

**BERJAYA PHILIPPINES, INC.**

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*(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

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*(Fiscal Year Ending)*  
*(month and day)*

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*(Annual Meeting)*

November 2024

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*(Term Expiring On)*

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

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*(Form Type)*

N.A.

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*(Amendment Designation, if applicable)*

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*(Period Ended Date)*

N.A.

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*(Secondary License Type and File Number)*

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Cashier

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LCU

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DTU

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Pre War 476  
S.E.C Registration Number

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Central Receiving Unit

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File Number

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Document I.D.



## **PART I – FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

*See Interim Consolidated Statement of Financial Position as of 31 October 2019, attached hereto as Annex “A”, and Aging Schedule of Accounts Receivables as of 31 October 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 Six Months’ Period Ended 31 October 2019 vs. 31 October 2018**

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱15.55 billion for the six months ended 31 October 2019, a decrease of ₱1.34 billion (7.91%) over total revenues of ₱16.89 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 PGMG for the financial period under review.

The Group’s total cost and operating expenses for the six months ended 31 October 2019 decreased by ₱659.59 million (4.11%) to ₱15.38 billion from ₱16.04 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 ₱228.27 million (1.68%), (2) rental decreased by ₱96.22 million (53.42%), (3) marketing & selling decreased by ₱76.28 million (17.00%), (4) salaries and employee benefits decreased by ₱74.08 million (7.45%) , (5) maintenance of computer equipment decreased by ₱68.62 million (100%), 6) telecommunications decreased by ₱55.37 million (100%), (7) professional fees decreased by ₱48.17 million (45.32%), (8) management fees decreased by ₱36.98 million (100%), (9) charitable contribution decreased by ₱32.83 million (100%), (10) transportation and travel decreased by ₱21.02 million (67.08%), (11) taxes and licenses decreased by ₱14.65 (16.12%), (12) representation and entertainment decreased by ₱11.80 million (74.81%), (13) communication, light and water decreased by ₱9.37 million (17.25%), (14) repairs and maintenance decreased by ₱3.56

million (15.34%), (15) security services decreased by ₱2.03 million (22.63%), (16) cleaning and maintenance decreased by ₱.64 million (2.57%), (17) commissions decreased by ₱.09 million (4.75%) , and (18) cost of food and beverages decreased by ₱.08 million (1.41%). These decreases were offset by the following increases of expenses: (1) depreciation and amortization expense increased by ₱70.93 million (55.17%), (2) miscellaneous expenses increased by ₱27.39 million (71.02%), (3) insurance increased by ₱12.82 million (31.04%), (4) stationery and office supplies increased by ₱9.03 million (16.29%) and (5) outside service ₱.31 million (5.68%).

Other Income (Charges) amounted to (₱41.45) million for the six months ended 31 October 31, 2019, a decrease of ₱29.93 million (259.84 %) from Other Income (Charges) of (₱11.52) 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 ₱540.76 million (91.30%) to ₱51.54 million for the six months ended 31 October 2019 from net income of ₱592.30 million in the same period in 2018 due to lower revenue contribution from HR Owen as well as the disposal of subsidiary PGMC.

Net loss from discontinued operations from PGMC amounting to ₱30.59 million (100%) is a result of deemed disposal of subsidiary.

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

Total assets of the Group increased by P1.48 billion (8.4%) to P19.08 billion as of 31 October 2019, from P17.60 billion as of 30 April 2019.

Trade and other receivables (net) increased by P421.50 million (27.6%) to P1.95 billion in 31 October 2019 compared to P1.53 billion in 30 April 2019, mainly due to increase in deposits, other trade receivables and due from related parties.

Financial assets at fair value through profit or loss increased by P28.50 million to P92.08 million in 31 October 2019 compared to ₱63.57 million in 30 April 2019.

Inventories (net) decreased by ₱804.36 million (13.9%) to ₱5.00 billion in 31 October 2019 compared to ₱5.81 billion in 30 April 2019, mainly due to vehicle stocks sold.

Advances to associates increased by ₱.15 million (.01%) to ₱1.80 billion in 31 July 2019 compared to ₱1.80 billion in 30 April 2019.

Prepayments and other current assets (net) decreased by ₱251.19 million (39.3%) to ₱387.87 million in 31 October 2019 compared to ₱639.06 million in 30 April 2019, mainly due to decrease in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income decreased by ₱227.74 million (14.0%) to ₱1.40 billion in 31 October 2019 compared to ₱1.63 billion in 30 April 2019.

Property and equipment (net) increased by ₱3.04 billion (3.3%) to ₱4.62 billion in 31 October 2019 compared to ₱1.58 billion in 30 April 2019 is mainly due to adoption of PFRS 16 in which Right of Use Asset was recognized.

Investment property decreased by P281.00 million (69.8%) to P121.84 million in 31 October 2019 compared to ₱402.83 million in 30 April 2019 due to disposal of investment property.

Investments in associates increased by ₱428.92 million (47.8%) to ₱1.33 billion in 31 October 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 ₱387.27 million (21.1%) to ₱1.48 billion in 31 October 2019 compared to ₱1.88 billion in 30 April 2019, primarily due to impairment loss on disposal of goodwill.

Deferred tax assets decreased by ₱14.09 million (12.0%) to ₱103.49 million in 31 October 2019 compared to ₱117.58 million in 30 April 2019.

Post-employment benefit asset decreased by ₱.87 million (2.6%) to ₱33.31 in 31 October 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 October 2019 compared to ₱4.07 million in 30 April 2019 due to reclassification.

Total liabilities of the Group increased by ₱1.97 billion (23.0%) to ₱10.54 billion as of 31 October 2019, from ₱8.57 billion as of 30 April 2019 mainly due to adoption of PFRS 16 in which the Company recognize both current and non-current lease liabilities.

Trade and other payable decreased by ₱2.16 billion (55.2%) to ₱1.72 billion in 31 October 2019 compared to ₱3.88 billion in 30 April 2019, mainly due to decrease in advances from customers.

Lease liabilities- current increased by ₱328.09 million (100%) to ₱328.09 million in 31 October 2019 compared to ₱0 in 30 April 2019, mainly due to the effect of the PFRS 16 adoption.

Current loans payable and borrowings decreased by ₱67.36 million (1.8%) to ₱3.76 billion in 31 October 2019 compared to ₱3.82 billion in 30 April 2019, mainly due to payment of current loans.

Contract Liabilities (current) which is recognized from advance payments received from customers increased by ₱1.28 billion (286.4%) to ₱1.74 billion as of 31 October 2019, from ₱445.85 billion as of 30 April 2019.

Income Tax Payable increased by ₱14.63 million (60.0%) to ₱9.75 million in 31 October 2019 compared to ₱24.38 million in 30 April 2019.

Trade and other payables (non-current) decreased by ₱.39 million (2.3%) to ₱16.46 in 31 October 2019 compared to ₱16.86 billion in 2018, due to translation adjustment.

Non-current Loans payable and borrowings decreased by ₱190.69 million (83.6%) to ₱37.5 million in 31 October 2019 compared to ₱228.19 million in 30 April 2019 due to repayment of bank loans.

Lease liabilities- non-current increased by ₱2.66 billion (100%) to ₱2.66 billion in 31 October 2019 compared to ₱0 in 30 April 2019, mainly due to the effect of the PFRS 16 adoption.

Deferred tax liabilities decreased by ₱8.94 million (15.6%) to ₱48.25 million in 31 October 2019 compared to ₱57.20 million in 30 April 2019.

Post-employment benefit obligation decreased by ₱25.88 million (83.2%) to ₱5.21 in 31 October 2019 compared ₱31.10 in 30 April 2019.

Total stockholders' equity of the Group decreased by ₱489.93 million (5.4%) to ₱8.54 billion as of 31 October 2019, from ₱9.03 billion as of 30 April 2019 under review. The book value per share decreased to ₱1.93 in 31 October 2019 from ₱2.04 in 30 April 2019.

**Comparable Discussion on Material Changes in Cash Flows for the Six Months Period Ended 31 October 2019 vs. 31 October 2018**

The consolidated cash and cash equivalents for 31 October 2019 decreased by ₱457.64 million (37.5%) to ₱763.73 million as of 31 October 2019 from ₱865.08 million for the same period last year 31 October 2018. 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 Oct 2019	30 April 2019
Liquidity Ratio - Current ratio	1.29 : 1.00	1.35 : 1.00
Leverage Ratio - Debt to Equity	1.23 : 1.00	0.95 : 1.00
Activity Ratio - Annualized PPE	19.06 times	20.56 times
	31 Oct 2019	31 Oct 2018
Profitability Ratios		
Return on Equity	0.49%	13.53%
Return on Assets	0.22%	7.30%

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

Net Income  
Total Assets

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

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱16.89 billion for the six months ended 31 Oct 2018, an increase of ₱1.57 billion (10.3%) over total revenues of ₱15.32 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 six months ended 31 Oct 2018 increased by ₱1.28 million (8.6%) to ₱16.06 billion from ₱14.78 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 ₱1.18 billion (9.5%), (2) salaries and employee benefits increased by ₱36.19 million (3.8%), (3) marketing and selling increased by ₱409.29 million (32.2%), (4) rental increased by ₱8.15 million (4.7%), (5) depreciation expense increased by ₱2.55 million (2.0%), (6) taxes and licenses increased by ₱8.49 million (10.3%), (7) maintenance of computer equipment increased by ₱13.87 million (25.3%), (8) insurance increased by ₱9.55 million (30.1%), (9) cleaning and maintenance increased by ₱2.25 million (9.9%), (10) charitable contribution increased by ₱2.12 million (6.9%), and (11) repairs and maintenance increased by ₱6.52 million (39.0%). These increases were offset by the following decreases of expenses: (1) professional fees decreased by ₱41.50 million (28.1%), (2) stationery and office supplies decreased by ₱42.70 million (43.5%), (3) miscellaneous expenses decreased by ₱6.13 million (13.7%), (4) telecommunications decreased by ₱6.76 million (10.9%) (5) management fees decreased by ₱4.85 million (11.6%), (6) transportation and travel expenses decreased by ₱2.19 million (6.5%), and (7) representation and entertainment expenses decreased by ₱3.14 million (16.6%).

Other Charges (net of other income) amounted to ₱6.47 million for the six months ended 31 October 2018, a decrease of ₱69.03 million (91.4%) from the Other Income (net of other charges) of ₱75.50 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 ₱155.50 million (35.6%) to ₱592.30 million for the six months ended 31 October 2018 from ₱436.80 million in the same period in 2017 due to higher revenue under review.

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

Total assets of the Group decreased by P1.27 billion (7.3%) to P16.23 billion as of 31 Oct 2018, from P17.50 billion as of 30 April 2018.

Trade and other receivables (net) decreased by P1.11 billion (42.5%) to P1.50 billion in 31 Oct 2018 compared to P2.62 billion in 30 April 2018, mainly due to decrease in deposits and manufacturer bonuses for vehicles.

Inventories (net) decreased by P416.84million (8.2%) to P4.64billion in 31 Oct 2018 compared to P5.06 billion in 30 April 2018, mainly due to reduction of vehicle stocks of H.R. Owen.

Advances to associates increased by P199.09 million (13.1%) to P1.71billion in 31 Oct 2018 compared to P1.51 billion in 30 April 2018 due to additional advances granted to associates.

Prepayments and other current assets (net) increased by P596.79 million (107.4%) to P1.15 billion in 31 Oct 2018 compared to P555.84 million in 30 April 2018, mainly due to increase in prepaid expenses.

Available-for-sale financial assets increased by P98.72 million (8.2%) to P1.30 billion in 31 Oct 2018 compared to P1.20 billion in 30 April 2018, mainly due to acquisition of equity securities.

Property and equipment (net) decreased by P128.71 million (7.3%) to P1.64 billion in 31 Oct 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 P22.14 million (4.8%) to P438.03million in 31 Oct 2018 compared to P460.17 million in 30 April 2018 due to translation adjustment from gbp to peso.

Investments in associates decreased by P97.31 million (9.9%) to P881.12million in 31 Oct 2018 compared to P978.44million in 30 April 2018, mainly due to lower equity earnings of associates and offset dividends received from associated company.

Intangible assets decreased by P79.85 million (4.0%) to P1.9 billion in 31 Oct 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 ₱2.22 million (4.8%) to ₱43.96 in 31 Oct 2018 compared to ₱46.18 in 30 April 2018 due to translation adjustment.

Meanwhile, Other non-current assets increased by P0.85 million (26.4%) to P4.06 million in 31 Oct 2018 compared to P3.22 million in 30 April 2018 due to additional security deposits.

Total liabilities of the Group decreased by ₱1.52 million (16.9%) to ₱7.47 billion as of 31 Oct 2018, from ₱8.99 billion as of 30 April 2018 mainly due to decrease in Trade and other Payables and Borrowings.

Current Trade and other payable decreased by ₱491.26 million (12.2%) to ₱3.54 billion in 31 Oct 2018 compared to ₱4.03 billion in 30 April 2018, mainly due to decrease in Trade Payables for vehicles and withholding tax payable related to H.R. Owen.

Current Loans payable and borrowings decreased by ₱977.01 million (22.7%) to ₱3.32 billion in 31 Oct 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 ₱35.0 million (34.5%) to ₱136.40 million in 31 Oct 2018 compared to ₱101.40 million in 30 April 2018.

Non-current Loans payable and borrowings decreased by ₱88.95 million (22.2%) to ₱311.71 million in 31 Oct 2018 compared to ₱400.67 million in 30 April 2018 due to repayment of bank loans.

Deferred tax liabilities decreased by ₱2.96 million (4.8%) to ₱59.28 million in 31 Oct 2018 compared to ₱62.24 million in 30 April 2018.

Post-employment benefit obligation increased by ₱1.80 million (7.7%) to ₱25.16 in 31 Oct 2018 compared ₱23.36 in 30 April 2018.

Total stockholders' equity of the Group increased by ₱254.95 billion (3.0%) to ₱8.76 billion as of 31 Oct 2018, from ₱8.50 billion as of 30 April 2018 under review. The book value per share increased to ₱1.98 in 31 Oct 2018 from ₱1.92 in 30 April 2018.

### **Comparable Discussion on Material Changes in Cash Flows for the Six Months Period Ended 31 Oct 2018 vs. 31 Oct 2017**

The consolidated cash and cash equivalents for 31 Oct 2018 decreased by ₱177.61 million (17.0%) to ₱865.08 million as of 31 Oct 2018 from Php1.04billion for the same period last year. The decrease is mainly attributable to cash used in payment of payables and borrowings reported this period.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:

	31 Oct 2018	30 April 2018
Liquidity Ratio - Current ratio	1.42 : 1.00	1.30 : 1.00
Leverage Ratio - Debt to Equity	0.85 : 1.00	1.06 : 1.00

Activity Ratio - Annualized PPE	20.60 times	16.35 times
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	31 Oct 2018	31 Oct 2017
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Profitability Ratios		
Return on Equity	13.53%	11.23%
Return on Assets	7.30%	5.69%

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 16 December 2019.

Issuer: **BERJAYA PHILIPPINES, INC.**

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

**ANNEX "A"**

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

<u>ASSETS</u>	<u>Note</u>	<u>October 31, 2019</u> <u>Unaudited</u>	<u>April 30, 2019</u> <u>Audited</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	763,726,338	P 1,221,368,609
Trade and other receivables-net	6	1,948,174,456	1,526,672,759
Financial assets at fair value through profit or loss	9	92,075,598	63,572,179
Inventories - net	7	5,002,623,698	5,806,979,702
Advances to associates	12	1,798,190,659	1,798,045,542
Prepayments and other current assets - net	8	387,866,900	639,058,034
		<hr/>	<hr/>
Total Current Assets		9,992,657,648	11,055,696,825
<b>NON-CURRENT ASSETS</b>			
Financial asset at fair value through other comprehensive income	9	1,402,072,403	1,629,811,630
Property and equipment - net	10	4,617,496,222	1,578,711,300
Investment property	11	121,837,485	402,834,500
Investments in associates	12	1,326,508,157	897,588,528
Intangible assets - net	13	1,482,905,606	1,880,173,708
Deferred tax assets - net		103,489,455	117,576,037
Post-employment benefit asset		33,311,628	34,185,176
Other non-current assets	14	771,455	4,067,488
		<hr/>	<hr/>
Total Non-Current Assets		9,088,392,410	6,544,948,367
<b>TOTAL ASSETS</b>		<b>P 19,081,050,059</b>	<b>P 17,600,645,192</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	1,721,067,815	P 3,875,259,557
Loans payable and borrowings	16	3,755,201,902	3,822,557,996
Lease liabilities - current		328,091,348	0
Contract liabilities		1,722,964,651	445,854,258
Advances from associates	12	231,744,182	-
Income tax payable		9,750,491	24,379,180
		<hr/>	<hr/>
Total Current Liabilities		7,768,820,388	8,168,050,991
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	15	16,464,526	16,855,000
Loans payable and borrowings	16	37,500,000	228,192,720
Lease liabilities - non current		2,664,846,405	-
Provision for losses		-	63,985,202
Deferred tax liabilities - net		48,254,407	57,196,678
Post-employment benefit obligation		5,214,398	31,095,707
Contract liabilities		0	5,393,600
		<hr/>	<hr/>
Total Non-Current Liabilities		2,772,279,736	402,718,907
Total Liabilities		<hr/>	<hr/>
		10,541,100,124	8,570,769,898
<b>EQUITY</b>			
Attributable to Owners of the Parent Company		8,526,418,966	9,019,704,848
Attributable to non-controlling interest		13,530,969	10,170,446
		<hr/>	<hr/>
Total Equity		8,539,949,935	9,029,875,294
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 19,081,050,059</b>	<b>P 17,600,645,192</b>

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

	<b>3 Months Ended October 31, 2019</b>	<b>6 Months Ended October 31, 2019</b>	<b>3 Months Ended October 31, 2018</b>	<b>6 Months Ended October 31, 2018</b>
<b>REVENUES</b>				
Sales of vehicles	P 7,682,009,989	P 15,483,758,013	P 6,762,307,031	P 15,961,258,915
Rental	-	-	459,547,931	865,081,012
Hotel Operations	34,675,695	65,957,567	27,221,101	59,631,054
	<u>7,716,685,684</u>	<u>15,549,715,580</u>	<u>7,249,076,063</u>	<u>16,885,970,981</u>
<b>COSTS AND OTHER OPERATING EXPENSES</b>				
Cost of vehicles sold	6,689,497,998	13,367,058,461	5,724,306,876	13,595,332,569
Marketing & Selling	159,336,250	372,486,254	242,825,848	448,765,394
Salaries and employee benefits	462,132,500	919,811,729	454,707,618	993,890,754
Depreciation of ROU asset	103,474,301	103,474,301	-	-
Depreciation and amortization	48,561,392	96,025,510	61,417,728	128,572,146
Rental	(5,374,832)	83,914,852	86,742,337	180,139,815
Taxes and licences	19,888,198	76,223,664	48,787,124	90,873,689
Miscellaneous Expenses	22,862,499	65,955,839	18,406,167	38,565,661
Stationery and Office Supplies	32,941,873	64,424,045	25,429,577	55,397,711
Professional fees	23,380,129	58,111,759	40,590,551	106,278,555
Insurance	15,221,829	54,095,652	20,565,288	41,280,519
Communication, light and water	21,851,988	44,930,261	24,712,720	54,295,897
Cleaning and Maintenance	11,478,013	24,428,360	12,287,629	25,071,593
Repairs and maintenance	11,504,190	19,677,261	11,433,178	23,242,189
Transportation and travel	2,119,267	10,317,179	17,642,298	31,336,175
Security Services	3,591,554	6,925,696	5,486,588	8,951,236
Outside Service	2,551,123	5,734,419	2,781,138	5,426,045
Cost of food and beverages	3,083,938	5,678,161	2,718,809	5,759,327
Representation and entertainment	1,932,054	3,975,480	6,235,490	15,779,786
Commissions	787,605	1,720,459	869,589	1,806,343
Telecommunications	-	-	21,625,968	55,366,200
Maintenance of computer equipment	-	-	37,980,635	68,616,184
Management fees	-	-	17,980,000	36,982,000
Charitable Contribution	-	-	16,666,000	32,832,000
	<u>7,630,821,958</u>	<u>15,384,969,343</u>	<u>6,902,199,156</u>	<u>16,044,561,788</u>
<b>OPERATING PROFIT</b>	<u>85,863,726</u>	<u>164,746,237</u>	<u>346,876,907</u>	<u>841,409,193</u>
<b>OTHER INCOME (CHARGES)</b>				
Finance Income	22,139,910	43,875,919	26,810,844	63,057,078
Others	(144,518,698)	24,210,580	29,267,502	42,010,039
Fair value gain on financial assets at fair value through profit and loss	22,931,489	22,931,489	-	-
Equity share in net income (losses)	12,030,502	(7,483,566)	(14,925,543)	(21,719,882)
Finance Costs	(63,776,522)	(124,984,578)	(42,695,585)	(94,866,207)
	<u>(151,193,319)</u>	<u>(41,450,156)</u>	<u>(1,542,782)</u>	<u>(11,518,972)</u>
<b>PROFIT BEFORE INCOME TAX</b>	<u>(65,329,593)</u>	<u>123,296,081</u>	<u>345,334,125</u>	<u>829,890,221</u>
<b>TAX EXPENSE</b>	<u>19,425,938</u>	<u>71,757,788</u>	<u>101,602,439</u>	<u>237,587,791</u>
<b>NET PROFIT (LOSS) FROM CONTINUING OPERATIONS</b>	<u>(84,755,531)</u>	<u>51,538,292</u>	<u>243,731,686</u>	<u>592,302,430</u>
<b>NET PROFIT (LOSS) FROM DISCONTINUED OPERATIONS</b>	<u>105,939,908</u>	<u>(30,593,120)</u>	<u>-</u>	<u>-</u>
<b>TOTAL NET PROFIT</b>	<u>21,184,377</u>	<u>20,945,172</u>	<u>243,731,686</u>	<u>592,302,430</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Item that will not be reclassified subsequently to profit or loss</b>				
Net unrealized fair value losses on financial assets at fair value through other comprehensive income	1,967,892	(49,052,212)	-	-
Actuarial gain (loss) on remeasurement of post-employment benefit obligation - net of tax	(3,484,973)	(3,484,973)	-	-
	<u>(1,517,082)</u>	<u>(52,537,186)</u>	<u>-</u>	<u>-</u>
<b>Items that will be reclassified subsequently to profit or loss</b>				
Translation adjustment	198,715,717	(65,557,248)	(86,840,880)	(158,693,860)
Net unrealized fair value gains (losses) on AFS financial assets	-	-	(120,792,909)	(158,039,192)
	<u>198,715,717</u>	<u>(65,557,248)</u>	<u>(207,633,789)</u>	<u>(316,733,052)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>112,443,105</u>	<u>(66,556,141)</u>	<u>36,097,897</u>	<u>275,569,378</u>
<b>Net profit attributable to:</b>				
Owners of the Parent Company	17,836,611	17,358,725	241,319,574	587,484,569
Non-controlling Interest	3,347,766	3,586,448	2,412,112	4,817,861
	<u>21,184,377</u>	<u>20,945,172</u>	<u>243,731,686</u>	<u>592,302,430</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent Company	286,806,002	(82,658,530)	33,685,785	271,029,601
Non-controlling Interest	3,586,448	3,586,448	2,412,112	4,539,777
	<u>290,392,450</u>	<u>(79,072,082)</u>	<u>36,097,897</u>	<u>275,569,378</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>
<b>Basic earnings per share (annualized)</b>	<u>P 0.01952</u>	<u>P 0.00965</u>	<u>P 0.11</u>	<u>P 0.27</u>

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES  
*[A Subsidiary of Berjaya Lottery Management (HK) Limited]*  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the SIX months ended OCTOBER 31, 2019 and OCTOBER 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		Total	Non-controlling Interest	Total
						Appropriated	Unappropriated			
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
Effect of adoption of PFRS 9							8,373,996	P 8,373,996		P 8,373,996
Capital issuance through stock dividends	-	-	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-	17,358,725	17,358,725	3,360,523	20,719,247
Appropriation during the year	-	-	-	-	-	-	-	-	-	-
Reversal of appropriations during the year	-	-	-	-	-	-	(9,924,422)	P (9,924,422)	-	(9,924,422)
Disposal of investment property	-	-	(32,049,054)	-	-	-	-	(32,049,054)	-	(32,049,054)
Actuarial Gain on remeasurement of post-employment benefit obligation - net of tax	-	-	(3,484,973)	-	-	-	-	(3,484,973)	-	(3,484,973)
Net unrealized fair value gains on available-for-sale securities	-	-	(49,052,212)	-	-	-	-	(49,052,212)	-	(49,052,212)
Opening effect of IFRS 9 for AFS Investments	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	(358,950,694)	(358,950,694)	-	(358,950,694)
Translation adjustment	-	-	-	-	(65,557,248)	-	-	(65,557,248)	-	(65,557,248)
Total equity at October 31, 2019	<u>P 4,427,009,132</u>	<u>P (988,150,025)</u>	<u>P (235,422,982)</u>	<u>P (684,443,103)</u>	<u>P (119,324,477)</u>	<u>P 1,773,262,552</u>	<u>P 4,353,487,868</u>	<u>P 8,526,418,966</u>	<u>P 13,530,969</u>	<u>P 8,539,949,935</u>
						6,126,750,420				

	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	-	-	-	-	-	-	587,484,569	587,484,569	4,817,861	592,302,430
Effect of change in percentage ownership	-	-	-	(6,898,748)	-	-	-	(6,898,748)	(13,365,297)	(20,264,045)
Net unrealized fair value gains on available-for-sale securities	-	-	(158,039,192)	-	-	-	-	(158,039,192)	-	(158,039,192)
Opening effect of IFRS 9 for AFS Investments	-	-	(300,950,277)	-	-	-	300,950,277	-	-	-
Translation adjustment	-	-	-	-	(158,415,776)	-	-	(158,415,776)	(278,084)	(158,693,860)
Total equity at October 31, 2018	<u>P 4,427,009,132</u>	<u>P (988,150,025)</u>	<u>P (314,830,711)</u>	<u>P (684,443,110)</u>	<u>P (8,688,732)</u>	<u>P 1,773,262,552</u>	<u>P 4,544,170,919</u>	<u>P 8,748,330,025</u>	<u>P 9,236,006</u>	<u>P 8,757,566,031</u>

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

	<b>3 Months Ended October 31, 2019</b>	<b>6 Months Ended October 31, 2019</b>	<b>3 Months Ended October 31, 2018</b>	<b>6 Months Ended October 31, 2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	<b>P</b> (65,329,593)	<b>P</b> 123,296,081	<b>P</b> 345,334,125	<b>P</b> 829,890,221
Adjustments for:				
Depreciation and amortization	152,035,692	199,499,811	61,417,728	128,572,146
Dividend Income	(8,328,006)	(24,768,258)	7,916,319	17,469,037
Interest Expense	75,619,099	124,984,578	33,747,419	76,874,138
Interest Income	(22,139,910)	(43,875,919)	99,303,312	63,057,078
Equity Share in net losses (income) of associates	(21,399,726)	(1,885,658)	14,925,543	21,719,882
Loss (gain) on sale of property and equipment	-	-	-	(387,312)
Loss (gain) on sale of investment property	(5,492,537)	(151,907,471)	-	-
Loss (gain) on sale of available-for-sale assets	-	-	521,619	521,619
Loss (gain) on deemed disposal of subsidiary	(152,744,402)	(23,402,247)	-	-
Loss on impairment in associate	-	-	-	-
Loss on impairment of advances in associate	-	-	-	-
Unrealized foreign exchange losses (gain)	(7,472,765)	4,369,812	(25,942,945)	(15,710,109)
Operating income before working capital changes	(55,252,147)	206,310,728	537,223,120	1,122,006,700
Decrease / (Increase) in:				
Trade and other receivables	(824,434,641)	(421,501,697)	626,150,245	1,112,690,860
Financial assets at fair value through profit or loss	(24,566,989)	(28,503,419)	-	-
Inventories	384,236,376	804,356,004	687,849,458	416,843,685
Prepaid expenses and other current assets	333,010,022	251,191,134	(621,094,422)	(596,786,110)
Increase / (Decrease) in:				
Trade and other payables	(1,424,868,775)	(2,285,889,865)	(904,457,255)	(504,547,305)
Loans Payables and Borrowings	34,769,782	(258,048,814)	(828,514,240)	(1,065,968,045)
Lease Liability Current	328,091,348	328,091,348	-	-
Contract liabilities	1,308,019,422	1,271,716,793	-	-
Retirement Obligation	(4,959,688)	(5,393,600)	829,048	1,799,792
Cash paid for income taxes	(17,901,808)	(66,326,933)	(120,255,771)	(151,629,716)
Net cash provided (used in) operating activities	36,142,902	(203,998,321)	(622,269,817)	334,409,861
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of Property and equipment	(108,046,128)	(125,933,236)	(162,986,322)	(179,368,176)
Acquisition of financial assets	-	(30,988,846)	(133,310,332)	(258,131,149)
Acquisition of additional investments in associates and subsidiaries	-	(343,138,392)	-	-
Proceeds from sale of financial assets	-	-	1,373,084	1,373,084
Proceeds from disposal of property and equipment	-	-	-	437,150
Proceeds from disposal of investment property	24,497,863	417,758,344	-	-
Interest Received	22,139,910	43,875,919	(99,303,312)	(63,057,078)
Cash dividends received	8,328,006	24,768,258	(7,916,319)	(17,469,037)
Advances to (collection from) associate - net	(11,574,126)	145,117	-	(20,000,000)
Net cash provided (used in) by investing activities	(64,654,475)	(13,512,837)	(402,143,201)	(536,215,206)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from bank loans and borrowings	-	80,000,000	-	-
Repayment of bank loan and borrowings	(100,149,572)	(222,356,094)	(26,834,824)	(53,079,848)
Interest paid	(42,695,585)	(94,866,207)	(33,747,419)	(76,874,138)
Net cash provided (used in) by financing activities	(142,845,157)	(237,222,301)	(60,582,243)	(129,953,986)
<b>EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS</b>	-	(2,908,812)	2,385,031	1,663,049
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(171,356,730)	(457,642,271)	(1,082,610,230)	(330,096,282)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	935,083,068	1,221,368,609	1,947,691,241	1,195,177,294
<b>CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD</b>	<b>P</b> 763,726,338	<b>P</b> 763,726,338	<b>P</b> 865,081,012	<b>P</b> 865,081,012

**BERJAYA PHILIPPINES INC. AND SUBSIDIARIES**  
*[A Subsidiary of Berjaya Lottery Management (HK) Limited]*  
**NOTESTO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**AS OF OCTOBER 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 October 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 six months ended October 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 of 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 October 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 October 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>October 31, 2019</u>	<u>April 30, 2019</u>
Php – GBP	<b>P 718,547,165</b>	P1,000,031,746
Php – USD	<b>4,383,554</b>	8,049,572
Php - EUR	<b>294,860</b>	301,750
Php – MYR	<b>5,816,719</b>	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>October 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	12.19%	P 87,621,384	18.81%	P 194,414,447
PhP - USD	6.73%	294,896	7.66%	619,691
PhP - EUR	8.89%	26,221	35.29%	106,479
PhP - MYR	5.81%	<u>338,044</u>	8.13%	<u>1,276,375</u>
		<u>P 88,280,545</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 +/-6.51% and a +/-66.84% volatility in the market value of the investment for the six months ended October 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>	<b><u>October 31, 2019</u></b>	<u>April 30, 2019</u>
Cash and cash equivalents	5	<b>P 763,726,338</b>	P 1,221,368,609
Trade and other receivables – net	6	<b>1,948,174,456</b>	1,526,672,759
Financial assets at FVTPL	9	<b>92,075,598</b>	63,572,179
Advances to associates	12	<b>1,798,190,659</b>	1,798,045,542
Prepayments and other current assets	8	<b>387,866,900</b>	639,958,034
Other non-current assets	14	<b><u>771,455</u></b>	<u>4,067,488</u>
		<b><u>P 4,990,805,406</u></b>	<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 October 31, 2019 and April 30, 2019 are due mainly from customers of H.R. Owen. 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 October 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 six months ended October 31, 2019, October 31, 2018 and for the year ended April 30, 2019, and certain assets and liabilities information regarding industry segments as at October 31, 2019, October 31, 2018 and April 30, 2019.

	October 31, 2019				Total Consolidated
	From Continuing Operations			From Discontinued Operations	
	Holding and Investment	Services	Motor Vehicle	Leasing	Consolidated
Total Revenues	122,624,801	69,809,431	15,635,886,875	143,922,349	15,972,243,456
Inter-segment Revenues	-	-	-	-	-
Revenues – External	<u>122,624,801</u>	<u>69,809,431</u>	<u>15,635,886,875</u>	<u>143,922,349</u>	<u>15,972,243,456</u>
Expenses	200,271,669	73,991,363	15,413,392,125	136,869,595	15,824,524,753
Inter-segment expenses	10,178,996	-	-	-	24,412,019
Expenses – External	<u>210,450,665</u>	<u>73,991,363</u>	<u>15,413,392,125</u>	<u>136,869,595</u>	<u>15,834,703,749</u>
Total Combined Profit Before Tax	(77,646,868)	(4,181,933)	222,494,750	7,052,754	147,718,703
Total Consolidated Profit Before Tax	<b>(87,825,864)</b>	<b>(4,181,933)</b>	<b>222,494,750</b>	<b>(7,052,754)</b>	<b>123,506,684</b>
Net profit for the year	(95,141,513)	(4,363,377)	168,413,051	(7,190,873)	137,539,707
Eliminations	(10,178,996)	-	-	-	(10,178,996)
	<u>(119,353,532)</u>	<u>(4,363,377)</u>	<u>168,413,051</u>	<u>(7,190,873)</u>	<u>51,538,292</u>
Segment Assets	8,796,003,101	745,842,595	12,464,724,616	726,127,235	22,732,697,547
Eliminated Assets	(3,841,912,739)	-	916,392,485	(726,127,235)	(3,651,647,489)
Total Conso Assets	<u>4,954,090,362</u>	<u>745,842,595</u>	<u>13,381,117,101</u>	-	<u>19,081,050,059</u>
Segment Liabilities	958,638,694	745,592,456	10,059,331,030	149,335,036	11,912,897,217
Eliminated Liabilities	(373,406,549)	(641,020,377)	(208,035,131)	(149,335,036)	(1,371,797,093)
Total Conso Liabilities	<u>585,232,145</u>	<u>104,572,079</u>	<u>9,851,295,899</u>	-	<u>10,541,100,124</u>
Capital expenditures	-	<u>16,517,353</u>	<u>1,369,755</u>	-	<u>17,887,108</u>
Depreciation and amortization	-	<u>11,894,556</u>	<u>187,605,255</u>	-	<u>199,499,811</u>

October 31, 2018						
	Leasing	Services	Holding and Investments	Motor Vehicle Dealership	Elimination	Consolidated
<b>Revenues:</b>						
External	P 888,434,104	P 61,681,931	P 255,100,348	P 15,993,528,294	P -	P17,198,744,676
Inter-segment	-	-	(189,499,574)	-	-	( 189,499,574)
<b>Total revenues</b>	<b><u>P 888,434,104</u></b>	<b><u>P 61,681,931</u></b>	<b><u>P 65,600,774</u></b>	<b><u>P 15,993,528,294</u></b>	<b><u>P -</u></b>	<b><u>P17,009,245,102</u></b>
<b>Expenses:</b>						
External	P 390,890,066	P 69,059,797	P 35,650,421	P 15,661,174,630	P -	P16,156,774,914
Inter-segment	-	-	4,730,628	17,849,340	-	22,579,968
<b>Total expenses</b>	<b><u>P 390,890,066</u></b>	<b><u>P 69,059,797</u></b>	<b><u>P 40,381,049</u></b>	<b><u>P 15,679,023,971</u></b>	<b><u>P -</u></b>	<b><u>P16,179,354,882</u></b>
<b>Profit before tax</b>	<b><u>P 497,544,032</u></b>	<b><u>(P 7,377,866)</u></b>	<b><u>P 25,219,725</u></b>	<b><u>P 314,504,323</u></b>	<b><u>P -</u></b>	<b><u>P 829,890,221</u></b>
<b>Net Profit</b>	<b><u>P 364,294,195</u></b>	<b><u>(P 7,638,898)</u></b>	<b><u>P 205,342,794</u></b>	<b><u>P 242,029,796</u></b>	<b><u>(P 211,725,458)</u></b>	<b><u>P 592,302,430</u></b>
<b>Segment assets</b>	<b><u>P 1,018,361,324</u></b>	<b><u>P 705,834,738</u></b>	<b><u>P 8,416,798,791</u></b>	<b><u>P 8,930,280,035</u></b>	<b><u>(P 2,843,204,057)</u></b>	<b><u>P16,228,070,830</u></b>
<b>Segment liabilities</b>	<b><u>P 265,176,450</u></b>	<b><u>P 711,139,631</u></b>	<b><u>P 725,212,466</u></b>	<b><u>P 6,820,825,687</u></b>	<b><u>(P 1,051,495,350)</u></b>	<b><u>P 7,470,858,883</u></b>
<b>Other segment items:</b>						
Capital expenditures	P 516,116	P 2,159,217	P -	P 176,692,843	P -	P 179,368,176
Depreciation and amortization	P 10,756,293	P 10,959,870	P 1,250,602	P 105,605,381	P -	P 128,572,146

April 30, 2019					
	Leasing	Services	Investments	Motor Vehicle Dealership	Total
<b>Income:</b>					
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
<b>Total income</b>	<b><u>P 1,342,646,247</u></b>	<b><u>P 139,561,250</u></b>	<b><u>P 548,948,482</u></b>	<b><u>P 31,033,811,083</u></b>	<b><u>P 33,064,967,062</u></b>
<b>Expenses:</b>					
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
<b>Total expenses</b>	<b><u>P 773,754,747</u></b>	<b><u>P 181,073,403</u></b>	<b><u>P 79,811,789</u></b>	<b><u>P 30,451,514,116</u></b>	<b><u>P 31,486,154,055</u></b>
<b>Profit (loss) before tax</b>	<b><u>P 568,891,500</u></b>	<b><u>(P 41,512,153)</u></b>	<b><u>P 469,136,693</u></b>	<b><u>P 582,296,967</u></b>	<b><u>P 1,578,813,007</u></b>
<b>Net profit (loss)</b>	<b><u>P 383,624,176</u></b>	<b><u>(P 42,100,784)</u></b>	<b><u>P 449,649,443</u></b>	<b><u>P 456,267,082</u></b>	<b><u>P 1,247,439,917</u></b>
<b>Segment assets</b>	<b><u>P 725,139,349</u></b>	<b><u>P 960,808,359</u></b>	<b><u>P 8,847,161,880</u></b>	<b><u>P 10,394,650,904</u></b>	<b><u>P 20,927,760,492</u></b>
<b>Segment liabilities</b>	<b><u>P 139,038,328</u></b>	<b><u>P 760,709,752</u></b>	<b><u>P 1,024,450,151</u></b>	<b><u>P 8,113,798,452</u></b>	<b><u>P 10,037,996,683</u></b>
<b>Other segment item –</b>					
Capital expenditures	P 922,983	P 4,852,908	P -	P 235,583,614	P 241,359,505

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:

	<b>October 31, 2019</b> <b>(Unaudited)</b>	<u>April 30, 2019</u> (Audited)
Cash on hand and in banks	<b>P 730,797,288</b>	P 1,187,658,609
Short-term placements	<u>32,929,050</u>	<u>33,710,000</u>
	<b><u>P 763,726,338</u></b>	<b><u>P 1,221,368,609</u></b>

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:

	<b>October 31, 2019</b> <b>(Unaudited)</b>	<u>April 30, 2019</u> (Audited)
Deposits	<b>P 891,229,593</b>	P 620,200,558
Trade receivables	<b>615,488,497</b>	617,999,883
Manufacturer's bonuses	<b>191,006,696</b>	218,849,096
Payments for future acquisition of investments	<b>6,736,849</b>	15,700,778
Due from related parties	<b>35,677,053</b>	29,355,342
Advances to officers and employees	<b>415,883</b>	3,844,196
Other receivables	<u>241,747,685</u>	<u>70,008,814</u>
	<b>1,982,302,256</b>	1,575,958,667
Allowance for impairment	<u>( 34,127,800)</u>	<u>( 49,285,908)</u>
	<b><u>P1,948,174,456</u></b>	<b><u>P1,526,672,759</u></b>

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 SdnBerhad (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>October 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
At cost:		
Vehicles	<b>P3,496,355,814</b>	P4,178,346,073
Work in progress	<b>86,522,901</b>	46,680,732
Spare parts and accessories	-	39,980,469
Parts and components	<b>4,932,368</b>	10,310,878
Hotel supplies	<b>5,447,097</b>	4,783,754
	<u><b>3,593,258,180</b></u>	<u>4,280,101,906</u>
At net realizable value:		
Vehicles	<b>1,321,093,705</b>	1,492,447,819
Parts and components	<b>265,969,154</b>	252,763,378
	<b>1,587,062,859</b>	1,745,211,197
Allowance for inventory write down	<b>( 177,697,341)</b>	<b>( 218,333,401)</b>
	<u><b>1,409,365,518</b></u>	<u>1,526,877,796</u>
	<u><b>P5,002,623,698</b></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>October 31, 2019</u>	<u>April 30, 2019</u>
Balance at beginning of year	<b>P 218,333,401</b>	P 206,590,560
Additional provision during the year	-	16,650,143
Translation adjustment	<b>( 40,636,060)</b>	<b>( 4,907,302)</b>
Reversal during the year	-	-
	<u><b>P 177,697,341</b></u>	<u>P 218,333,401</u>

## 8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<u>October 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
Prepaid expenses	<b>P 69,392,476</b>	P 309,135,926
Advances to suppliers	<b>131,822,947</b>	100,907,807
VAT recoverable	-	75,859,311
Refundable deposits	<b>65,331,234</b>	67,652,095
Input VAT	<b>58,267,228</b>	45,013,745
Advance rental	<b>55,112,971</b>	20,916,644
Prepaid taxes	<b>1,141,238</b>	11,037,969
Creditable withholding tax	<b>3,545,816</b>	3,933,892
Other current assets	<b>3,252,989</b>	7,600,645
	<u><b>P 387,866,900</b></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)*

	<b><u>October 31, 2019</u></b> <b>(Unaudited)</b>	<u>April 30, 2019</u> (Audited)
Quoted equity securities	<b><u>P 92,075,598</u></b>	<u>P 63,572,179</u>

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

	<b><u>October 31, 2019</u></b> <b>(Unaudited)</b>	<u>April 30, 2019</u> (Audited)
Quoted equity securities	<b>P 1,402,072,403</b>	P 1,626,785,134
Unquoted equity securities	<u>-</u>	<u>3,026,496</u>
	<b><u>P 1,402,072,403</u></b>	<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-redeemable convertible 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 October 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	Right of Use Assets	Land	TOTAL
<b>October 30, 2019</b>												
Cost	-	P 720,291,386	P 31,929,621	P 596,684,763	P 11,370,687	P 13,240,199	-	P 1,201,738,430	P 86,972,742	P 3,091,721,067	P 181,763,878	P 5,935,712,773
Accumulated depreciation and amortization	-	( 134,284,356 )	( 22,960,632 )	( 379,971,135 )	( 9,529,536 )	( 11,537,391 )	-	( 654,232,642 )	-	( 105,700,860 )	-	( 1,318,216,551 )
Net carrying amount	-	<u>P 586,007,030</u>	<u>P 8,968,989</u>	<u>P 216,713,628</u>	<u>P 1,841,151</u>	<u>P 1,702,808</u>	-	<u>P 547,505,789</u>	<u>P 86,972,742</u>	<u>P 2,986,020,207</u>	<u>P 181,763,878</u>	<u>P 4,617,496,222</u>
<b>April 30, 2019</b>												
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 18,407,931	P -	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 )	( 3,725,023 )	( 698,248,821 )	-	-	-	( P 2,823,595,463 )
Net carrying amount	<u>P 21,968,611</u>	<u>P 593,232,663</u>	<u>P 12,631,020</u>	<u>P 220,060,565</u>	<u>P 5,719,883</u>	<u>P 1,651,765</u>	<u>P 57,215</u>	<u>P 518,907,032</u>	<u>P 18,407,931</u>	<u>P -</u>	<u>P 186,074,615</u>	<u>P 1,578,711,300</u>

## 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 October 31, 2019 and April 30, 2019 amounted to P121,837,485 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:

<b>October 31, 2019</b>	<b>PLPI</b>	<b>BPPI</b>	<b>BAPI</b>	<b>CPI</b>	<b>SBMPI</b>	<b>NPI</b>	<b>CBFC</b>	<b>PGMC</b>	<b>VideoDoc</b>	<b>Total</b>
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	-	-	-	-	-	-	-	-	-	-
Additional investment	-	-	-	-	-	-	P 50,000	P 434,300	-	484,300
Translation adjustment	-	-	-	-	-	-	-	-	-	-
	<b>40,000</b>	<b>180,400</b>	<b>203,896</b>	<b>400</b>	<b>32,500</b>	<b>82,283</b>	<b>112,500</b>	<b>434,300</b>	<b>126,564</b>	<b>1,212,843</b>
Deduction of interest in associate --										
Loss on deemed disposal	-	-	( 149,988)	-	-	-	-	P 20,580	-	( 129,408)
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 ye.	(2,248)	-	17,703	-	( 3,796)	( 9,025)	624	( 7,500)	( 3,241)	(7,482)
Share in other comprehensive income during the ye:	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-	-
	<b>144,530</b>	<b>(180,400)</b>	<b>465,272</b>	<b>(400)</b>	<b>(19,477)</b>	<b>48,368</b>	<b>(10,056)</b>	<b>(7,500)</b>	<b>(58,086)</b>	<b>382,252</b>
Total investments in associates:	184,530	-	448,480	-	13,023	130,651	102,444	447,380	68,478	1,394,987
Less: Impairment of Investment	-	-	-	-	-	-	-	-	(68,478)	(68,478)
	<b>184,530</b>	<b>-</b>	<b>448,480</b>	<b>-</b>	<b>13,023</b>	<b>130,651</b>	<b>102,444</b>	<b>447,380</b>	<b>-</b>	<b>1,326,509</b>
Advances to associates	393,950	455,729	-	3,023	-	945,487	-	-	87,922	1,886,113
Less: Impairment of Investment	-	-	-	-	-	-	-	-	(87,922)	(87,922)
	<b>393,950</b>	<b>455,729</b>	<b>-</b>	<b>3,023</b>	<b>-</b>	<b>945,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,798,191</b>
Advances from associates	-	-	-	-	-	-	-	231,744	-	231,744
	<b>P 578,480</b>	<b>P 455,729</b>	<b>P 448,480</b>	<b>P 3,023</b>	<b>P 13,023</b>	<b>P 1,076,139</b>	<b>P 102,444</b>	<b>P 679,124</b>	<b>-</b>	<b>P 2,892,955</b>

	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	CBFC	VideoDoc	Total
<b>April 30, 2019</b>									
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>
	<b><u>P 571,242</u></b>	<b><u>P 351,670</u></b>	<b><u>P 430,777</u></b>	<b><u>P 2,823</u></b>	<b><u>P 16,819</u></b>	<b><u>P 1,108,758</u></b>	<b><u>P 51,820</u></b>	<b><u>P 161,726</u></b>	<b><u>P 2,695,635</u></b>

### 13. INTANGIBLE ASSETS

The compositions of this account are shown below.

	<b>October 31, 2019</b> <b>(Unaudited)</b>	<u>April 30, 2019</u> <b>(Audited)</b>
Goodwill	<b>P 776,511,164</b>	P 1,156,363,307
Dealership rights	<b>681,462,607</b>	697,624,270
Customer relationship	<u>24,931,835</u>	<u>26,186,131</u>
	<b><u>P 1,482,905,606</u></b>	<b><u>P 1,880,173,708</u></b>

### 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 October 31, 2019 and April 30, 2019, respectively.

## 15. TRADE AND OTHER PAYABLES

This account consists of the following:

	<u>October 31, 2019</u> (Unaudited)	<u>April 31, 2019</u> (Audited)
Current:		
Trade Payables	<b>P 800,244,446</b>	P 1,393,740,398
Advances from customers	<b>580,829,112</b>	1,642,257,217
Accrued expenses	<b>217,169,628</b>	483,715,503
Withholding taxes payable	<b>1,408,580</b>	64,394,030
Deferred output VAT	<b>33,526,044</b>	42,341,914
Deferred rent	-	16,921,409
Due to a related party	<b>820,445</b>	389,916
Other payables	<b>87,069,560</b>	231,499,170
	<b>1,721,067,815</b>	3,875,259,557
Non-current:		
Advances from a director	<b>16,464,526</b>	16,855,000
	<b><u>P 1,737,532,341</u></b>	<b><u>P 3,892,114,557</u></b>

## 16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	<u>October 31, 2019</u> (Unaudited)	<u>April 30, 2019</u> (Audited)
Current:		
Vehicle stocking loans	<b>P 3,535,201,902</b>	P 3,658,096,406
Bank loans and mortgages	<b>220,000,000</b>	164,461,590
	<b>3,755,201,902</b>	3,822,557,996
Non-Current:		
Bank loans and mortgages	<b>37,500,000</b>	228,192,720
	<b><u>P 3,792,701,902</u></b>	<b><u>P 4,050,750,716</u></b>

## 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.

		<u>October 31, 2019</u>		<u>April 30, 2019</u>	
		(Unaudited)		(Audited)	
		<u>Carrying</u>	<u>Fair</u>	<u>Carrying</u>	<u>Fair</u>
		<u>Values</u>	<u>Values</u>	<u>Values</u>	<u>Values</u>
<b><i>Financial Assets</i></b>					
Loans and receivables:					
	5	P 763,726,338	P 763,726,338	P 1,221,368,609	P 1,221,368,609
	6	1,948,174,456	1,948,174,456	1,522,828,563	1,522,828,563
	9	92,075,598	92,075,598	63,572,179	63,572,179
	12	1,798,190,659	1,798,190,659	1,798,045,542	1,798,045,542
	8	65,331,234	65,331,234	67,652,095	67,652,095
	14	<u>771,455</u>	<u>771,455</u>	<u>4,067,488</u>	<u>4,067,488</u>
		<b><u>P 4,668,269,740</u></b>	<b><u>P 4,668,269,740</u></b>	<b><u>P 4,677,534,476</u></b>	<b><u>P 4,677,534,476</u></b>
	9	<b><u>P 1,402,072,403</u></b>	<b><u>P 1,402,072,403</u></b>	<b><u>P 1,629,811,630</u></b>	<b><u>P 1,629,811,630</u></b>
<b><i>Financial Liabilities</i></b>					
Financial liabilities at amortized cost:					
	16	P 3,792,701,902	P 3,792,701,902	P 3,785,378,612	P 3,785,378,612
	15	<u>1,736,711,896</u>	<u>1,736,711,896</u>	<u>4,050,750,716</u>	<u>4,045,654,828</u>
		<b><u>P 5,529,413,798</u></b>	<b><u>P 5,529,413,798</u></b>	<b><u>P 7,836,129,328</u></b>	<b><u>P 7,831,033,440</u></b>

**ANNEX "B"**

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

**1 Aging of Accounts Receivables as of 31 October 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	4,595,832	402,135	287,239	459,583	-	5,744,790
3) Vehicle Debtor	335,359,039	60,974,371	91,461,556	121,948,741	-	609,743,707
3) Others	-	-	-	-	-	-
Subtotal	339,954,871	61,376,506	91,748,796	122,408,325	-	615,488,497
Less: Allow. For Doubtful Acct.	-	-	-	34,127,800	-	34,127,800
<b>Net Trade receivable</b>	339,954,871	61,376,506	91,748,796	88,280,525	-	581,360,697
b) <u>Non - Trade Receivables</u>						
1) Advances for stock subscription	51,736,849	-	-	-	-	51,736,849
2) Payment to other related parties	35,677,053	-	-	-	-	35,677,053
3) Advances to employees	415,883	-	-	-	-	415,883
4) Other Receivables	1,275,277,565	-	-	-	-	1,275,277,565
4) Deposit	3,706,410	-	-	-	-	3,706,410
Subtotal	1,366,813,760	-	-	-	-	1,366,813,760
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
<b>Net Non - trade receivable</b>	1,366,813,760	-	-	-	-	1,366,813,760
<b>Net Receivables (a + b)</b>	<b>1,706,768,630</b>	<b>61,376,506</b>	<b>91,748,796</b>	<b>88,280,525</b>	<b>-</b>	<b>1,948,174,456</b>

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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**  
 October 31, 2019

Financial Indicators	Computation		Ratios		Computation		Ratios	
	October 2019	October 2018	October 2019	October 2018	April 2019	April 2019	April 2019	April 2019
<b>Quick ratio</b>								
Cash and cash equivalents +	763,726,338	890,201,230			1,221,368,609			
Financial asset at fair value through profit or loss	92,075,598	-			63,572,179			
Trade and other receivables - net +	1,948,174,456	1,507,934,399			1,526,672,759			
Advances to associates	1,798,190,659	171,493,608	0.59	0.37	1,798,045,542			0.56
Total Current Liabilities	7,768,820,388	6,993,678,005			8,168,050,991			
<b>Current/liquidity ratio</b>								
Total Current Assets	9,992,657,648	9,911,507,994	1.29	1.42	11,055,696,825			1.35
Total Current Liabilities	7,768,820,388	6,993,678,005			8,168,050,991			
<b>Debt-to-equity ratio</b>								
Total Liabilities	10,541,100,124	7,470,858,883	1.23	0.85	8,570,769,898.00			0.95
Total Equity	8,539,949,935	8,757,211,947			9,029,875,294.00			
<b>Debt-to-assets ratio</b>								
Total Liabilities	10,541,100,124	7,470,858,883	0.55	0.46	8,570,769,898.00			0.49
Total Assets	19,081,050,059	16,228,070,830			17,600,645,192.00			
<b>Equity-to-assets ratio</b>								
Total Equity	8,539,949,935	8,757,211,947	0.45	0.54	9,029,875,294.00			0.51
Total Assets	19,081,050,059	16,228,070,830			17,600,645,192.00			
<b>Annualized PPE Turnover</b>								
Net Revenue	15,549,715,580	16,885,970,981	19.06	20.60	32,461,472,061.00			20.56
PPE	1,631,476,014	1,639,616,440			1,578,711,300			
<b>Annualized Return on assets</b>								
Net Profit	20,945,172	592,302,430	0.22%	7.30%	835,857,426.00			4.75%
Total Assets	19,081,050,059	16,228,070,830			17,600,645,192.00			
<b>Annualized Return on equity</b>								
Net Profit	20,945,172	592,302,430	0.49%	13.53%	835,857,426.00			9.26%
Total Equity	8,539,949,935	8,757,211,947			9,029,875,294.00			
<b>Annualized</b>	2	2			1			
<b>Earnings per share</b>								
Net Profit Attributable to Owners of the Parent Company	17,358,725	587,484,569	0.004	0.14	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			