attendance
Annual	Tan Sri Ibrahim Saad Lim Meng Kwong Seow Swee Pin Jaime Y. Ladao George T. Yang	6 Oct 2015	Show of hands	89%	0.5%	89.5%
Special	N.A.					

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the ASM/SSMs?

The company does not appoint an independent party to count and/or validate the votes at the Annual or Special Stockholders' Meetings.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

The company's common shares carry one vote for one share.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

Company's Policies	
Execution and acceptance of proxies	A sample proxy form is enclosed in the Notices distributed to

	the stockholders.
Notary	Aside from personal identification, representatives of corporate stockholders should present a notarized Secretary's Certificate indicating the representative's authority to represent the corporation. Beneficial owners whose shares are lodged with the Philippine Central Depository ("PCD"), or registered under the name of a broker, bank, or other fiduciary, must, in addition to the required proof of identification, present a notarized certification from the owner of record that he is the beneficial owner, indicating thereon 20the number of shares.
Submission of Proxy	Proxies must be presented to the Corporate Secretary for inspection, validation, and record, at least two (2) days prior to the Stockholders' Meeting.
Several Proxies	Only one (1) proxy for one stockholder is allowed by the Corporation.
Validity of Proxy	Valid only for the date of the special or annual stockholders meeting, and any adjournment thereof.
Proxies executed abroad	In lieu of notarization, must be consularized.
Invalidated Proxy	
Validation of Proxy	Proxy forms are review by assigned employees of the Corporation.
Violation of Proxy	

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
Prior Notice	In compliance with Section 20 of the SRC and the IRR to the SRC, Notices are sent by registered mail at least 15 business days prior to the date of the stockholders' meeting to each stockholder of record at his last known post office address and by publication in a newspaper of general circulation. The By-Laws only require Notice to be sent 10 calendar days prior to the meeting.

(i) Definitive Information Statements and Management Report

Number of Stockholders entitled to receive Definitive Information Statements and Management Report and Other Materials	All registered stockholders.
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	13 September 2016
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	13 September 2016

State whether CD format or hard copies were distributed	CD format
If yes, indicate whether requesting stockholders were provided hard copies	Hard copies will be available in the actual meeting

(j) Does the Notice of Annual/Special Stockholders' Meeting include the following:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	No, the Notice does not. However, the enclosed Definitive Information Statement accompanying the Notice does.
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	Yes
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Profiles of the Directors are provided in the Definitive Information Statement, which are enclosed in the Notice of the Special or Annual Stockholders Meeting.

2) Treatment of Minority Stockholders

(a) State the company's policies with respect to the treatment of minority stockholders.

Policies	Implementation
Stockholders are encouraged to personally attend stockholders meetings	Stated in the Notice of the Annual Stockholders Meeting, which are distributed to the stockholders. If a stockholder is unable to attend in person, stockholders are apprised, in the same Notice, of their right to appoint a proxy.
Respect the right of stockholders as provided in the Corporation Code and By-Laws	
Accurate and timely information are made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.	

(b) Do minority stockholders have a right to nominate candidates for board of directors?
Yes.

K. INVESTORS RELATIONS PROGRAM

1) Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.

The company's policies are reviewed every three (3) years by the Board of Directors.

- 2) Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.

There is no specific person in charge of investor relations. The shares of the company are not actively traded in the Exchange.

	Details
(1) Objectives	
(2) Principles	
(3) Modes of Communications	
(4) Investors Relations Officer	

- 3) What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?

In practice, the company designates a group of persons to study proposed acquisitions before the Board makes a decision.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

The Audit Committee which is composed of two independent directors in addition to the appointment of a person knowledgeable in the field of the intended purchase is appointed by the Board as the need arises.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

Initiative	Beneficiary
The Corporation's wholly owned subsidiary Philippine Gaming Management Corporation donated to Gawad Kalinga Community Foundation Inc. (GK), specifically, to its' Gawad Kalinga's Bayani Challenge 2013 the amount of at least One Hundred Million Pesos, consistent with Berjaya Foundation Inc.'s executed Memorandum of Agreement with GK where the latter committed to donate One Hundred Million Pesos annually for three years.	The beneficiaries are various families consisting of the poorest of the poor, illegal settlers, rebel returnees, poor farmers and the like located in Compostela Valley, Bulacan, Basilan Mindanao, Puerto Galera Oriental Mindoro, etc..

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

The members of the Board and Committees, and the officers are assessed on their contribution to the company in terms of time, ideas and performance.

	Process	Criteria
Board of Directors		
Board Committees		
Individual Directors		
CEO/President		

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual

involving directors, officers, management and employees.

There are currently no policies on this matter but all directors and officers exert best efforts in ensuring compliance with the Securities Regulation Code, the Manual on Corporate Governance and the SEC Memorandum Circulars.

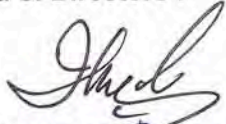
Violations	Sanctions

Pursuant to the requirement of the Securities and Exchange Commission, this Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on the 18th of August 2016.

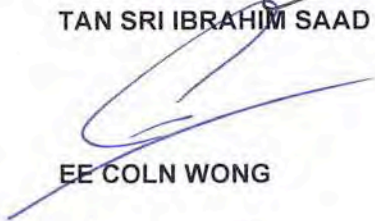
SIGNATURES

By:

Board of Directors :



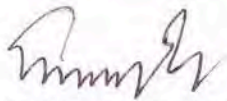
TAN SRI IBRAHIM SAAD



EE COLN WONG



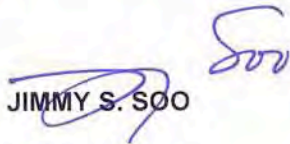
SEOW SWEE PIN



GEORGE T. YANG



JAIME Y. LADAO

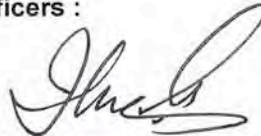


JIMMY S. SOO

BERJAYA PHILIPPINES INC.

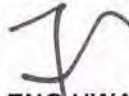
Issuer

Officers :



TAN SRI IBRAHIM SAAD

Chairman of the Board / Acting President



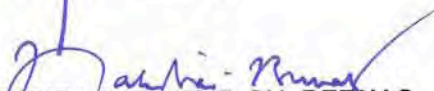
TAN ENG HWA

Treasurer



JOSE A. BERNAS

Corporate Secretary



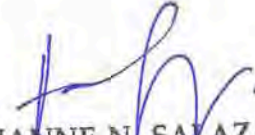
MARIE LOURDES T. SIA-BERNAS

Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this 26th day of August 2016, affiant(s) exhibiting to me their respective identification cards below, as follows:

<u>Name</u>	<u>Particulars of Identification Card</u>
George T. Yang	Passport # EC0174203 issued on 30 January 2014 in Manila
Dato Seri Ibrahim Bin Saad	Passport # 00040366 issued on 15 June 2010 in Malaysia
Wong Ee Coln	Passport # A28420018 issued on 6 Feb 2013 in Malaysia
Seow Swee Pin	Passport # 31192911 issued on 16 October 2013 in Malaysia
Tan Eng Hwa	Passport # A-29132209 issued on 03 May 2013 in Malaysia
Jaime Y. Ladao	SSS Identification Card Number 03-0559994-4
Jose A. Bernas	IBP Lifetime Membership No. 01738 25 January 2000 Roll of Attorneys No. 36090
Marie Lourdes Sia-Bernas	IBP Lifetime Membership No. 02165 30 January 2001 Roll of Attorneys No. 37914
Jimmy S. Soo	Passport # EB8667237 issued on 15 July 2013 in Manila

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Series of 2016.


HANNE N. SALAZAR
Commission No. 21-251
Notary Public City of Makati
Until 31 December 2017
Bernas Law Offices
8th Floor Raha Sulayman Bldg., 108 Benavidez St.,
Legaspi Village, Makati City
IBP Membership No. 1020763/06 January 2016/Makati City
PTR No. 5327820/06 January 2016/Makati City
Roll of Attorneys No. 64806