

BERJAYA PHILIPPINES, INC.

(Company's Full Name)

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

(Company's Address)

811-0668 / 810-1814

(Telephone Number)

APRIL 30

any day in the month of October

(Fiscal Year Ending)
(month and day)

(Annual Meeting)

November 2024

(Term Expiring On)

SEC Form 17-Q for the quarter ended 31 July 2019

(Form Type)

N.A.

(Amendment Designation, if applicable)

(Period Ended Date)

N.A.

(Secondary License Type and File Number)

Cashier

LCU

DTU

Pre War 476
S.E.C Registration Number

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **31 July 2019**
2. SEC Identification Number **476**
3. BIR Tax Identification No. **001-289-374**
4. Exact name of registrant as specified in its charter **BERJAYA PHILIPPINES, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of Issuer's principal office
9/F Rufino Pacific Tower, 6784 Ayala Avenue, corner V.A. Rufino Street (formerly Herera Street), Makati City, M.M.
8. Issuer's telephone number, including area code
(632) 811-0540
9. Former name, former address, and former fiscal year, if changed since last report **N.A.**
Former Name:
Former Address:
Former Fiscal Year

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

Title of Each Class	Number of Shares of Stock Issued and Outstanding
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COMMON	4,427,009,132
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11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [☒] No [☐]

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See Interim Consolidated Statement of Financial Position as of 31 July 2019, attached hereto as Annex “A”, and Aging Schedule of Accounts Receivables as of 31 July 2019 attached hereto as Annex “B”. For the basic earnings per share, the “weighted average number of shares outstanding” is added to the face of the Interim Consolidated Statement of Comprehensive Income.

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

The Corporation’s principal activity is investment holding. Since 1998, it has 100% equity ownership of Philippine Gaming Management Corporation (PGMC) whose principal activity is leasing of on-line lottery equipment and providing software support. In July 2019, the Corporation disposed of 20% of its shareholdings, and subsequently did not subscribe to the issuance of additional shares from the unissued capital of PGMC. To date, the Corporation’s equity in PGMC is at 39.99%.

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

In December 2009, the Corporation acquired a 232-room hotel, which operated as the 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 also subscribed to forty percent (40%) of the shares of stock of Perdana Land Philippines Inc. (“PLPI”) which owns the land leased by PHPI.

In July 2010, the Corporation invested in Berjaya Pizza Philippines Inc. (“BPPI”), a company engaged in the manufacture, sale and distribution of food and beverages, and to operate, own, franchise, license or deal in restaurant related business operations. In 2017, the Corporation’s equity interest in BPPI increased from forty one point forty three percent (41.43%) to forty eight point thirty eight percent (48.38%).

In August 2012, the Corporation invested in Bermaz Auto Philippines Inc. (“BAPI”), formerly Berjaya Auto Philippines Inc., a corporation engaged in the sale and distribution of all types of motor vehicles. On 12 September 2012, BAPI entered into a Distributorship Agreement with Mazda Motor Corporation of Japan for the distribution of vehicles bearing the Mazda brand within the territory of the Philippines. The Corporation’s equity or interest in BAPI is equivalent to twenty eight point twenty eight percent (28.28%).

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

In 2014, the Corporation obtained control over H.R. Owen Plc (“H.R. Owen”), after a series of cash offers from HR Owen’s existing stockholders. Incorporated in England, HR Owen operates a number of vehicle franchises in the prestige and specialist car market for both sales and after sales, predominantly in the London area. In 2015, HR Owen acquired 100% ownership over Bodytechnics in order to enhance its aftersales operations. In 2017, the Corporation acquired shares from Bentley Motor Limited to increase its stake in the profitable business of H.R. Owen. In August 2018, the corporation acquired shares from minority

shareholders which the Corporation's equity interest in HR Owen is equivalent to one hundred percent (100%).

In July 2015, the Corporation invested in Ssangyong Berjaya Motor Philippines Inc. ("SBMPI"), a corporation engaged in the sale and distribution of all types of motor vehicles. On 01 May 2016, SBMPI entered into a Distributorship Agreement with Ssangyong Motor Company of Korea for the distribution of vehicles bearing the Ssangyong brand within the territory of the Philippines. At present, the Corporation's equity interest in SBMPI is equivalent to twenty one point sixty seven percent (21.67%).

In May 2016, the Corporation acquired forty one point forty six percent (41.46%) shares of Neptune Properties Inc. ("NPI"), a corporation engaged in the real estate business.

In April 2017, the Corporation incorporated a wholly owned subsidiary under the name of Berjaya Enviro Philippines Inc., a corporation engaged in the service business of protecting, cleaning, and preserving the environment. In December 2017, the Securities and Exchange Commission approved the Corporation's application to amend its name to Floridablanca Enviro Corporation.

In April 2018, the Corporation acquired twenty five percent (25%) of the equity in Chailease Berjaya Finance Corporation, a corporation engaged in the leasing and financing business.

In April 2018, the Corporation acquired 100% ownership to eDoc Holdings ("eDoc") from its subsidiary H.R. Owen with the assumption of the eDoc's outstanding liability. eDoc Holdings was incorporated on July 25, 2017 and is registered to engaged as a holding company in London. Videodoc was incorporated to engage in the business of providing online health consultations and private care service to patients. Videodoc's principal place business is located in London. At present, eDoc's equity interest in Videodoc is equivalent to twenty point fifteen only (20.15%).

Comparable Discussion on Material Changes in Results of Operations for the Three Months' Period Ended 31 July 2019 vs. 31 July 2018

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱7.83 billion for the three months ended 31 July 2019, a decrease of ₱1.80 billion (18.7%) over total revenues of ₱9.64 billion during the same period in 2018. The decrease was primarily due to a lower revenue contribution from H.R. Owen, lower revenue from lottery sales from the discontinued operations with PGMC for the financial period under review

The Group's total cost and operating expenses for the three months ended 31 July 2019 decreased by ₱1.39 billion (15.2%) to ₱7.75 billion from ₱9.15 billion for the same period in 2018. The decrease is attributed to the following: (1)cost of vehicles sold and body shop repairs and parts decreased by ₱1.19billion (15.2%), (2)salaries and employee benefits decreased by ₱81.50 million (15.1%), (3) professional fees decreased by ₱30.96 million (47.1%), (4) depreciation expense decreased by ₱19.69million (29.3%), (5) telecommunications decreased by ₱33.74 million (100%),(6) communication, light and water decreased by ₱6.50 million (22%), (7) management fees decreased by ₱19 million (100%), (8) charitable contribution decreased by ₱16.17 million (100%), (9) repairs and maintenance decreased by ₱3.64 million (30.8%), (10) rental decreased by ₱ 4.11 million (4.4%), (11) maintenance of computer equipment decreased by ₱30.64 million (100%), (12) transportation and travel decreased by ₱5.50 million (40.1%) . These decreases were offset by the following increases of expenses: (1) marketing and selling increased by ₱7.21 million (3.5%), (2)stationery and office supplies increased by ₱1.51 million (5.1%),(3) taxes and licenses increased by ₱14.25 million (33.9%), (4) miscellaneous expenses increased by ₱22.93 million (113.8%) and (5) insurance increased by ₱18.16 million (87.7%).

Other Income (Charges) amounted to ₱109.74 million for the three months ended 31 July 2019, an increase of ₱119.72 million (1200.10 %) from Other Charges of ₱9.98 million in the same period in 2018, mainly due to gain on disposal of investment property of H.R. Owen.

Net income from continuing operations decreased by ₱212.76 million (60.9%) to ₱138.29 million for the three months ended 31 July 2019 from net income of ₱348.57 million in the same period in 2018 due to lower revenue contribution from HROwen as well as the disposal of subsidiary PGMC.

Net loss from discontinued operations from PGMC amounting to ₱136.53 million which was net off to the loss on deemed disposal of subsidiary.

Comparable Discussion on Material Changes in Financial Condition as of 31 July 2019 vs. 30 April 2019

Total assets of the Group decreased by P1.43 billion (8.1%) to P16.17 billion as of 31 July 2019, from P17.60 billion as of 30 April 2019.

Trade and other receivables (net) decreased by P402.93 million (26.4%) to P1.12 billion in 31 July 2019 compared to P1.53 billion in 30 April 2019, mainly due to decrease in deposits and trade receivables.

Financial assets at fair value through profit or loss increased by P3.94million to P67.51million in 31 July 2019 compared to ₱63.57 million in 30 April 2019.

Inventories (net) decreased by ₱420.12 million (7.2%) to ₱5.39 billion in 31 July 2019 compared to ₱5.81 billion in 30 April 2019, mainly due to vehicle stocks sold.

Advances to associates increased by ₱11.72 million (.7%) to ₱1.81 billion in 31 July 2019 compared to ₱1.80 billion in 30 April 2019.

Prepayments and other current assets (net) increased by ₱81.82 million (12.8%) to ₱720.88 million in 31 July 2019 compared to ₱639.06 million in 30 April 2019, mainly due to increase in prepaid expenses and advances to suppliers.

Financial assets at fair value through other comprehensive income decreased by ₱20.03million (1.20%) to ₱1.61billion in 31 July 2019 compared to ₱1.63 billion in 30 April 2019.

Property and equipment (net) decreased by ₱136.09 million (8.6%) to ₱1.44 billion in 31 July 2019 compared to ₱1.58 billion in 30 April 2019 due to disposal of subsidiary's equipment and depreciation for the current period.

Investment property decreased by P288.14 million (71.5%) to P114.69 million in 31 July 2019 compared to ₱402.83 million in 30 April 2019 due to disposal of investment property.

Investments in associates increased by ₱409.28 million (45.6%) to ₱1.31million in 31 July 2019 compared to ₱897.59 million in 30 April 2019, mainly due to equity investment of associate as a result of deemed disposal of subsidiary.

Intangible assets decreased by ₱483.21 million (25.7%) to ₱1.40 billion in 31 July 2019 compared to ₱1.88 billion in 30 April 2019, primarily due to impairment loss on disposal of goodwill.

Deferred tax assets decreased by ₱13.30 million (11.3%) to ₱104.27 million in 31 July 2019 compared to ₱117.58 million in 30 April 2019.

Post-employment benefit asset decreased by ₱2.75 million (8.0%) to ₱31.43 in 31 July 2019 compared to ₱34.19 in 30 April 2019 due to translation adjustment.

Meanwhile, Other non-current assets decreased by ₱3.30 million (81.0%) to ₱0.77 million in 31 July 2019 compared to ₱4.07 million in 30 April 2019 due to reclassification.

Total liabilities of the Group decreased by ₱820.73 million (9.6%) to ₱7.75 billion as of 31 July 2019, from ₱8.57 billion as of 30 April 2019 mainly due to decrease in Trade and other Payables.

Trade and other payable decreased by ₱789.29 million (20.4%) to ₱3.09 billion in 31 July 2019 compared to ₱3.88 billion in 30 April 2019, mainly due to decrease in advances from customers.

Current Loans payable and borrowings decreased by ₱139.63 million (3.7%) to ₱3.68 billion in 31 July 2019 compared to ₱3.82 billion in 30 April 2019, mainly due to increase in vehicle stocking loans.

Contract Liabilities (current) which is recognized from advance payments received from customers decreased by ₱35.87 million (8.0%) to ₱409.99 billion as of 31 July 2019, from ₱445.85 billion as of 30 April 2019.

Income Tax Payable increased by ₱3.91 million (16.0%) to ₱28.29 million in 31 July 2019 compared to ₱24.38 million in 30 April 2019.

Trade and other payables (non-current) decreased by ₱1.36 million (8.0%) to ₱15.50 billion in 2019 compared to ₱16.86 billion in 2018, due to translation adjustment.

Non-current Loans payable and borrowings decreased by ₱153.19 million (67.1%) to ₱75.0 million in 31 July 2019 compared to ₱228.19 million in 30 April 2019 due to repayment of bank loans.

Deferred tax liabilities decreased by ₱9.95 million (17.4%) to ₱47.25 million in 31 July 2019 compared to ₱57.20 million in 30 April 2019.

Post-employment benefit obligation decreased by ₱26.24 million (84.4%) to ₱4.85 in 31 July 2019 compared to ₱31.10 in 30 April 2019.

Total stockholders' equity of the Group decreased by ₱606.36 million (6.7%) to ₱8.42 billion as of 31 July 2019, from ₱9.03 billion as of 30 April 2019 under review. The book value per share decreased to ₱1.90 in 31 July 2019 from ₱2.04 in 30 April 2019.

Comparable Discussion on Material Changes in Cash Flows for the Nine Months Period Ended 31 July 2019 vs. 31 July 2018

The consolidated cash and cash equivalents for 31 July 2019 decreased by ₱1.01 billion (51.99%) to ₱0.94 billion as of 31 July 2019 from ₱1.95 billion for the same period last year. The decrease is mainly attributable to decrease in operating income as well as increase in payment for operating activities reported this period.

Key Performance Indicators

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

	31 Jul 2019	30 April 2019
Liquidity Ratio - Current ratio	1.32 : 1.00	1.35 : 1.00
Leverage Ratio - Debt to Equity	0.92 : 1.00	0.95 : 1.00
Activity Ratio - Annualized PPE	21.72 times	20.56 times

	31 Jul 2019	31 Jul 2018
Profitability Ratios		
Return on Equity	-0.01%	15.95%
Return on Assets	-0.01%	7.75%

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	$\frac{\text{Net Income}}{\text{Total Assets}}$

Comparable Discussion on Material Changes in Results of Operations for the Three Months' Period Ended 31 July 2018 vs. 31 July 2017

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱9.64 billion for the three months ended 31 July 2018, an increase of ₱1.32 billion (15.8%) over total revenues of ₱8.32 billion during the same period in 2017. The increase was primarily due to a higher revenue contribution from H.R. Owen and also a result of fluctuation of GBP to Peso currency in the financial period under review.

The Group's total cost and operating expenses for the three months ended 31 July 2018 increased by ₱1.20 million (15.0%) to ₱9.15 billion from ₱7.95 billion for the same period in 2017. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱1.09 billion (16.1%), (2) salaries and employee benefits increased by ₱50.70 million (10.4%), (3) marketing and selling increased by ₱48.21 million (30.6%), (4) rental increased by ₱9.20 million (10.9%), (5) professional fees increased by ₱1.51 million (2.4%), (6) depreciation expense increased by ₱5.41 million (8.8%), (7) taxes and licenses increased by ₱1.40 million (3.5%), (8) telecommunications increased by ₱3.43 million (11.3%), (9) maintenance of computer equipment increased by ₱2.25 million (7.9%), (9) communication, light and water increased by ₱1.59 million (5.7%), (10) cleaning and maintenance increased by ₱1.50 million (13.3%), (11) bank charges increased by ₱0.28 million (3.2%), (12) representation and entertainment increased by ₱0.64 million (7.2%), (13) charitable contribution increased by ₱2.09 million (14.9%), and (14) repairs and maintenance increased by ₱3.39 million (40.2%). These increases were offset by the following decreases of expenses: (1) miscellaneous expenses decreased by ₱5.82 million (22.4%), (2) management fees decreased by ₱1.39 million (6.8%), and (3) transportation and travel expenses decreased by ₱3.04 million (18.2%).

Other Charges (net of other income) amounted to ₱0.93 million for the three months ended 31 July 2018, a decrease of ₱54.82 million (101.7%) from the Other Income (net of other charges) of ₱53.88 million in the same period in 2017, mainly due to lower equity share in net income (losses) of associated companies.

The Group's net income increased by ₱43.57 million (14.3%) to ₱348.57 million for the three months ended 31 July 2018 from ₱305.0 million in the same period in 2017 due to higher revenue under review.

Comparable Discussion on Material Changes in Financial Condition as of 31 July 2018 vs. 30 April 2018

Total assets of the Group increased by ₱504.04 million (2.9%) to ₱18.0 billion as of 31 July 2018, from ₱17.50 billion as of 30 April 2018.

Trade and other receivables (net) decreased by ₱486.54 million (18.6%) to ₱2.13 billion in 31 July 2018 compared to ₱2.62 billion in 30 April 2018, mainly due to decrease in deposits, payment for future stock subscription and manufacturer bonuses for vehicles.

Inventories (net) increased by ₱271.0 million (5.4%) to ₱5.33 billion in 31 July 2018 compared to ₱5.06 billion in 30 April 2018, mainly due to additions of vehicle stocks of H.R. Owen.

Advances to associates increased by ₱76.96 million (5.1%) to ₱1.59 billion in 31 July 2018 compared to ₱1.51 billion in 30 April 2018 due to additional advances granted to associates.

Prepayments and other current assets (net) increased by ₱135.57 million (24.4%) to ₱691.41 million in 31 July 2018 compared to ₱555.84 million in 30 April 2018, mainly due to increase in prepaid expenses.

Available-for-sale financial assets increased by ₱91.42 million (7.6%) to ₱1.29 billion in 31 July 2018 compared to ₱1.20 billion in 30 April 2018, mainly due to acquisition of equity securities.

Property and equipment (net) decreased by P208.98 million (11.8%) to P1.56 billion in 31 July 2018 compared to P1.77 billion in 30 April 2018 due to disposal of H.R Owen equipment for the period.

Investment property decreased by P10.35 million (2.3%) to P449.81 million in 31 July 2018 compared to P460.17 million in 30 April 2018 due to translation adjustment from gbp to peso.

Investments in associates decreased by P79.96 million (8.2%) to P898.47 million in 31 July 2018 compared to P978.44 million in 30 April 2018, mainly due to lower equity earnings of associates and offset dividends received from associated company.

Intangible assets decreased by P37.43 million (1.9%) to P1.9 billion in 31 July 2018 compared to P1.98 billion in 30 April 2018, primarily due to translation adjustment of H.R. Owen intangible assets.

Post-employment benefit asset decreased by ₱1.04 million (2.3%) to ₱45.15 in 31 July 2018 compared to ₱46.18 in 30 April 2018 due to translation adjustment.

Meanwhile, Other non-current assets increased by P0.88 million (27.5%) to P4.10 million in 31 July 2018 compared to P3.22 million in 30 April 2018 due to additional security deposits.

Total liabilities of the Group increased by ₱264.57 million (2.9%) to ₱9.26 billion as of 31 July 2018, from ₱8.99 billion as of 30 April 2018 mainly due to increase in Trade and other Payables.

Trade and other payable increased by ₱399.91 million (9.9%) to ₱4.43 billion in 31 July 2018 compared to ₱4.03 billion in 30 April 2018, mainly due to increase in Trade Payables for vehicles.

Current Loans payable and borrowings decreased by ₱193.09 million (4.5%) to ₱4.10 billion in 31 July 2018 compared to ₱4.30 billion in 30 April 2018, mainly due to decrease in vehicle stocking loans and bank loans.

Income Tax Payable increased by ₱102.93 million (101.5%) to ₱204.33 million in 31 July 2018 compared to ₱101.40 million in 30 April 2018.

Non-current Loans payable and borrowings decreased by ₱44.36 million (11.1%) to ₱356.31 million in 31 July 2018 compared to ₱400.67 million in 30 April 2018 due to repayment of bank loans.

Deferred tax liabilities decreased by ₱1.38 million (2.2%) to ₱60.86 million in 31 July 2018 compared to ₱62.24 million in 30 April 2018.

Post-employment benefit obligation increased by ₱0.97 million (4.2%) to ₱24.34 in 31 July 2018 compared to ₱23.36 in 30 April 2018.

Total stockholders' equity of the Group increased by ₱239.47 billion (2.8%) to ₱8.74 billion as of 31 July 2018, from ₱8.50 billion as of 30 April 2018 under review. The book value per share increased to ₱1.97 in 31 July 2018 from ₱1.92 in 30 April 2018.

Comparable Discussion on Material Changes in Cash Flows for the Nine Months Period Ended 31 July 2018 vs. 31 July 2017

The consolidated cash and cash equivalents for 31 July 2018 increased by ₱1.54 billion (383.0%) to ₱1.95 billion as of 31 July 2018 from ₱403.23 million for the same period last

year. The increase is mainly attributable to higher revenue as well as increase in cash provided in operating activities reported this period.

Key Performance Indicators

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

	31Jul 2018	30 April 2018
Liquidity Ratio - Current ratio	1.34 : 1.00	1.30 : 1.00
Leverage Ratio - Debt to Equity	1.06 : 1.00	1.06 : 1.00
Activity Ratio - Annualized PPE	24.72 times	16.35 times

	31 Jul 2018	31 Jul 2017
Profitability Ratios		
Return on Equity	15.95%	16.10%
Return on Assets	7.75%	8.45%

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 subsidiaries are expected to be satisfactory in the coming period.

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

- ii) The liquidity of the subsidiaries would continue to be generated from the collections of revenue from customers. There is no requirement for external funding for liquidity.
- iii) There is no known trend, event or uncertainty that has or that is reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.
- v) There is no significant element of income or loss that would arise from the Group's continuing operations.
- vi) There is no cause for any material change from period to period in one or more of the line items of the Corporation's financial statements.
- vii) There were no seasonal aspects that had a material impact effect on the financial conditions or results of operations.

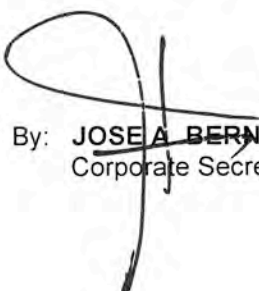
Separate Disclosures regarding the Financial Statements as required under SRC Rule 68.1


- 1) There are no items affecting the assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.
- 2) There is no change in the estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.
- 3) There is no issuance, repurchase or repayment of debts and equity securities.
- 4) There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- 5) There are no business combinations, acquisition or disposals subsidiaries and long-term investments, restructurings and discontinuing operations for the interim period.
- 6) There are no contingent liabilities or contingent assets since the last annual balance sheet date.
- 7) There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has caused this report to be signed on its behalf by the undersigned, being duly authorized, in the City of Makati on 12 September 2019.

Issuer: **BERJAYA PHILIPPINES, INC.**

By:  **JOSE A. BERNAS**
Corporate Secretary


By: **TAN ENG HWA**
Treasurer

ANNEX "A"

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JULY 31, 2019 and APRIL 30, 2019
(Amounts in Philippine Pesos)

<u>ASSETS</u>	<u>Note</u>	<u>July 31, 2019</u> Unaudited	<u>April 30, 2019</u> Audited
CURRENT ASSETS			
Cash and cash equivalents	5	P 935,083,068	P 1,221,368,609
Trade and other receivables-net	6	1,123,739,815	1,526,672,759
Financial assets at fair value through profit or loss	9	67,508,609	63,572,179
Inventories - net	7	5,386,860,074	5,806,979,702
Advances to associates	12	1,809,764,784	1,798,045,542
Prepayments and other current assets - net	8	720,876,922	639,058,034
Total Current Assets		10,043,833,272	11,055,696,825
NON-CURRENT ASSETS			
Financial asset at fair value through other comprehensive income	9	1,609,780,633	1,629,811,630
Property and equipment - net	10	1,442,618,370	1,578,711,300
Investment property	11	114,692,785	402,834,500
Investments in associates	12	1,306,872,203	897,588,528
Intangible assets - net	13	1,396,860,725	1,880,173,708
Deferred tax assets - net		104,272,938	117,576,037
Post-employment benefit asset		31,434,999	34,185,176
Asset held for sale	11	122,417,561	-
Other non-current assets	14	771,455	4,067,488
Total Non-Current Assets		6,129,721,669	6,544,948,367
TOTAL ASSETS		P 16,173,554,941	P 17,600,645,192
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	P 3,085,970,457	P 3,875,259,557
Loans payable and borrowings	16	3,682,932,120	3,822,557,996
Contract liabilities		409,985,541	445,854,258
Advances from associates	12	394,802,192	-
Advances from other related parties		500,952	-
Income tax payable		28,285,905	24,379,180
Total Current Liabilities		7,602,477,167	8,168,050,991
NON-CURRENT LIABILITIES			
Trade and other payables	15	15,499,025	16,855,000
Loans payable and borrowings	16	75,000,000	228,192,720
Provision for losses		-	63,985,202
Deferred tax liabilities - net		47,247,507	57,196,678
Post-employment benefit obligation		4,852,273	31,095,707
Contract liabilities		4,959,688	5,393,600
Total Non-Current Liabilities		147,558,493	402,718,907
Total Liabilities		7,750,035,660	8,570,769,898
EQUITY			
Attributable to Owners of the Parent Company		8,413,336,079	9,019,704,848
Attributable to non-controlling interest		10,183,202	10,170,446
Total Equity		8,423,519,281	9,029,875,294
TOTAL LIABILITIES AND EQUITY		P 16,173,554,941	P 17,600,645,192

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended JULY 31, 2019 and JULY 31, 2018
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended July 31, 2019		3 Months Ended July 31, 2018	
	P	P	P	P
REVENUES				
Sales of vehicles	7,801,748,024	7,801,748,024	9,198,951,884	9,198,951,884
Rental	-	-	405,533,081	405,533,081
Hotel Operations	31,281,872	31,281,872	32,409,953	32,409,953
	<u>7,833,029,896</u>	<u>7,833,029,896</u>	<u>9,636,894,918</u>	<u>9,636,894,918</u>
COSTS AND OTHER OPERATING EXPENSES				
Cost of vehicles sold	6,677,560,462	6,677,560,462	7,871,025,693	7,871,025,693
Salaries and employee benefits	457,679,139	457,679,139	539,183,136	539,183,136
Marketing & Selling	213,150,004	213,150,004	205,939,546	205,939,546
Rental	89,289,684	89,289,684	93,397,478	93,397,478
Professional fees	34,731,630	34,731,630	65,688,004	65,688,004
Depreciation and amortization	47,464,119	47,464,119	67,154,418	67,154,418
Stationery and Office Supplies	31,482,172	31,482,172	29,968,134	29,968,134
Taxes and licences	56,335,466	56,335,466	42,086,565	42,086,565
Miscellaneous Expenses	43,093,340	43,093,340	20,159,494	20,159,494
Telecommunications	-	-	33,740,232	33,740,232
Maintenance of computer equipment	-	-	30,635,549	30,635,549
Communication, light and water	23,078,274	23,078,274	29,583,177	29,583,177
Management fees	-	-	19,002,000	19,002,000
Transportation and travel	8,197,912	8,197,912	13,693,877	13,693,877
Insurance	38,873,823	38,873,823	20,715,231	20,715,231
Cleaning and Maintenance	12,950,347	12,950,347	12,783,964	12,783,964
Representation and entertainment	2,043,426	2,043,426	9,544,296	9,544,296
Charitable Contribution	-	-	16,166,000	16,166,000
Repairs and maintenance	8,173,071	8,173,071	11,809,011	11,809,011
Security Services	3,334,142	3,334,142	3,464,648	3,464,648
Cost of food and beverages	2,594,222	2,594,222	3,040,518	3,040,518
Outside Service	3,183,296	3,183,296	2,644,907	2,644,907
Commissions	932,854	932,854	936,754	936,754
	<u>7,754,147,385</u>	<u>7,754,147,385</u>	<u>9,142,362,632</u>	<u>9,142,362,632</u>
OPERATING PROFIT	<u>78,882,511</u>	<u>78,882,511</u>	<u>494,532,286</u>	<u>494,532,286</u>
OTHER INCOME (CHARGES)				
Equity share in net income (losses)	(19,514,068)	(19,514,068)	(6,794,339)	(6,794,339)
Finance Income	21,736,009	21,736,009	36,246,234	36,246,234
Finance Costs	(61,208,056)	(61,208,056)	(52,170,622)	(52,170,622)
Others	168,729,278	168,729,278	12,742,537	12,742,537
	<u>109,743,163</u>	<u>109,743,163</u>	<u>(9,976,190)</u>	<u>(9,976,190)</u>
PROFIT BEFORE INCOME TAX	<u>188,625,674</u>	<u>188,625,674</u>	<u>484,556,096</u>	<u>484,556,096</u>
TAX EXPENSE	<u>52,331,850</u>	<u>52,331,850</u>	<u>135,985,352</u>	<u>135,985,352</u>
NET PROFIT (LOSS) FROM CONTINUING OPERATIONS	<u>136,293,823</u>	<u>136,293,823</u>	<u>348,570,744</u>	<u>348,570,744</u>
NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS	<u>(136,533,028)</u>	<u>(136,533,028)</u>	<u>-</u>	<u>-</u>
TOTAL NET PROFIT	<u>(239,205)</u>	<u>(239,205)</u>	<u>348,570,744</u>	<u>348,570,744</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss				
Net unrealized fair value gains (losses) on available-for-sale financial assets	(51,020,104)	(51,020,104)	(37,246,283)	(37,246,283)
Translation adjustment	(264,272,965)	(258,775,431)	(71,852,980)	(71,852,980)
	<u>(315,293,069)</u>	<u>(315,293,069)</u>	<u>(109,099,263)</u>	<u>(109,099,263)</u>
TOTAL COMPREHENSIVE INCOME	<u>(178,999,246)</u>	<u>(178,999,246)</u>	<u>239,471,481</u>	<u>239,471,481</u>
Net profit attributable to:				
Owners of the Parent Company	(477,886)	(477,886)	346,164,995	346,164,995
Non-controlling Interest	238,681	238,681	2,405,749	2,405,749
	<u>(239,205)</u>	<u>(239,205)</u>	<u>348,570,744</u>	<u>348,570,744</u>
Total comprehensive income attributable to:				
Owners of the Parent Company	(178,999,246)	(178,999,246)	237,343,816	237,343,816
Non-controlling Interest	-	-	2,127,665	2,127,665
	<u>(178,999,246)</u>	<u>(178,999,246)</u>	<u>239,471,481</u>	<u>239,471,481</u>
Weighted average number of shares outstanding	<u>4,341,280,855</u>	<u>4,341,280,855</u>	<u>4,341,280,855</u>	<u>4,341,280,855</u>
Basic earnings per share (annualized)	<u>P (0.00022)</u>	<u>P (0.00022)</u>	<u>P 0.32</u>	<u>P 0.32</u>

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the three months ended JULY 31, 2019 and JULY 31, 2018
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable Owners of the Parent Company																			
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings Appropriated	Retained Earnings Unappropriated	Total	Non-controlling Interest	Total										
Balance at May 1, 2019	P	4,427,009,132	P	(988,150,025)	P	(150,836,742)	P	(684,443,103)	P	(53,767,229)	P	1,773,262,552	P	4,696,630,263	P	9,019,704,848	P	10,170,446	P	9,029,875,294
Capital issuance through stock dividends		-		-		-		-		-		-		-		-		-		-
Profit or loss for the year		-		-		-		-		-		(477,886)		(477,886)				238,681		(239,205)
Appropriation during the year		-		-		-		-		-		-		-		-		-		-
Disposal of investment property		-		-		(32,274,979)		-		-		-		(32,274,979)				-		(32,274,979)
Actuarial Gain on remeasurement of post-employment benefit obligation - net of tax		-		-		(3,280,477)		-		-		-		(3,280,477)				-		(3,280,477)
Net unrealized fair value gains on available-for-sale securities		-		-		(51,020,104)		-		-		-		(51,020,104)				-		(51,020,104)
Opening effect of IFRS 9 for AFS Investments		-		-		-		-		-		-		-		-		-		-
Disposal of subsidiary		-		-		-		-		-		(255,268,284)		(255,268,284)						(255,268,284)
Translation adjustment		-		-		-		(264,272,965)		-		-		(264,272,965)				-		(264,272,965)
Total equity at July 31, 2019	P	4,427,009,132	P	(988,150,025)	P	(237,412,302)	P	(684,443,103)	P	(318,040,194)	P	1,773,262,552	P	4,440,884,093	P	8,413,110,153	P	10,409,127	P	8,423,519,281

	Attributable Owners of the Parent Company										
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings		Total	Non-controlling Interest	Total	
						Appropriated	Unappropriated				
Balance at May 1, 2018	P 4,427,009,132	P (988,150,025)	P 144,158,758	P (677,544,362)	P 149,727,044	P 1,773,262,552	P 3,655,736,073	P 8,484,199,172	P 18,061,526	P 8,502,260,698	
Profit or loss for the year	-	-	-	-	-	-	346,164,995	346,164,995	2,405,749	348,570,744	
Net unrealized fair value gains on available-for-sale securities	-	-	(37,246,283)	-	-	-	-	(37,246,283)	-	(37,246,283)	
Opening effect of IFRS 9 for AFS Investments	-	-	(300,950,277)	-	-	-	300,950,277	-	-	-	
Translation adjustment	-	-	-	-	(71,574,896)	-	-	(71,574,896)	(278,084)	(71,852,980)	
Total equity at July 31, 2018	P 4,427,009,132	P (988,150,025)	P (194,037,802)	P (677,544,362)	P 78,152,148	P 1,773,262,552	P 4,302,851,345	P 8,721,542,988	P 20,189,191	P 8,741,732,179	

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
For the three months ended JULY 31, 2019 and JULY 31, 2018
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended July 31, 2019		3 Months Ended July 31, 2018	
	P		P	
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	188,625,674	188,625,674	484,556,096	484,556,096
Adjustments for:				
Depreciation and amortization	47,464,119	47,464,119	67,154,418	67,154,418
Dividend Income	(16,440,252)	(16,440,252)	9,552,718	9,552,718
Interest Expense	49,365,479	49,365,479	43,126,719	43,126,719
Interest Income	(21,736,009)	(21,736,009)	(36,246,234)	(36,246,234)
Equity Share in net losses (income) of associates	19,514,068	19,514,068	6,794,339	6,794,339
Loss (gain) on sale of property and equipment	-	-	(387,312)	(387,312)
Loss (gain) on sale of investment property	(146,414,934)	(146,414,934)	-	-
Loss (gain) on deemed disposal of subsidiary	129,342,155	129,342,155	-	-
Unrealized foreign exchange losses (gain)	11,842,577	11,842,577	10,232,836	10,232,836
Operating income before working capital changes	261,562,876	261,562,876	584,783,580	584,783,580
Decrease / (Increase) in:				
Trade and other receivables	402,932,944	402,932,944	486,540,615	486,540,615
Financial assets at fair value through profit or loss	(3,936,430)	(3,936,430)	-	-
Inventories	420,119,628	420,119,628	(271,005,773)	(271,005,773)
Prepaid expenses and other current assets	(81,818,888)	(81,818,888)	24,308,312	24,308,312
Increase / (Decrease) in:				
Trade and other payables	(861,021,090)	(861,021,090)	399,909,950	399,909,950
Loans Payables and Borrowings	(292,818,596)	(292,818,596)	(237,453,805)	(237,453,805)
Contract liabilities	(36,302,629)	(36,302,629)	-	-
Retirement Obligation	(433,912)	(433,912)	970,744	970,744
Cash paid for income taxes	(48,425,126)	(48,425,126)	(31,373,945)	(31,373,945)
Net cash provided (used in) operating activities	(240,141,223)	(240,141,223)	956,679,678	956,679,678
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property and equipment	(17,887,108)	(17,887,108)	(16,381,854)	(16,381,854)
Acquisition of financial assets	(30,988,846)	(30,988,846)	(124,820,817)	(124,820,817)
Acquisition of additional investments in associates and subsidiaries	(343,138,392)	(343,138,392)	-	-
Proceeds from disposal of property and equipment	-	-	437,150	437,150
Proceeds from disposal of investment property	393,260,481	393,260,481	-	-
Interest Received	21,736,009	21,736,009	36,246,234	36,246,234
Cash dividends received	16,440,252	16,440,252	(9,552,718)	(9,552,718)
Advances to (collection from) associate - net	11,719,242	11,719,242	(20,000,000)	(20,000,000)
Net cash provided (used in) by investing activities	51,141,638	51,141,638	(134,072,005)	(134,072,005)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	80,000,000	80,000,000	-	-
Repayment of bank loan and borrowings	(122,206,522)	(122,206,522)	(26,245,024)	(26,245,024)
Interest paid	(52,170,622)	(52,170,622)	(43,126,719)	(43,126,719)
Net cash provided (used in) by financing activities	(94,377,144)	(94,377,144)	(69,371,743)	(69,371,743)
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS	(2,908,812)	(2,908,812)	(721,982)	(721,982)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(286,285,541)	(286,285,541)	752,513,947	752,513,947
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,221,368,609	1,221,368,609	1,195,177,294	1,195,177,294
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	P 935,083,068	P 935,083,068	P 1,947,691,241	P 1,947,691,241

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTESTO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS OF JULY 31, 2019 and APRIL 30, 2019
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Incorporation and Operations

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

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

The Parent Company is 74.20% owned by Berjaya Lottery Management (HK) Limited of Hong Kong (BLML) as at July 31, 2019. 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 Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi 55100 Kuala Lumpur, Malaysia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Interim Consolidated Financial Statements

These interim consolidated financial statements (ICFS) have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Philippine Financial Reporting Standards (PFRS), and should be read in conjunction with the Group's audited consolidated financial statements (ACFS) as at for the three months ended July 31, 2019 and for the year ended April 30, 2019.

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

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

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

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

2.2 Adoption of New and Amended PFRS

(a) Effective in Fiscal Year 2019 that are Relevant to the Group

The Group adopted for the first time the following new PFRS, interpretation, amendments and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2018, for its annual reporting period beginning May 1, 2018:

PAS 40 (Amendments)	:	Investment Property – Reclassification to and from Investment Property
PFRS 9	:	Financial Instruments
PFRS 15	:	Revenue from Contracts with Customers; Clarifications to PFRS 15
International Financial Reporting Interpretations Committee (IFRIC) 22	:	Foreign Currency Transactions and Advance Consideration
Annual Improvements to PFRS (2014-2016 Cycle)		
PAS 28 (Amendments)	:	Investment in Associates – Clarification on Fair Value Through Profit or Loss Classification
PFRS 1 (Amendments)	:	First-time Adoption of Philippine Financial Reporting Standards – Deletion of Short-term Exemptions

(b) Effective in 2019 that are not Relevant to the Group

The following amendments to existing standards are mandatorily effective for annual periods beginning on or after January 1, 2018 but are not relevant to the Group's consolidated financial statements, for its annual reporting period beginning May 1, 2018:

PFRS 2 (Amendments)	:	Share-based Payment – Classification and Measurement of Share-based Payment Transactions
PFRS 4 (Amendments)	:	Insurance Contracts – Applying PFRS 9 with PFRS 4

(c) *Effective Subsequent to Fiscal Year 2019 but not Adopted Early*

There are new PFRS, amendments, interpretations and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2019, 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 significant impact on the Group's consolidated financial statements:

PAS 19	:	Employee Benefits – Plan Amendment, Curtailment or Settlement.
PAS 28 (Amendment)	:	Investment in Associates – Long-term Interest in Associates and Joint Venture
PFRS 9 (Amendment)	:	Financial Instruments – Prepayment Features with Negative Compensation
PFRS 16	:	Leases
IFRIC 23	:	Uncertainty over Income Tax Treatments
PFRS 10 and PAS 28 (Amendments)	:	Consolidated Financial Statements, and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture
Annual Improvements	:	Annual Improvements to PFRS (2015 – 2017 cycle)

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

3. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

3.1 Market Risk

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

(a) Interest Rate Risk

The Group's policy is to minimize interest rate cash flow risk exposures on cash and cash equivalents. As at July 31, 2019 and April 30, 2019, the Group is exposed to changes in market interest rates through short-term placements included as part of Cash and Cash Equivalents account and stocking loans of H.R. Owen presented as Loans Payable and Borrowings, which are subject to variable interest rates, in the consolidated statements of financial position.

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

(b) Foreign Currency Risk

Except for H.R. Owen and eDoc Holdings 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 are primarily denominated in United States Dollars (USD). The Group also holds USD, GBP, Malaysian Ringgit (MYR) and European Union Euro (EUR) denominated cash and cash equivalents and receivables. Further, the Group has AFS financial assets denominated in MYR and GBP. There were no foreign currency denominated financial liabilities as at July 31, 2019 and April 30, 2019.

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>July 31, 2019</u>	<u>April 30, 2019</u>
Php – GBP	P920,504,826	P1,000,031,746
Php – USD	5,565,853	8,049,572
Php - EUR	302,335	301,750
Php – MYR	158,447	15,700,778

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>July 31, 2019</u>		<u>April 30, 2019</u>	
	<u>Reasonably possible change in rate</u>	<u>Effect in profit before tax</u>	<u>Reasonably possible change in rate</u>	<u>Effect in profit before tax</u>
PhP - GBP	7.19%	P 66,165,360	18.81%	P 194,414,447
PhP - USD	4.49%	250,113	7.66%	619,691
PhP - EUR	5.65%	17,083	35.29%	106,479
PhP - MYR	3.84%	<u>6,092</u>	8.13%	<u>1,276,375</u>
		<u>P 66,438,648</u>		<u>P196,413,992</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 +/-3.98% and a +/-51.67% volatility in the market value of the investment for the three months ended July 31, 2019. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in 2019.

3.2 Credit Risk

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

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

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

	<u>Notes</u>	<u>July 31, 2019</u>	<u>April 30, 2019</u>
Cash and cash equivalents	5	P 935,083,068	P 1,221,368,609
Trade and other receivables – net	6	1,123,739,815	1,526,672,759
Financial assets at FVTPL	9	67,508,609	63,572,179
Advances to associates	12	1,809,764,784	1,798,045,542
Prepayments and other current assets	8	720,876,922	639,958,034
Other non-current assets	14	771,455	4,067,488
		<u>P 4,657,744,653</u>	<u>P 5,253,684,611</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 July 31, 2019 and April 30, 2019 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 applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables and other receivables.

ECL for advances to associates are measured and recognized using the net asset approach. The Group does not consider any risks in the amounts due from associates as it has enough net assets to cover the amount due. Moreover, based on historical information on payments of associates, management considers the credit quality of receivables that are not past due or impaired to be good.

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 trade receivables of H.R. Owen are mostly related to servicing and bodyshop operations as the sale of vehicles is on a cash basis. The credit risk from servicing and bodyshop operations of H.R. Owen is minimal as H.R. Owen will not release the car without full payment. The Group's receivables are actively monitored to avoid significant concentrations of credit risk.

(c) *Other Non-current Assets*

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

3.3 Liquidity Risk

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

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

As at July 31, 2019 and April 30, 2019, the Group's financial liabilities pertain to Trade and Other Payables, except those tax-related liabilities, and Loans Payable and Borrowings inclusive of future interest. Trade and other payables and loans payable and borrowings are considered to be current which are expected to be settled within 12 months from the end of each reporting period.

4. SEGMENT REPORTING

4.1 Business Segments

The Group is organized into different business units based on its products and services for purposes of management assessment of each unit. In identifying its operating segments, the management generally follows the Group's four service lines. The Group is engaged in the business of Leasing, Services, 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 mainly pertains to the lease of on-line lottery equipment by the Group to PCSO.
- (b) The Services segment mainly pertains to the hotel operations of PHPI.
- (c) Investments segment relates to investing activities.
- (d) The Motor Vehicle Dealership segment mainly pertains to the luxury motor vehicle retailers and provision of aftersales services of H.R. Owen.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment. Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, advances, inventories and property 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.

4.3 Intersegment Transactions

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

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

4.4 Analysis of Segment Information

The tables in the succeeding pages present revenue and profit information regarding business segments for the three months ended July 31, 2019, July 31, 2018 and for the year ended April 30, 2019, and certain assets and liabilities information regarding industry segments as at July 31, 2019, July 31, 2018 and April 30, 2019.

July 31, 2019					
	From Continuing Operations			From Discontinued Operations	Total Consolidated
	Holding and Investment	Services	Motor Vehicle	Leasing	Consolidated
Total Revenues	107,676,951	33,303,221	7,948,269,946	143,922,349	8,233,172,468
Inter-segment Revenues	-	-	-	-	-
Revenues - External	<u>107,676,951</u>	<u>33,303,221</u>	<u>7,948,269,946</u>	<u>143,922,349</u>	<u>8,233,172,468</u>
Expenses	42,211,339	32,751,241	7,743,635,550	136,869,595	7,955,467,725
Inter-segment expenses	<u>211,370,707</u>	-	-	-	<u>211,370,707</u>
Expenses - External	<u>253,582,046</u>	<u>32,751,241</u>	<u>7,743,635,550</u>	<u>136,869,595</u>	<u>8,166,838,432</u>
Total Combined Profit Before Tax	65,465,613	551,980	204,634,397	7,052,754	277,704,743
Total Consolidated Profit Before Tax	(145,905,094)	551,980	204,634,397	7,052,754	66,334,036
Net profit for the year	56,386,798	286,859	161,648,719	(7,190,873)	211,131,503
Eliminations	<u>(211,370,707)</u>	-	-	-	<u>(211,370,707)</u>
	<u>(154,983,909)</u>	<u>286,859</u>	<u>161,648,719</u>	<u>(7,190,873)</u>	<u>(239,205)</u>
Segment Assets	9,081,889,213	664,016,883	9,463,116,034	726,127,235	19,935,149,364
Eliminated Assets	<u>(3,895,895,154)</u>	-	<u>860,427,965</u>	<u>(726,127,235)</u>	<u>(3,761,594,424)</u>
Total Conso Assets	<u>5,185,994,059</u>	<u>664,016,883</u>	<u>10,323,543,999</u>	<u>-</u>	<u>16,173,554,941</u>
Segment Liabilities	1,088,100,971	664,545,647	7,197,983,503	149,335,036	9,099,965,157
Eliminated Liabilities	<u>(355,538,954)</u>	<u>(643,020,377)</u>	<u>(202,035,130)</u>	<u>(149,335,036)</u>	<u>(1,349,929,497)</u>
Total Conso Liabilities	<u>732,562,017</u>	<u>21,525,270</u>	<u>6,995,948,373</u>	<u>-</u>	<u>7,750,035,660</u>
Capital expenditures	<u>-</u>	<u>16,517,353</u>	<u>1,369,755</u>	<u>-</u>	<u>17,887,108</u>
Depreciation and amortization	<u>-</u>	<u>5,033,391</u>	<u>42,430,727</u>	<u>3,651,125</u>	<u>51,115,243</u>

July 31, 2018							
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated	
Revenues:							
External	P 412,480,971	P 33,543,658	P 24,269,546	P 9,208,795,175	P -	P 9,628,089,066	
Inter-segment	-	-	68,946,184	-	(68,946,184)	-	
Total revenues	<u>P 412,480,971</u>	<u>P 33,543,658</u>	<u>P 93,215,730</u>	<u>P 9,208,795,175</u>	<u>P 68,946,184</u>	<u>P 9,628,089,066</u>	
Expenses:							
External	P 210,180,348	P 33,698,738	P 8,365,053	P 8,942,289,114	P -	P 9,194,533,253	
Inter-segment	-	600,000	-	-	(600,000)	-	
Total expenses	<u>P 210,180,348</u>	<u>P 34,298,738</u>	<u>P 8,365,053</u>	<u>P 8,942,289,114</u>	<u>P -</u>	<u>P 9,194,533,253</u>	
Profit before tax	<u>P 202,300,623</u>	<u>(P 755,080)</u>	<u>P 84,850,677</u>	<u>P 266,506,059</u>	<u>(P 68,346,184)</u>	<u>P 484,556,096</u>	
Net Profit	<u>P 141,807,800</u>	<u>(P 311,932)</u>	<u>P 9,225,374</u>	<u>P 197,936,946</u>	<u>(P 68,346,184)</u>	<u>P 348,570,744</u>	
Segment assets	<u>P 869,972,410</u>	<u>P 711,356,629</u>	<u>P 8,252,193,756</u>	<u>P 10,757,172,965</u>	<u>(P 2,589,288,944)</u>	<u>P 18,001,406,816</u>	
Segment liabilities	<u>P 219,273,932</u>	<u>P 710,022,000</u>	<u>P 566,985,765</u>	<u>P 8,618,786,396</u>	<u>(P 855,393,454)</u>	<u>P 8,511,938,484</u>	
Other segment items:							
Capital expenditures	<u>P 352,946</u>	<u>P 413,613</u>	<u>P -</u>	<u>P 15,615,295</u>	<u>P -</u>	<u>P 16,381,854</u>	
Depreciation and amortization	<u>P 5,366,466</u>	<u>P 5,463,879</u>	<u>P 625,301</u>	<u>P 55,698,772</u>	<u>P -</u>	<u>P 67,154,418</u>	

April 30, 2019						
	Leasing	Services	Investments	Motor Vehicle Dealership	Total	
Income:						
Revenue from external customers	P 1,312,808,936	P 130,371,110	P -	P 31,018,292,015	P 32,461,472,061	
Interest income	2,331,244	4,980,454	94,577,187	14,636,151	116,525,036	
Other income	27,506,067	4,209,686	41,971,721	-	73,687,474	
Inter-segment	-	-	412,399,574	882,917	413,282,491	
Total income	<u>P 1,342,646,247</u>	<u>P 139,561,250</u>	<u>P 548,948,482</u>	<u>P 31,033,811,083</u>	<u>P 33,064,967,062</u>	
Expenses:						
Costs and operating expenses						
before depreciation	P 715,090,695	P 124,649,799	P 35,974,522	P 30,067,845,506	P 30,943,560,522	
Depreciation and amortization	21,626,018	21,589,379	2,501,202	200,048,237	245,764,836	
Interest expense	1,258,137	665,111	16,306,284	149,197,019	167,426,551	
Equity share in net loss (income) of associates	35,340,509	32,545,133	-	(21,541,691)	46,343,951	
Other expenses (income)	439,388	(76,019)	25,029,781	55,965,045	81,358,195	
Inter-segment	-	1,700,000	-	-	1,700,000	
Total expenses	<u>P 773,754,747</u>	<u>P 181,073,403</u>	<u>P 79,811,789</u>	<u>P 30,451,514,116</u>	<u>P 31,486,154,055</u>	
Profit (loss) before tax	<u>P 568,891,500</u>	<u>(P 41,512,153)</u>	<u>P 469,136,693</u>	<u>P 582,296,967</u>	<u>P 1,578,813,007</u>	
Net profit (loss)	<u>P 383,624,176</u>	<u>(P 42,100,784)</u>	<u>P 449,649,443</u>	<u>P 456,267,082</u>	<u>P 1,247,439,917</u>	
Segment assets	<u>P 725,139,349</u>	<u>P 960,808,359</u>	<u>P 8,847,161,880</u>	<u>P 10,394,650,904</u>	<u>P 20,927,760,492</u>	
Segment liabilities	<u>P 139,038,328</u>	<u>P 760,709,752</u>	<u>P 1,024,450,151</u>	<u>P 8,113,798,452</u>	<u>P 10,037,996,683</u>	
Other segment item – Capital expenditures	<u>P 922,983</u>	<u>P 4,852,908</u>	<u>P -</u>	<u>P 235,583,614</u>	<u>P 241,359,505</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. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>July 31, 2019</u> <u>(Unaudited)</u>	<u>April 30, 2019</u> <u>(Audited)</u>
Cash on hand and in banks	P 904,085,018	P 1,187,658,609
Short-term placements	<u>30,998,050</u>	<u>33,710,000</u>
	<u>P 935,083,068</u>	<u>P 1,221,368,609</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 1.50% to 2.25% in 2019.

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	<u>July 31, 2019</u> <u>(Unaudited)</u>	<u>April 30, 2019</u> <u>(Audited)</u>
Deposits	P 494,037,565	P 620,200,558
Trade receivables	312,941,544	617,999,883
Manufacturer's bonuses	177,096,401	218,849,096
Payments for future acquisition of investments	51,068,726	15,700,778
Due from related parties	29,756,697	29,355,342
Advances to officers and employees	548,517	3,844,196
Other receivables	<u>100,159,662</u>	<u>70,008,814</u>
	1,165,609,112	1,575,958,667
Allowance for impairment	<u>(41,869,297)</u>	<u>(49,285,908)</u>
	<u>P1,123,739,815</u>	<u>P1,526,672,759</u>

Deposits represent amounts provided to a foreign asset management firm engaged in the business of general trading and financing services.

Trade receivables are usually due within 30 to 60 days and do not bear any interest.

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.

Manufacturer's bonuses mainly pertain to incentives received by H.R. Owen from its car manufacturer for the sale of vehicles and related parts including meeting certain volume requirements.

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

7. INVENTORIES

The composition of this account are shown below.

	<u>July 31, 2019</u> <u>(Unaudited)</u>	<u>April 30, 2019</u> <u>(Audited)</u>
At cost:		
Vehicles	P3,869,548,702	P4,178,346,073
Work in progress	40,036,213	46,680,732
Spare parts and accessories	-	39,980,469
Parts and components	6,413,807	10,310,878
Hotel supplies	5,538,333	4,783,754
	<u>3,921,537,055</u>	<u>4,280,101,906</u>
At net realizable value:		
Vehicles	1,416,047,836	1,492,447,819
Parts and components	257,107,250	252,763,378
	1,673,155,086	1,745,211,197
Allowance for inventory write down	(207,832,067)	(218,333,401)
	<u>1,465,323,019</u>	<u>1,526,877,796</u>
	<u>P5,386,860,074</u>	<u>P5,806,979,702</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>July 31, 2019</u>	<u>April 30, 2019</u>
Balance at beginning of year	P 218,333,401	P 206,590,560
Additional provision during the year	-	16,650,143
Translation adjustment	(10,501,334)	(4,907,302)
Reversal during the year	-	-
Balance at end of year	<u>P 207,832,067</u>	<u>P 218,333,401</u>

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<u>July 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
Prepaid expenses	P 394,533,902	P 309,135,926
Advances to suppliers	189,015,763	100,907,807
VAT recoverable	-	75,859,311
Refundable deposits	75,859,232	67,652,095
Input VAT	39,348,610	45,013,745
Advance rental	12,000,000	20,916,644
Prepaid taxes	5,490,535	11,037,969
Creditable withholding tax	2,823,095	3,933,892
Other current assets	<u>1,905,785</u>	<u>7,600,645</u>
	<u>P 720,876,922</u>	<u>P 639,058,034</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.

VAT recoverable pertains to the excess of input tax over output tax on sale of vehicles which the Group can reclaim under the tax laws in the United Kingdom (UK).

9. INVESTMENT SECURITIES

This account consists of the following financial assets:

9.1 Financial Assets at Fair Value through Profit or Loss (FVTPL)

	<u>July 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
Quoted equity securities	<u>P 67,508,609</u>	<u>P 63,572,179</u>

9.2 Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

	<u>July 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
Quoted equity securities	P 1,606,439,977	P 1,626,785,134
Unquoted equity securities	<u>3,340,656</u>	<u>3,026,496</u>
	<u>P 1,609,780,633</u>	<u>P 1,629,811,630</u>

The Group's financial assets at FVTPL comprise of listed debt securities, which earn fixed annual interest. The debt securities are non-redeemableconvertible unsecured loan stocks which entitles the holder to convert it into common stocks of the issuer within a fixed conversion period or at maturity date. Unless previously converted, all outstanding debt securities are mandatorily converted into common stock on the day falling immediately after the maturity date.

10. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of reporting periods July 31, 2019 and April 30, 2019 are shown below.

	Computers and On-line Lottery Equipment	Building	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils/Linens	Communication Equipment	Leasehold Improvements	Construction in Progress	Land	TOTAL
July 31, 2019											
Cost	-	P 720,291,386	P 23,658,482	P 532,728,830	P 10,942,878	P 13,159,485	-	P 1,084,541,947	P 33,335,881	P 171,105,020	P 2,589,763,906
Accumulated depreciation and amortization	-	(130,671,539)	(21,389,444)	(343,933,288)	(9,397,013)	(11,453,495)	-	(628,300,759)	-	-	(1,147,145,538)
Net carrying amount	-	P 589,619,847	P 2,269,037	P 186,795,542	P 1,545,865	P 1,705,990	-	P 456,241,188	P 33,335,881	P 171,105,020	P 1,442,618,370
April 30, 2019											
Cost	P 1,500,906,990	P 720,291,386	P 76,333,846	P 616,937,699	P 49,403,144	P 13,013,060	P 3,782,238	P 1,217,155,853	P 18,407,932	P 186,074,615	P 4,402,306,763
Accumulated depreciation and amortization	(1,478,938,379)	(127,058,723)	(63,702,826)	(396,877,134)	(43,683,261)	(11,361,295)	(3,723,023)	(698,248,821)	-	-	(P 2,823,593,463)
Net carrying amount	P 21,968,611	P 593,232,663	P 12,631,020	P 220,060,565	P 5,719,883	P 1,651,765	P 57,215	P 518,907,032	P 18,407,932	P 186,074,615	P 1,578,711,300

11. INVESTMENT PROPERTY

In 2017, the Group acquired certain residential property amounting to 2,218,235GBP (about P132,720,106), which is classified by the Group as investment property.

In 2018, the Group ceased to occupy and leased out a property with a carrying amount of 3,581,690 GBP(about P256,346,568) that have been previously classified as Buildings under Property and Equipment account in the consolidated statements of financial position (see Note 10). The property was revalued to fair value of 4,125,000 GBP (about P295,232,025) at the date of transfer and the Group recognized gain, net of related deferred tax, amounting to 450,948 GBP (about P32,274,979) which is presented under Other Comprehensive Income (Loss) in the April 30, 2018 consolidated statement of comprehensive income. During April 30, 2019, the fair value of the investment property declined by 306,100 GBP (about P21,094,374). In June 2019, the property was reclassified as asset held for sale and was completed the sale of freehold property.

The translated amount of investment property as at July 31, 2019 and April 30, 2019 amounted to P114,692,785 and P402,834,500, respectively.

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

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

July 31, 2019	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	CBFC	PGMC	VideoDoc	Total
Investment										
Acquisition costs:										
Beginning balance	P 40,000	P 180,400	P 203,896	P 400	P 32,500	P 82,283	P 62,500	P -	P 126,564	P 728,543
Reclassification	-	-	-	-	-	-	-	P 434,300	-	434,300
Additional investment	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-	-
	<u>40,000</u>	<u>180,400</u>	<u>203,896</u>	<u>400</u>	<u>32,500</u>	<u>82,283</u>	<u>62,500</u>	<u>434,300</u>	<u>126,564</u>	<u>1,162,843</u>
Deduction of interest in associate --										
Loss on deemed disposal	-	-	(149,988)	-	-	-	-	-	-	(149,988)
Dividend income	-	-	(70,700)	-	-	-	-	-	-	(70,700)
Accumulated equity share in net profit (losses):										
Share in net profit (losses) in prior years	146,778	(180,400)	447,569	(400)	(15,681)	57,393	(10,680)	-	(54,845)	389,734
Share in net profit (losses) during the year	(1,708)	-	9,180	-	(1,963)	(4,313)	(342)	(17,131)	(3,236)	(19,513)
Share in other comprehensive income during the year	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	(5,504)	(5,504)
	<u>145,070</u>	<u>(180,400)</u>	<u>456,749</u>	<u>(400)</u>	<u>(17,644)</u>	<u>53,080</u>	<u>(11,022)</u>	<u>(17,131)</u>	<u>(63,585)</u>	<u>364,717</u>
Total investments in associates	<u>185,070</u>	<u>-</u>	<u>439,957</u>	<u>-</u>	<u>14,856</u>	<u>135,363</u>	<u>51,478</u>	<u>417,169</u>	<u>62,979</u>	<u>1,306,872</u>
Advances to associates	<u>389,208</u>	<u>399,862</u>	<u>-</u>	<u>3,023</u>	<u>-</u>	<u>934,906</u>	<u>-</u>	<u>-</u>	<u>82,766</u>	<u>1,809,765</u>
Advances from associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>394,802</u>	<u>-</u>	<u>394,802</u>
	P 574,278	P 399,862	P 439,957	P 3,023	P 14,856	P 1,070,269	P 51,478	P 22,367	P 291,491	P 2,721,835

	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	CBFC	VideoDoc	Total
<u>April 30, 2019</u>									
Investment:									
Acquisition costs:									
Beginning balance	P 8,000	P 180,400	P 203,896	P 400	P 22,500	P 82,283	P 62,500	P 132,407	P 692,386
Reclassification									
Additional investment	32,000	-	-	-	10,000	-	-	-	42,000
Translation adjustment	-	-	-	-	-	-	-	(5,843)	(5,843)
	<u>40,000</u>	<u>180,400</u>	<u>203,896</u>	<u>400</u>	<u>32,500</u>	<u>82,283</u>	<u>62,500</u>	<u>126,564</u>	<u>728,543</u>
Deduction of interest in associate —									
Loss on deemed disposal	-	-	(149,988)	-	-	-	-	-	(149,988)
Dividend income	-	-	(70,700)	-	-	-	-	-	(70,700)
Accumulated equity share									
in net profit (losses):									
Share in net profit									
(losses) in prior years	154,408	(180,400)	422,146	(400)	(11,840)	74,424	-	(22,300)	436,038
Share in net profit									
(losses) during the year	(7,630)	-	25,383	-	(3,841)	(17,031)	(10,680)	(32,545)	(46,344)
Share in other comprehensive									
income during the year	-	-	40	-	-	-	-	-	40
Translation adjustment	-	-	-	-	-	-	-	-	-
	<u>146,778</u>	<u>(180,400)</u>	<u>447,569</u>	<u>(400)</u>	<u>(15,681)</u>	<u>57,393</u>	<u>(10,680)</u>	<u>(54,845)</u>	<u>389,734</u>
Total investments in associates	<u>186,778</u>	<u>-</u>	<u>430,777</u>	<u>-</u>	<u>16,819</u>	<u>139,676</u>	<u>51,820</u>	<u>71,719</u>	<u>897,589</u>
Advances	<u>384,464</u>	<u>351,670</u>	<u>-</u>	<u>2,823</u>	<u>-</u>	<u>969,082</u>	<u>-</u>	<u>90,007</u>	<u>1,798,046</u>
	<u>P 571,242</u>	<u>P 351,670</u>	<u>P 430,777</u>	<u>P 2,823</u>	<u>P 16,819</u>	<u>P 1,108,758</u>	<u>P 51,820</u>	<u>P 161,726</u>	<u>P 2,695,635</u>

13. INTANGIBLE ASSETS

The compositions of this account are shown below.

	<u>July 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
Goodwill	P 731,890,122	P 1,156,363,307
Dealership rights	641,500,801	697,624,270
Customer relationship	<u>23,469,802</u>	<u>26,186,131</u>
	<u>P 1,396,860,725</u>	<u>P 1,880,173,708</u>

14. OTHER NON-CURRENT ASSETS

Other non-current assets of the Group pertain to security deposits refundable from various lessors and utility companies amounting to P771,455 and P4,067,488 as at July 31, 2019 and April 30, 2019, respectively.

15. TRADE AND OTHER PAYABLES

This account consists of the following:

	<u>July 31, 2019</u> <u>(Unaudited)</u>	<u>April 31, 2019</u> <u>(Audited)</u>
Current:		
Trade Payables	P 1,419,223,426	P 1,393,740,398
Advances from customers	1,063,474,156	1,642,257,217
Accrued expenses	292,979,688	483,715,503
Withholding taxes payable	44,331,820	64,394,030
Deferred output VAT	30,726,273	42,341,914
Deferred rent	15,023,825	16,921,409
Due to a related party	273,589	389,916
Other payables	219,937,680	231,499,170
	3,085,970,457	3,875,259,557
Non-current:		
Advances from a director	15,499,025	16,855,000
	<u>P3,101,469,482</u>	<u>P 3,892,114,557</u>

16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	<u>July 31, 2019</u> <u>(Unaudited)</u>	<u>April 30, 2019</u> <u>(Audited)</u>
Current:		
Vehicle stocking loans	P 3,452,932,120	P 3,658,096,406
Bank loans and mortgages	230,000,000	164,461,590
	3,682,932,120	3,822,557,996
Non-Current:		
Bank loans and mortgages	75,000,000	228,192,720
	<u>P 3,757,932,120</u>	<u>P 4,050,750,716</u>

17. CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

		July 31, 2019 (Unaudited)		April 30, 2019 (Audited)	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
Loans and receivables:					
Cash and cash equivalents	5	P 935,083,068	P 935,083,068	P 1,221,368,609	P 1,221,368,609
Trade and other receivables - net	6	1,123,739,815	1,123,739,815	1,522,828,563	1,522,828,563
Financial assets at FVTPL	9	67,508,609	67,508,609	63,572,179	63,572,179
Advances to associates	12	1,809,764,784	1,809,764,784	1,798,045,542	1,798,045,542
Refundable deposits	8	79,759,232	79,759,232	67,652,095	67,652,095
Other non-current assets	14	771,455	771,455	4,067,488	4,067,488
		<u>P 4,016,626,963</u>	<u>P 4,016,626,963</u>	<u>P 4,677,534,476</u>	<u>P 4,677,534,476</u>
Financial assets at FVOCI	9	<u>P 1,609,780,633</u>	<u>P 1,609,780,633</u>	<u>P 1,629,811,630</u>	<u>P 1,629,811,630</u>
Financial Liabilities					
Financial liabilities at amortized cost:					
Loans payable and borrowings	16	P3,682,932,120	P3,682,932,120	P 3,785,378,612	P 3,785,378,612
Trade and other payables	15	<u>3,085,970,457</u>	<u>3,085,970,457</u>	<u>4,050,750,716</u>	<u>4,045,654,828</u>
		<u>P 6,768,902,577</u>	<u>P 6,768,902,577</u>	<u>P 7,836,129,328</u>	<u>P 7,831,033,440</u>

ANNEX "B"

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES

(Formerly Prime Gaming Philippines, Inc. and Subsidiaries)

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

1 Aging of Accounts Receivables as of 31 Jul 2019

Type of Accounts Receivables	Neither Past Due nor Impaired	Past Due not Impaired			Past Due Accts & Items in Litigation	Total
		61-90 days	91-120 days	Over 180 days		
	(Peso)		(Peso)	(Peso)	(Peso)	(Peso)
a) <u>Trade Receivables</u>						
1) PCSO	-	-	-	-	-	-
2) Guest/City Ledger	1,314,005	114,975	82,125	131,400	-	1,642,506
3) Vehicle Debtor	163,021,845	29,640,335	44,460,503	59,280,789	-	296,403,472
3) Others	-	-	-	-	-	-
Subtotal	164,335,850	29,755,311	44,542,628	59,412,189	-	298,045,978
Less: Allow. For Doubtful Acct.	-	-	-	39,865,966	-	39,865,966
Net Trade receivable	164,335,850	29,755,311	44,542,628	19,546,223	-	258,180,012
b) <u>Non - Trade Receivables</u>						
1) Advances for stock subscription	96,068,726	-	-	-	-	96,068,726
2) Payment to other related parties	28,332,899	-	-	-	-	28,332,899
3) Advances to employees	548,517	-	-	-	-	548,517
4) Other Receivables	313,058,579	-	-	-	-	313,058,579
4) Deposit	427,551,082	-	-	-	-	427,551,082
Subtotal	865,559,803	-	-	-	-	865,559,803
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
Net Non - trade receivable	865,559,803	-	-	-	-	865,559,803
Net Receivables (a + b)	1,029,895,653	29,755,311	44,542,628	19,546,223	-	1,123,739,815

(0)

Notes:

If the Company's collection period does not match with the above schedule, a revision is necessary to make the schedule not misleading.

The proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

2 Accounts Receivable Description

Type of Receivables	Nature/Description	Collection/Liquidation Period
Trade Receivables		
1) PCSO	gross receipt from lottery ticket sales	30-60 days
2) Guest/City Ledger	rooms revenue and sale of food and beverages	30-60 days
3) Vehicle Debtor	sale of vehicles, parts and accessories and servicing and body shop sales	30-60 days
Notes:		
To indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both the trade and non - trade accounts.		

3 Normal Operating Cycle:

365 days

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

Financial Indicators
July 31, 2019

Financial Indicators	Computation		Ratios		Computation	Ratios
	July 2019	July 2018	July 2019	July 2018	April 2019	April 2019
Quick ratio						
Cash and cash equivalents +	935,083,068	1,947,691,241			1,221,368,609	
Financial asset at fair value through profit or loss	67,508,609	-			63,572,179	
Trade and other receivables - net +	1,123,739,815	2,134,084,644			1,526,672,759	
Advances to associates	1,809,764,784	1,592,800,356	0.52	0.65	1,798,045,542	0.56
Total Current Liabilities	7,602,477,167	8,736,694,919			8,168,050,991	
Current/liquidity ratio						
Total Current Assets	10,043,833,272	11,699,643,473	1.32	1.34	11,055,696,825	1.35
Total Current Liabilities	7,602,477,167	8,736,694,919			8,168,050,991	
Debt-to-equity ratio						
Total Liabilities	7,750,035,660	9,259,674,638	0.92	1.06	8,570,769,898.00	0.95
Total Equity	8,423,519,281	8,741,732,178			9,029,875,294.00	
Debt-to-assets ratio						
Total Liabilities	7,750,035,660	9,259,674,638	0.48	0.51	8,570,769,898.00	0.49
Total Assets	16,173,554,941	18,001,406,816			17,600,645,192.00	
Equity-to-assets ratio						
Total Equity	8,423,519,281	8,741,732,178	0.52	0.49	9,029,875,294.00	0.51
Total Assets	16,173,554,941	18,001,406,816			17,600,645,192.00	
Annualized PPE Turnover						
Net Revenue	7,833,029,896	9,636,894,918	21.72	24.72	32,461,472,061.00	20.56
PPE	1,442,618,370	1,559,341,357			1,578,711,300	
Annualized Return on assets						
Net Profit	(239,205)	348,570,744	-0.01%	7.75%	835,857,426.00	4.75%
Total Assets	16,173,554,941	18,001,406,816			17,600,645,192.00	
Annualized Return on equity						
Net Profit	(239,205)	348,570,744	-0.01%	15.95%	835,857,426.00	9.26%
Total Equity	8,423,519,281	8,741,732,178			9,029,875,294.00	
Annualized	4	4			1	
Earnings per share						
Net Profit Attributable to Owners of the						
Parent Company	(477,886)	346,164,995	0.00	0.08	830,105,132.00	0.19
Weighted Average Number of Outstanding Common Shares	4,341,280,855	4,341,280,855			4,341,280,855	

For the Fiscal Year	Jul 2019		Jul 2018		Jul 2018		April 2019	
Currency	Philippine Peso		Philippine Peso		Philippine Peso		Philippine Peso	
Balance Sheet	Current year 3 mos ended July 31 2019	Current year to date 3 mos ended July 31 2019	Previous year 3 mos ended July 31 2018	Previous year to date 3 mos ended July 31 2018	Previous year to date 3 mos ended July 31 2018	12 mos ended April 30 2019		
Current Assets	10,043,833,272	10,043,833,272	11,699,643,473	11,699,643,473	11,699,643,473	11,055,696,825		
Total Assets	16,173,554,941	16,173,554,941	18,001,406,816	18,001,406,816	18,001,406,816	17,600,645,192		
Current Liabilities	7,602,477,167	7,602,477,167	8,736,694,919	8,736,694,919	8,736,694,919	8,168,050,991		
Total Liabilities	7,750,035,660	7,750,035,660	9,259,674,638	9,259,674,638	9,259,674,638	8,570,769,898		
Retained Earnings	6,214,146,645	6,214,146,645	6,076,113,897	6,076,113,897	6,076,113,897	6,469,892,815		
Stockholders Equity	8,423,519,281	8,423,519,281	8,741,732,178	8,741,732,178	8,741,732,178	9,029,875,294		
Stockholders Equity-Parent	8,413,336,079	8,413,336,079	8,721,542,987	8,721,542,987	8,721,542,987	9,019,704,848		
Book Value Per Share	1.90	1.90	1.97	1.97	1.97	2.04		
Income Statement	3 mos ended July 31 2019	3 mos ended July 31 2019	3 mos ended July 31 2018	3 mos ended July 31 2018	3 mos ended July 31 2018	12 mos ended April 30 2019		
Gross Revenue	7,833,029,896	7,833,029,896	9,636,894,918	9,636,894,918	9,636,894,918	32,461,472,061		
Gross Expense	7,754,147,385	7,754,147,385	9,151,406,535	9,151,406,535	9,151,406,535	31,189,325,358		
Non Operating Income	190,465,287	190,465,287	48,988,771	48,988,771	48,988,771	190,212,510		
Non Operating Expense	80,722,124	80,722,124	49,921,058	49,921,058	49,921,058	295,128,697		
Net Income/(Loss) Before Tax from Continuing Operations	188,625,674	188,625,674	484,556,096	484,556,096	484,556,096	1,167,230,516		
Net Income/(Loss) Before Tax from Discontinued Operations	(136,533,028)	(136,533,028)	(136,533,028)	(136,533,028)	(136,533,028)	331,373,000		
Income Tax Expense	52,331,850	52,331,850	135,985,352	135,985,352	135,985,352	835,857,426		
Net Income/(Loss) After Tax	(239,205)	(239,205)	348,570,744	348,570,744	348,570,744	830,105,132		
Net Income/(Loss) Attributable to Parent	(239,205)	(239,205)	346,164,995	346,164,995	346,164,995	830,105,132		
Equity Holder	(477,886)	(477,886)	0.32	0.32	0.32	0.19		
Earnings/(Loss) Per Share (Basic)	0.00	0.00	0.32	0.32	0.32	0.19		
Earnings/(Loss) Per Share (Diluted)						-		
Financial Ratios	3 mos ended July 31 2019	3 mos ended July 31 2019	3 mos ended July 31 2018	3 mos ended July 31 2018	3 mos ended July 31 2018	12 mos ended April 30 2019		
Liquidity Analysis Ratios:								
Current Ratio or Working Capital ratio								
Current Assets/	10,043,833,272	10,043,833,272	11,699,643,473	11,699,643,473	11,699,643,473	11,055,696,825		
Current Liabilities	7,602,477,167	7,602,477,167	8,736,694,919	8,736,694,919	8,736,694,919	8,168,050,991		
Quick Ratio	0.52	0.52	0.65	0.65	0.65	0.56		
Current Assets-Inventories-Prepayments)/	3,936,096,276	3,936,096,276	5,674,576,241	5,674,576,241	5,674,576,241	5,674,576,241		
Current Liabilities	7,602,477,167	7,602,477,167	8,736,694,919	8,736,694,919	8,736,694,919	8,168,050,991		
Solvency Ratio	2.09	2.09	1.94	1.94	1.94	2.05		
Total Assets/	16,173,554,941	16,173,554,941	18,001,406,816	18,001,406,816	18,001,406,816	17,600,645,192		
Total Liabilities	7,750,035,660	7,750,035,660	9,259,674,638	9,259,674,638	9,259,674,638	8,570,769,898		
Financial Leverage Ratios	0.48	0.48	0.51	0.51	0.51	0.49		
Total Debt/	7,750,035,660	7,750,035,660	9,259,674,638	9,259,674,638	9,259,674,638	8,570,769,898		
Total assets	16,173,554,941	16,173,554,941	18,001,406,816	18,001,406,816	18,001,406,816	17,600,645,192		
Debt to Equity Ratio	0.92	0.92	1.06	1.06	1.06	0.95		
Total Debt/	7,750,035,660	7,750,035,660	9,259,674,638	9,259,674,638	9,259,674,638	8,570,769,898		
Total Stockholder's Equity	8,423,519,281	8,423,519,281	8,741,732,178	8,741,732,178	8,741,732,178	9,029,875,294		
Interest Coverage	-0.06	-0.06	12.24	12.24	12.24	4.35		
Earnings Before Interest and Taxes (EBIT)/	52,092,646	52,092,646	484,556,096	484,556,096	484,556,096	1,167,230,516		
Interest Charges	(49,365,479)	(49,365,479)	(43,126,719)	(43,126,719)	(43,126,719)	(43,126,719)		
Assets to Equity Ratio	1.92	1.92	2.06	2.06	2.06	1.95		
Total assets/	16,173,554,941	16,173,554,941	18,001,406,816	18,001,406,816	18,001,406,816	17,600,645,192		
Total Stockholders Equity	8,423,519,281	8,423,519,281	8,741,732,178	8,741,732,178	8,741,732,178	9,029,875,294		
Profitability Ratios	0.15	0.15	0.18	0.18	0.18	0.34		
Gross Profit Margin	7,833,029,896	7,833,029,896	9,636,894,918	9,636,894,918	9,636,894,918	32,461,472,061		
Sales-Cost of Goods Sold or Cost of Service/	(6,680,154,685)	(6,680,154,685)	(7,874,066,211)	(7,874,066,211)	(7,874,066,211)	(7,874,066,211)		
Sales	7,833,029,896	7,833,029,896	9,636,894,918	9,636,894,918	9,636,894,918	32,461,472,061		
Net Profit Margin	0.00	0.00	0.04	0.04	0.04	0.03		
Net Profit/	(239,205)	(239,205)	348,570,744	348,570,744	348,570,744	830,105,132		
Sales	7,833,029,896	7,833,029,896	9,636,894,918	9,636,894,918	9,636,894,918	32,461,472,061		
Return of Assets	0.00	0.00	0.08	0.08	0.08	0.05		
Net Income/	(239,205)	(239,205)	348,570,744	348,570,744	348,570,744	830,105,132		
Total Assets	16,173,554,941	16,173,554,941	18,001,406,816	18,001,406,816	18,001,406,816	17,600,645,192		
Return of Equity	(0.00)	(0.00)	0.16	0.16	0.16	0.09		
Net Income/	(239,205)	(239,205)	348,570,744	348,570,744	348,570,744	830,105,132		
Total Stockholders Equity	8,423,519,281	8,423,519,281	8,741,732,178	8,741,732,178	8,741,732,178	9,029,875,294		
Price/Earnings Ratio	2.48	2.48	5.00	5.00	5.00	28.24		
Price Per Share/	(0.000)	(0.000)	0.319	0.319	0.319	28.24		
Earnings Per Common Share	-	-	0.319	0.319	0.319	28.24		
Current year trailing 12 mos								
Current year to date Net Income+Latest Annual								
Net Income-Previous Year Net Income								
Weighted average no of outs shares								
Previous year trailing 12 mos								
Current year to date Net Income+Latest Annual								
Net Income-Previous Year Net Income								
Weighted average no of outs shares								