

COVER SHEET

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S.E.C. Registration Number

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| B | E | R | J | A | Y | A | | P | H | I | L | I | P | P | I | N | E | S | | | | |
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(Company's Full Name)

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| H | E | R | R | E | R | A | | S | T | R | E | E | T | | M | A | K | A | T | I | | |

Business Address: No. Street City/Town/Province

| |
|----------------------|
| Atty. Malu Sia-Bemas |
| Contact Person |

| |
|--------------------------|
| 811-0668/810-1814 |
| Company/Telephone Number |

| | |
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| 0 | 6 |
| Month | |

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

| |
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Domestic

| |
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| |
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Foreign

To be accomplished by SEC Personnel concerned

| | | | | | | | | | |
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Document I.D.

LCU

Cashier

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Remarks - pls. use black ink for scanning purposes

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)

JUNE 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 30 September 2020

(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 **30 September 2020**
2. SEC Identification Number **476**
3. BIR Tax Identification No. **001-289-374**
4. Exact name of registrant as specified in its charter **BERJAYA PHILIPPINES, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of Issuer's principal office
9/F Rufino Pacific Tower, 6784 Ayala Avenue, corner V.A. Rufino Street (formerly Herera Street), Makati City, M.M.
8. Issuer's telephone number, including area code
(632) 811-0540
9. Former name, former address, and former fiscal year, if changed since last report **N.A.**
Former Name:
Former Address:
Former Fiscal Year

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

| Title of Each Class | Number of Shares of Stock Issued and Outstanding |
|---------------------|--|
|---------------------|--|

| |
|---------------|
| COMMON |
|---------------|

| |
|----------------------|
| 4,427,009,132 |
|----------------------|

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

Yes [☒]

No [☐]

12. Indicate by check mark whether the registrant:

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

Yes [☒]

No [☐]

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

Yes [☒]

No [☐]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See Interim Consolidated Statement of Financial Position as of 30 September 2020, attached hereto as Annex “A”, and Aging Schedule of Accounts Receivables as of 30 September 2020 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 thirty nine point ninety nine percent (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’s equity is forty percent (40%) in 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 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 one hundred percent (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 resulted in the Corporation’s one hundred percent (100%) equity in HR Owen.

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 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%) equity in 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%) equity in Chailease Berjaya Finance Corporation, a corporation engaged in the leasing and financing business.

In April 2018, the Corporation acquired one hundred percent (100%) equity in 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 in Videodoc is equivalent to twenty point fifteen percent (20.15%).

In July 2019, BPI acquired thirty percent (30%) equity in Berjaya Auto Asia, Inc. (BAAI). BAAI was incorporated on November 20, 2017 and is primarily engaged in the business of dealing all types of new automobiles, trucks, and other motor vehicles and any parts, supplies or accessories used in connection therewith. BAAI started its commercial operations on May 2019.

Comparable Discussion on Material Changes in Results of Operations for the Three Months' Period Ended 30 September 2020 vs. 30 September 2019

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱7.78 billion for the three months ended 30 September 2020, an increase of ₱301.31 million (4.03%) over total revenues of ₱7.48 billion during the same period in 2019. The increase was primarily due to a higher revenue contribution from its subsidiary, H.R. Owen.

The Group's total cost and operating expenses for the three months ended 30 September 2020 increased by ₱167.75 million (2.27%) to ₱7.57 billion from ₱7.40 billion for the same period in 2019. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱321.97 million (5.01%), (2) depreciation and amortization increased by ₱14.24 million (11.72%), (3) stationary and office supplies increased by ₱12.53 million (232.31%), (4) insurance increased by ₱4.80 million (30.36%), (5) repairs and maintenance increased by ₱3.61 million (45.23%) and (6) transportation and travel increased by ₱.48 million (11.55%). These increases were offset by the following decreases of expenses: (1) salaries and employee benefits decreased by ₱51.88 million (11.49%), (2) marketing & selling decreased by ₱45.64 million (24.48%), (3) miscellaneous expenses decreased by ₱39.44 million (70.55%), (4) taxes and licenses decreased by ₱27.08 (74.31%), (5) professional fees decreased by ₱11.61 million (39.59%), (6) rental decreased by ₱4.46 million (45.55%), (7) security services expense decreased by ₱ 2.43 million (53.51%), (8) representation and entertainment decreased by ₱2.10 million (96.21%), (9) cleaning and maintenance decreased by ₱1.85 million (15.16%), (10) cost of food and beverages decreased by ₱1.55 million (54.36%), (11) outside services decreased by ₱.96 million (74.67%), (12) commission expense increased by ₱.66 million (79.41%) and (13) communication, light and water decreased by ₱.24 million (1.10%).

Other Income (Charges) amounted to (P107.39) million for the three months ended 30 September 2020, a decrease of P173.76 million (263.02%) from Other Income (Charges) of P65.87 million in the same period in 2019, mainly due to increase in share of net losses from its associated companies for the first quarter.

Net income from operations decreased by P28.67 million (33.77%) to P56.22 million for the three months ended 30 September 2020 from net income of P84.89 million in the same period in 2019 due to increase in share of net losses from its associated companies.

Comparable Discussion on Material Changes in Financial Condition as of 30 September 2020 vs. 30 June 2020

Total assets of the Group decreased by P1.88 billion (9.22%) to P18.56 billion as of 30 September 2020, from P20.45 billion as of 30 June 2020.

Trade and other receivables (net) increased by P806.91 million (71.03%) to P1.94 billion in 30 September 2020 compared to P1.14 billion in 30 June 2020, mainly due to increase in deposits, other trade receivables and due from related parties.

Financial assets at fair value through profit or loss decreased by P.23 million (6.27%) to P3.38 million in 30 September 2020 compared to P3.61 million in 30 June 2020 due to changes in its fair value.

Inventories (net) decreased by P1.01 billion (21.09%) to P3.80 billion in 30 September 2020 compared to P4.81 billion in 30 June 2020, mainly due to increase in sales of vehicles.

Advances to associates increased by P30.41 million (1.52%) to P2.04 billion in 30 September 2020 compared to P2.01 billion in 30 June 2020.

Prepayments and other current assets (net) increased by P51.51 million (6.44%) to P850.89 million in 30 September 2020 compared to P799.37 million in 30 June 2020, mainly due to increase in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income decreased by P197.98 million (15.72%) to P1.06 billion in 30 September 2020 compared to P1.26 billion in 30 June 2020 due to disposals made during the period.

Right of use asset-net decreased by P26.92 million (.90%) to P2.97 billion in 30 September 2020 compared to P3.00 billion in 30 June 2020 due to its amortization during the first quarter.

Property and equipment (net) increased by P18.07 million (.85%) to P2.15 billion in 30 September 2020 compared to P2.14 billion in 30 June 2020 is mainly due to additions made during the quarter.

Investment property increased by P1.86 million (1.64%) to P115.34 million in 30 September 2020 compared to P113.48 million in 30 June 2020 due to translation adjustment during the quarter.

Investments in associates decreased by P113.27 million (8.57%) to P1.21 billion in 30 September 2020 compared to P1.32 billion in 30 June 2020, mainly due to the impact of its share in net losses during the quarter.

Intangible assets increased by P21.64 million (1.57%) to P1.40 billion in 30 September 2020 compared to P1.38 billion in 30 June 2020, primarily due to changes in translation.

Deferred tax assets decreased by P2.86 million (3.46%) to P79.65 million in 30 September 2020 compared to P82.51 million in 30 June 2020.

Meanwhile, Other non-current assets decreased by ₱926.36 million (97.42%) to ₱24.54 million in 30 September 2020 compared to ₱950.90 million in 30 June 2020 due to reclassification.

Total liabilities of the Group decreased by ₱1.95 billion (15.57%) to ₱10.56 billion as of 30 September 2020, from ₱12.53 billion as of 30 June 2020.

Trade and other payables current decreased by ₱395.65 million (20.89%) to ₱1.50 million in 30 September 2020 compared to ₱1.89 billion in 30 June 2020, mainly due to payments made for trade payables during the first quarter.

Lease liabilities - current increased by ₱12.33 million (4.27%) to ₱301.24 million in 30 September 2020 compared to ₱288.90 in 30 June 2020.

Current loans payable and borrowings decreased by ₱1.51 billion (31.86%) to ₱3.24 billion in 30 September 2020 compared to ₱4.75 billion in 30 June 2020, mainly due to payments made for the loans during the quarter.

Contract Liabilities (current), which is recognized as advance payments received from customers, increased by ₱38.73 million (1.88%) to ₱2.10 billion as of 30 September 2020, from ₱2.06 billion as of 30 June 2020.

Advances from associates decreased by ₱72.35 (10.73%) million to ₱601.95 million as of 30 September 2020, from ₱674.30 as of 30 June 2020. Decreased is due to payment of advances made during the quarter.

Income Tax Payable increased by ₱1.09 million (100.00%) to ₱1.09 million in 30 September 2020 compared to ₱0 million in 30 June 2020.

Trade and other payables (non-current) increased by ₱.25 million (1.64%) to ₱15.59 in 30 September 2020 compared to ₱15.34 billion in 30 June 2019, due to translation adjustment.

Lease liabilities - non-current decreased by ₱27.40 billion (.99%) to ₱2.75 billion in 30 September 2020 compared to ₱2.77 million in 30 June 2020, mainly due to reclassification of non-current into current lease liabilities.

Deferred tax liabilities increased by ₱4.50 million (11.55%) to ₱43.46 million in 30 September 2020 compared to ₱38.96 million in 30 June 2020.

Post-employment benefit obligation increased by ₱2.07 million (7.88%) to ₱28.37 million in 30 September 2020 compared to ₱26.30.10 in 30 June 2020.

Total stockholders' equity of the Group increased by ₱65.23 million (.82%) to ₱7.99 billion as of 30 September 2020, from ₱7.92 billion as of 30 June 2020 under review. The book value per share increased to ₱1.80 in 30 September 2020 from ₱1.79 in 30 June 2020.

Comparable Discussion on Material Changes in Cash Flows for the Three Months Period Ended 30 September 2020 vs. 30 September 2019

The consolidated cash and cash equivalents for 30 September 2020 increased by ₱167.03 million (22.19%) to ₱919.82 million as of 30 September 2020 from ₱752.79 million for the same period last year 30 September 2019. The increase is mainly attributable to the increase in operating income reported during the period.

Key Performance Indicators

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

| | 30 September 2020 | 30 June 2020 |
|---------------------------------|-------------------|--------------|
| Liquidity Ratio - Current ratio | 1.23 : 1.00 | 1.06 : 1.00 |
| Leverage Ratio - Debt to Equity | 1.32 : 1.00 | 1.58 : 1.00 |
| Activity Ratio - Annualized PPE | 14.44 times | 11.73 times |

| | 30 September 2020 | 30 September 2019 |
|----------------------|-------------------|-------------------|
| Profitability Ratios | | |
| Return on Equity | 2.81% | 4.03% |
| Return on Assets | 1.21% | 1.78% |

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 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 ₱1.19 billion (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 ₱19.69 million (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 2019, mainly due to gain on disposal of investment property of H.R. Owen.

The Group's net income (loss) decreased by ₱348.81 million (100.0%) to net loss of ₱.24 million for the three months ended 31 July 2019 from net income of ₱348.57 million in the same period in 2018 due to deemed disposal of subsidiary PGMC.

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 Three 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 ₱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 | $\frac{\text{Net Income}}{\text{Total Assets}}$ |

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's 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 November 2020.

Issuer: **BERJAYA PHILIPPINES, INC.**

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

By: 
TAN ENG HWA
Treasurer

ANNEX "A"

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2020 and June 30, 2020
(Amounts in Philippine Pesos)

Appendix A :

| | <u>Note</u> | <u>September 30, 2020</u> Unaudited | <u>June 30, 2020</u> Audited | | |
|---|-------------|--|---------------------------------|-----------------|---------|
| ASSETS | | | | | |
| CURRENT ASSETS | | | | | |
| Cash and cash equivalents | 5 | 919,822,075 | P 1,453,881,090 | (534,059,015) | -36.73% |
| Trade and other receivables-net | 6 | 1,942,928,185 | 1,136,016,361 | 806,911,824 | 71.03% |
| Financial assets at fair value through pr | 9 | 3,382,647 | 3,609,020 | (226,373) | -6.27% |
| Inventories - net | 7 | 3,795,110,081 | 4,809,388,692 | (1,014,278,611) | -21.09% |
| Advances to associates | 13 | 2,037,641,937 | 2,007,231,967 | 30,409,970 | 1.52% |
| Prepayments and other current assets - | 8 | 850,889,497 | 799,374,640 | 51,514,857 | 6.44% |
| | | <u>9,549,774,422</u> | <u>10,209,501,770</u> | (659,727,348) | -6.46% |
| NON-CURRENT ASSETS | | | | | |
| Financial asset at fair value through other comprehensive income | 9 | 1,061,112,392 | 1,259,093,353 | (197,980,961) | -15.72% |
| Right of use assets - net | 12 | 2,970,777,786 | 2,997,696,798 | (26,919,012) | -0.90% |
| Property and equipment - net | 10 | 2,154,640,838 | 2,136,567,037 | 18,073,801 | 0.85% |
| Investment property | 11 | 115,338,990 | 113,482,145 | 1,856,845 | 1.64% |
| Investments in associates | 13 | 1,208,583,330 | 1,321,850,365 | (113,267,035) | -8.57% |
| Intangible assets - net | 14 | 1,400,439,196 | 1,378,798,345 | 21,640,851 | 1.57% |
| Deferred tax assets - net | | 79,647,353 | 82,506,046 | (2,858,693) | -3.46% |
| Other non-current assets | 8 | 24,541,627 | 950,903,294 | (926,361,667) | -97.42% |
| | | <u>9,015,081,512</u> | <u>10,240,897,383</u> | (1,225,815,871) | -11.97% |
| TOTAL ASSETS | | P 18,564,855,934 | P 20,450,399,153 | (1,885,543,219) | -9.22% |
| LIABILITIES AND EQUITY | | | | | |
| CURRENT LIABILITIES | | | | | |
| Trade and other payables | 15 | 1,498,640,639 | P 1,894,289,202 | (395,648,563) | -20.89% |
| Loans payable and borrowings | 16 | 3,239,028,891 | 4,753,375,352 | (1,514,346,461) | -31.86% |
| Lease liabilities - current | 12 | 301,235,393 | 288,904,856 | 12,330,537 | 4.27% |
| Contract liabilities | | 2,098,241,064 | 2,059,508,257 | 38,732,807 | 1.88% |
| Advances from associates | | 601,948,917 | 674,301,470 | (72,352,553) | -10.73% |
| Income tax payable | | 1,093,745 | 0 | 1,093,745 | #DIV/0! |
| | | <u>7,740,188,649</u> | <u>9,670,379,137</u> | (1,930,190,488) | -19.96% |
| NON-CURRENT LIABILITIES | | | | | |
| Trade and other payables | 15 | 15,586,350 | 15,335,425 | 250,925 | 1.64% |
| Lease liabilities - non current | 12 | 2,747,461,525 | 2,774,865,185 | (27,403,660) | -0.99% |
| Deferred tax liabilities - net | | 43,461,427 | 38,962,082 | 4,499,345 | 11.55% |
| Post-employment benefit obligation | | 28,374,461 | 26,301,737 | 2,072,724 | 7.88% |
| | | <u>2,834,883,763</u> | <u>2,855,464,429</u> | (20,580,666) | -0.72% |
| Total Non-Current Liabilities | | 2,834,883,763 | 2,855,464,429 | (20,580,666) | -0.72% |
| Total Liabilities | | <u>10,575,072,412</u> | <u>12,525,843,566</u> | (1,950,771,154) | -15.57% |
| EQUITY | | | | | |
| Attributable to Owners of the Parent Company | | 7,969,308,378 | 7,906,967,700 | 62,340,678 | 0.79% |
| Attributable to non-controlling interest | | 20,475,144 | 17,587,887 | 2,887,257 | 16.42% |
| | | <u>7,989,783,522</u> | <u>7,924,555,587</u> | 65,227,935 | 0.82% |
| TOTAL LIABILITIES AND EQUITY | | P 18,564,855,934 | P 20,450,399,153 | (1,885,543,219) | -9.22% |

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the three months ended SEPTEMBER 30, 2020 and SEPTEMBER 30, 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

| | 3 Months Ended September 30, 2020 | | 3 Months Ended September 30, 2019 | |
|---|--|----------------------|--|----------------------|
| REVENUES | P | | P | |
| Sales of vehicles | 7,754,142,662 | 7,754,142,662 | 7,443,115,118 | 7,443,115,118 |
| Hotel Operations | 24,858,303 | 24,858,303 | 34,577,114 | 34,577,114 |
| | 7,779,000,965 | 7,779,000,965 | 7,477,692,232 | 7,477,692,232 |
| COSTS AND OTHER OPERATING EXPENSES | | | | |
| Cost of vehicles sold | 6,751,918,378 | 6,751,918,378 | 6,429,943,591 | 6,429,943,591 |
| Salaries and employee benefits | 399,619,730 | 399,619,730 | 451,495,639 | 451,495,639 |
| Marketing & Selling | 140,816,551 | 140,816,551 | 186,453,877 | 186,453,877 |
| Depreciation and amortization | 135,808,303 | 135,808,303 | 121,565,087 | 121,565,087 |
| Communication, light and water | 21,748,249 | 21,748,249 | 21,989,543 | 21,989,543 |
| Insurance | 20,598,878 | 20,598,878 | 15,801,695 | 15,801,695 |
| Stationery and Office Supplies | 17,926,403 | 17,926,403 | 5,394,414 | 5,394,414 |
| Professional fees | 17,720,176 | 17,720,176 | 29,330,828 | 29,330,828 |
| Miscellaneous Expenses | 16,464,428 | 16,464,428 | 55,902,693 | 55,902,693 |
| Repairs and maintenance | 11,586,659 | 11,586,659 | 7,978,349 | 7,978,349 |
| Cleaning and Maintenance | 10,360,789 | 10,360,789 | 12,211,758 | 12,211,758 |
| Taxes and licences | 9,359,120 | 9,359,120 | 36,435,205 | 36,435,205 |
| Rental | 5,325,745 | 5,325,745 | 9,781,663 | 9,781,663 |
| Transportation and travel | 4,652,316 | 4,652,316 | 4,170,743 | 4,170,743 |
| Security Services | 2,107,622 | 2,107,622 | 4,533,049 | 4,533,049 |
| Cost of food and beverages | 1,305,197 | 1,305,197 | 2,859,637 | 2,859,637 |
| Outside Service | 326,180 | 326,180 | 1,287,708 | 1,287,708 |
| Commissions | 172,381 | 172,381 | 837,351 | 837,351 |
| Representation and entertainment | 82,610 | 82,610 | 2,180,900 | 2,180,900 |
| | 7,567,899,715 | 7,567,899,715 | 7,400,153,727 | 7,400,153,727 |
| OPERATING PROFIT | 211,101,250 | 211,101,250 | 77,538,505 | 77,538,505 |
| OTHER INCOME (CHARGES) | | | | |
| Finance Income | 28,233,169 | 28,233,169 | 21,955,357 | 21,955,357 |
| Others | 39,135,777 | 39,135,777 | 30,848,808 | 30,848,808 |
| Fair value gain on financial assets at fair value through profit and loss | (226,373) | (226,373) | (1,345,719) | (1,345,719) |
| Equity share in net income (losses) | (116,384,102) | (116,384,102) | (5,379,645) | (5,379,645) |
| Gain on sale of investment property | - | - | 101,685,664 | 101,685,664 |
| Loss on disposal of share in PGMC | - | - | (23,402,247) | (23,402,247) |
| Finance Costs | (58,143,651) | (58,143,651) | (58,488,130) | (58,488,130) |
| | (107,385,180) | (107,385,180) | 65,874,087 | 65,874,087 |
| PROFIT BEFORE INCOME TAX | 103,716,070 | 103,716,070 | 143,412,592 | 143,412,592 |
| TAX EXPENSE | 47,494,207 | 47,494,207 | 58,521,819 | 58,521,819 |
| TOTAL NET PROFIT | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | |
| Item that will not be reclassified subsequently to profit or loss | | | | |
| Net unrealized fair value losses on financial assets at fair value through other comprehensive income | (36,896,448) | (36,896,448) | 20,758,244 | 20,758,244 |
| | (36,896,448) | (36,896,448) | 20,758,244 | 20,758,244 |
| Items that will be reclassified subsequently to profit or loss | | | | |
| Translation adjustment | 45,815,451 | 45,815,451 | (51,513,595) | (51,513,595) |
| | 45,815,451 | 45,815,451 | (51,513,595) | (51,513,595) |
| TOTAL COMPREHENSIVE INCOME | 65,140,866 | 65,140,866 | 54,135,422 | 54,135,422 |
| Net profit attributable to: | | | | |
| Owners of the Parent Company | 53,421,672 | 53,421,672 | 82,290,424 | 82,290,424 |
| Non-controlling Interest | 2,800,191 | 2,800,191 | 2,600,350 | 2,600,350 |
| | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Parent Company | 62,340,675 | 62,340,675 | 51,535,072 | 51,535,072 |
| Non-controlling Interest | 2,800,191 | 2,800,191 | 2,600,350 | 2,600,350 |
| | 65,140,866 | 65,140,866 | 54,135,422 | 54,135,422 |
| Weighted average number of shares outstanding | 4,341,280,855 | 4,341,280,855 | 4,341,280,855 | 4,341,280,855 |
| Basic earnings per share (annualized) | P 0.05 | P 0.05 | P 0.08 | P 0.08 |

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 **SEPTEMBER 31, 2020** and **SEPTEMBER 31, 2019**
(Amounts in Philippine Pesos)
(UNAUDITED)

| | Attributable Owners of the Parent Company | | | | | | | | | | Non-controlling Interest | Total | | | | | | | | | |
|--|---|-----------------|----------------------|----------------|------------------------|-------------------|----------------|---------------|-----|---------------|--------------------------|---------------|-----|---------------|-----|---------------|---|------------|---|---------------|--|
| | Capital Stock | Treasury Shares | Revaluation Reserves | Other Reserves | Translation Adjustment | Retained Earnings | | Total | | | | | | | | | | | | | |
| | | | | | | Appropriated | Unappropriated | | | | | | | | | | | | | | |
| Balance at July 1, 2020 | P | 4,427,009,132 | 0 P | (988,150,025) | 0 P | (556,610,047) | 0 P | (684,443,103) | 0 P | (334,720,753) | 0 P | 2,000,000,000 | 0 P | 4,043,882,496 | 0 P | 7,906,967,700 | P | 17,587,887 | P | 7,924,555,587 | |
| Effect of adoption of PFRS 9 | | | | | | | | | | | | | | (6,401,320) | P | (6,401,320) | | | P | (6,401,320) | |
| Capital issuance through stock dividends | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - | |
| Profit or loss for the year | | - | | - | | - | | - | | - | | - | | 53,421,672 | | 53,421,672 | | 2,800,191 | | 56,221,863 | |
| Appropriation during the year | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - | |
| Reversal of appropriations during the year | | | | | | | | | | | | | | - | P | | | | | - | |
| Realized fair value changes on disposals of financial assets at FVOCI | | - | | - | | 6,401,320 | | - | | - | | - | | - | | 6,401,320 | | - | | 6,401,320 | |
| Actuarial Gain on remeasurement of post-employment benefit obligation - net of tax | | - | | - | | 87,069 | | - | | - | | - | | - | | 87,069 | | - | | 87,069 | |
| Net unrealized fair value gains on disposals of financial assets at FVO | | - | | - | | (36,896,448) | | - | | - | | - | | - | | (36,896,448) | | - | | (36,896,448) | |
| Disposal of financial asset | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - | |
| Disposal of subsidiary | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - | |
| Translation adjustment | | - | | - | | - | | 45,815,451 | | - | | - | | - | | 45,815,451 | | - | | 45,815,451 | |
| Total equity at September 30, 2020 | P | 4,427,009,132 | P | (988,150,025) | P | (587,018,106) | P | (684,443,103) | P | (288,905,302) | P | 2,000,000,000 | P | 4,090,902,847 | P | 7,969,395,443 | P | 20,388,078 | P | 7,989,783,522 | |
| | | | | | | | | | | | | 6,090,902,847 | | | | | | | | | |
| | Attributable Owners of the Parent Company | | | | | | | | | | | | | | | | | | | | |
| | Attributable Owners of the Parent Company | | | | | | | | | | Non-controlling Interest | Total | | | | | | | | | |
| | Capital Stock | Treasury Shares | Revaluation Reserves | Other Reserves | Translation Adjustment | Retained Earnings | | Total | | | | | | | | | | | | | |
| | | | | | | Appropriated | Unappropriated | | | | | | | | | | | | | | |
| Balance at July 1, 2019 | P | 4,427,009,132 | P | (988,150,025) | P | (197,368,120) | P | (684,443,103) | P | (149,457,977) | P | 1,773,262,552 | P | 4,174,650,086 | P | 8,355,502,545 | P | 9,116,837 | P | 8,364,619,382 | |
| Effect of adoption of PFRS 9 | | | | | | - | | | | | | | | - | | - | | - | | - | |
| As restated | | 4,427,009,132 | | (988,150,025) | | (197,368,120) | | (684,443,103) | | (149,457,977) | | 1,773,262,552 | | 4,174,650,086 | | 8,355,502,545 | | 9,116,837 | | 8,364,619,382 | |
| Effect of change in percentage ownership over a subsidiary | | - | | - | | - | | - | | - | | - | | - | | - | | - | | - | |
| Profit or loss for the year | | - | | - | | - | | - | | - | | - | | 82,290,424 | | 82,290,424 | | 2,600,350 | | 84,890,773 | |
| Actuarial gain on remeasurement of post-employment benefit obligation - net of tax | | | | | | - | | | | | | | | | | - | | | | - | |
| Disposal of subsidiary | | | | | | (1,513,643) | | | | | | | | 1,513,643 | | - | | | | - | |
| Disposal of investment property | | | | | | (32,049,054) | | | | | | | | 32,049,054 | | - | | | | - | |
| Disposal of financial asset | | | | | | (61,211,415) | | | | | | | | 8,373,996 | | (52,837,419) | | | | (52,837,419) | |
| Net unrealized fair value gains on disposals of financial assets at FVOCI | | | | | | 20,758,244 | | | | | | | | | | 20,758,244 | | | | 20,758,244 | |
| Translation adjustment | | - | | - | | - | | (51,513,595) | | - | | - | | - | | (51,513,595) | | | | (51,513,595) | |
| Total equity at September 30, 2019 | P | 4,427,009,132 | P | (988,150,025) | P | (271,383,988) | P | (684,443,103) | P | (200,971,572) | P | 1,773,262,552 | P | 4,298,877,203 | P | 8,354,200,198 | P | 11,717,187 | P | 8,365,917,385 | |

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
For the three months ended SEPTEMBER 30, 2020 and SEPTEMBER 30, 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

| | 3 Months Ended September 30, 2020 | 3 Months Ended September 30, 2020 | 3 Months Ended September 30, 2019 | 3 Months Ended September 30, 2019 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net income | P 103,716,070 | 103,716,070 | 84,890,773 P | 84,890,773 |
| Adjustments for: | | | | |
| Depreciation and amortization | 76,500,854 | 76,500,854 | 46,278,005 | 46,278,005 |
| Dividend Income | - | - | (3,833,548) | (3,833,548) |
| Interest Expense | 56,279,412 | 56,279,412 | 58,488,130 | 58,488,130 |
| Interest Income | (26,581,781) | (26,581,781) | (21,955,357) | (21,955,357) |
| Equity Share in net losses (income) of associates | 116,384,102 | 116,384,102 | 5,379,645 | 5,379,645 |
| Loss (gain) on sale of property and equipment | - | - | - | - |
| Loss on revaluation of investment property | 31,098,727 | 31,098,727 | - | - |
| Loss (gain) on sale of available-for-sale assets | - | - | - | - |
| Loss (gain) on deemed disposal of subsidiary | - | - | - | - |
| Unrealized foreign exchange losses (gain) | 27,689,308 | 27,689,308 | (745,770) | (745,770) |
| Operating income before working capital changes | 385,086,692 | 385,086,692 | 168,501,878 | 168,501,878 |
| Decrease / (Increase) in: | | | | |
| Trade and other receivables | (848,206,860) | (848,206,860) | (615,249,443) | (615,249,443) |
| Financial assets at fair value through profit or loss | 226,373 | 226,373 | 20,758,244 | 20,758,244 |
| Inventories | 1,029,046,887 | 1,029,046,887 | 392,090,927 | 392,090,927 |
| Post employment benefit asset | - | - | 32,934,084 | 32,934,084 |
| Prepaid expenses and other current assets | (51,514,857) | (51,514,857) | 74,434,503 | 74,434,503 |
| Decrease (increase) in other non-current assets | 926,361,667 | 926,361,667 | 1,646,244 | 1,646,244 |
| Increase / (Decrease) in: | | | | |
| Trade and other payables | (395,648,565) | (395,648,565) | (394,575,573) | (394,575,573) |
| Loans Payables and Borrowings | - | - | - | - |
| Lease Liability Current | (15,073,123) | (15,073,123) | 247,316,557 | 247,316,557 |
| Contract liabilities | 38,732,807 | 38,732,807 | (232,992,202) | (232,992,202) |
| Advances from related party | (72,352,553) | (72,352,553) | 237,206,032 | 237,206,032 |
| Retirement Obligation | 2,072,724 | 2,072,724 | (32,166,958) | (32,166,958) |
| Cash paid for income taxes | (47,494,194) | (47,494,194) | 9,459,566 | 9,459,566 |
| Net cash provided (used in) operating activities | 951,236,998 | 951,236,998 | (90,636,141) | (90,636,141) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Acquisition of Property and equipment | (77,533,194) | (77,533,194) | (711,190) | (711,190) |
| Acquisition of financial assets | - | - | - | - |
| Acquisition of additional investments in associates and subsidiaries | - | - | (41,999,997) | (41,999,997) |
| Proceeds from sale of financial assets | 161,084,513 | 161,084,513 | - | - |
| Proceeds from disposal of property and equipment | - | - | 133,975,475 | 133,975,475 |
| Proceeds from disposal of investment property | - | - | 0 | - |
| Interest Received | 26,581,781 | 26,581,781 | 21,955,357 | 21,955,357 |
| Cash dividends received | - | - | 3,833,548 | 3,833,548 |
| Advances to (collection from) associate - net | (30,409,970) | (30,409,970) | (2,811,808) | (2,811,808) |
| Net cash provided (used in) by investing activities | 79,723,130 | 79,723,130 | 114,241,385 | 114,241,385 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Proceeds from bank loans and borrowings | - | - | - | - |
| Repayment of bank loan and borrowings | (1,514,346,461) | (1,514,346,461) | (193,346,802) | (193,346,802) |
| Interest paid | (56,279,412) | (56,279,412) | (58,488,130) | (58,488,130) |
| Net cash provided (used in) by financing activities | (1,570,625,873) | (1,570,625,873) | (251,834,932) | (251,834,932) |
| EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS | 5,606,730 | 5,606,730 | (66,208,514) | (66,208,514) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (534,059,015) | (534,059,015) | (294,438,202) | (294,438,202) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 1,453,881,090 | 1,453,881,090 | 1,047,232,990 | 1,047,232,990 |
| CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD | P 919,822,075 | P 919,822,075 | 752,794,788 P | 752,794,788 |

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as of September 30, 2020 and June 30, 2020
(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 September 30, 2020. 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 September 30, 2020 and for the year ended June 30, 2020.

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 2020 that are Relevant to the Group

The Group adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2020, for its annual reporting period beginning July 1, 2020:

| | | |
|---|---|--|
| PAS 1 (Amendments) | : | Presentation of Financial Statements |
| PAS 8 (Amendments) | : | Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material |
| Conceptual Framework for Financial Reporting | : | Revised Conceptual Framework for Financial Reporting |

The application of these amendments had no significant impact on the Group's consolidated financial statements because these amendments merely clarify existing requirements.

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

There are amendments to existing standards effective for annual periods subsequent to fiscal year 2020, which are adopted by the Financial Reporting Standards Council. Management will adopt the following relevant pronouncements in accordance with their transitional provisions:

| | | |
|---------------------|---|--|
| 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 |

Management is currently assessing the impact of these amendments 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 September 30, 2020 and June 30, 2020, 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 September 30, 2020 and June 30, 2020.

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>September 30, 2020</u> | <u>June 30, 2020</u> |
|-----------|---------------------------|----------------------|
| Php – GBP | P 833,336,495 | P1,359,890,732 |
| Php – USD | 51,506,554 | 2,395,018 |
| Php – MYR | 1,523,263 | 1,531,186 |
| Php - EUR | 297,578 | 290,111 |

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>September 30, 2020</u> | | <u>June 30, 2020</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 | 7.99% | P 66,583,586 | 18.81% | P 463,722,740 |
| PhP - USD | 2.22% | 1,143,445 | 7.66% | 198,307 |
| PhP - MYR | 3.36% | 51,182 | 8.13% | 171,340 |
| PhP - EUR | 6.09% | 18,123 | 35.29% | 46,563 |
| | | <u>P 67,796,336</u> | | <u>P464,138,950</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 +/-7.66% and a +/-39.44% volatility in the market value of the investment for the three months ended September 30, 2020. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in 2020.

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>September 30, 2020</u> | <u>June 30, 2020</u> |
|--------------------------------------|--------------|-------------------------------|------------------------|
| Cash and cash equivalents | 5 | P 919,822,075 | P 1,453,881,090 |
| Trade and other receivables – net | 6 | 1,942,928,185 | 1,129,956,361 |
| Financial assets at FVTPL | 9 | 3,382,647 | 3,609,020 |
| Advances to associates | 13 | 2,037,641,937 | 2,007,231,967 |
| Prepayments and other current assets | 8 | 72,757,082 | 71,609,791 |
| Other non-current assets | 15 | <u>771,455</u> | <u>771,455</u> |
| | | <u>P 4,977,303,381</u> | <u>P 4,667,059,684</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 September 30, 2020 and June 30, 2020 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 September 30, 2020 and June 30, 2020, 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 September 30, 2020, September 30, 2019 and for the year ended June 30, 2020, and certain assets and liabilities information regarding industry segments as at September 30, 2020, September 30, 2019 and June 30, 2020.

| | September 30, 2020 | | | |
|--------------------------------------|------------------------|----------------------|-----------------------|-----------------------|
| | Holding and Investment | Services | Motor Vehicle | Consolidated |
| Total Revenues | 23,113,234 | 24,947,932 | 7,800,019,065 | 7,848,080,231 |
| Inter-segment Revenues | - | - | 1,570,783 | 1,570,783 |
| Revenues – External | <u>23,113,234</u> | <u>24,947,932</u> | <u>7,801,589,848</u> | <u>7,849,651,014</u> |
| Expenses | 11,419,556 | 29,123,474 | 7,589,007,809 | 7,629,550,839 |
| Inter-segment expenses | <u>116,384,102</u> | - | - | <u>116,384,102</u> |
| Expenses – External | <u>127,803,658</u> | <u>29,123,474</u> | <u>7,589,007,809</u> | <u>7,745,934,941</u> |
| Total Combined Profit Before Tax | 11,693,678 | (4,175,542) | 211,011,256 | 218,529,392 |
| Total Consolidated Profit Before Tax | (104,690,424) | (4,175,542) | 212,582,039 | 103,716,073 |
| Net profit for the year | 7,622,861 | (4,386,041) | 167,798,365 | 171,035,185 |
| Eliminations | <u>(116,384,102)</u> | - | <u>1,570,780</u> | <u>(114,813,322)</u> |
| | (108,761,241) | (4,386,041) | 169,369,145 | 56,221,863 |
| Segment Assets | 9,032,454,902 | 1,518,342,690 | 11,576,225,638 | 22,127,023,230 |
| Eliminated Assets | - | - | - | (3,562,167,295) |
| Total Conso Assets | <u>9,032,454,902</u> | <u>1,518,342,690</u> | <u>11,576,225,638</u> | <u>18,564,855,935</u> |
| Segment Liabilities | 1,468,994,731 | 1,269,439,009 | 9,240,890,133 | 11,979,323,873 |
| Eliminated Liabilities | - | - | - | (1,404,251,462) |
| Total Conso Liabilities | <u>1,468,994,731</u> | <u>1,269,439,009</u> | <u>9,240,890,133</u> | <u>10,575,072,411</u> |
| Capital expenditures | - | 41,474,265 | 36,058,929 | 77,533,194 |
| Depreciation and amortization | - | 6,603,015 | 129,205,288 | 135,808,303 |

September 30, 2019

| | From Continuing Operations | | | From Discontinued Operations | Total Consolidated |
|--------------------------------------|----------------------------|--------------------|-----------------------|------------------------------|------------------------|
| | Holding and Investment | Services | Motor Vehicle | Leasing | Consolidated |
| Total Revenues | 55,687,253 | 36,357,341 | 7,571,665,231 | - | 7,663,709,825 |
| Inter-segment Revenues | - | - | - | - | - |
| Revenues - External | <u>55,687,253</u> | <u>36,357,341</u> | <u>7,571,665,231</u> | <u>-</u> | <u>7,663,709,825</u> |
| Expenses | 30,488,993 | 35,779,662 | 7,412,119,185 | - | 7,478,387,841 |
| Inter-segment expenses | <u>41,909,392</u> | <u>783,483</u> | <u>-</u> | <u>-</u> | <u>42,692,875</u> |
| Expenses - External | <u>72,398,385</u> | <u>36,563,145</u> | <u>7,412,119,185</u> | <u>-</u> | <u>7,521,080,716</u> |
| Total Combined Profit Before Tax | 25,198,260 | 577,679 | 159,546,045 | - | 185,321,984 |
| Total Consolidated Profit Before Tax | (16,711,132) | (205,804) | 159,546,045 | - | 142,629,109 |
| Net profit for the year | 18,406,393 | (3,322) | 109,180,578 | - | 127,583,648 |
| Eliminations | <u>(41,909,392)</u> | <u>(783,483)</u> | <u>-</u> | <u>-</u> | <u>(42,692,875)</u> |
| | <u>(23,502,999)</u> | <u>(786,805)</u> | <u>109,180,578</u> | <u>-</u> | <u>84,890,773</u> |
| Segment Assets | 8,803,152,895 | 977,014,940 | 12,296,978,718 | 726,127,235 | 22,803,273,788 |
| Eliminated Assets | - | - | - | <u>(726,127,235)</u> | <u>(3,673,206,525)</u> |
| Total Conso Assets | <u>8,803,152,895</u> | <u>977,014,940</u> | <u>12,296,978,718</u> | <u>-</u> | <u>19,130,067,263</u> |
| Segment Liabilities | 780,075,801 | 950,268,103 | 10,006,661,050 | 149,335,036 | 12,070,017,723 |
| Eliminated Liabilities | - | - | - | <u>(149,335,036)</u> | <u>(1,359,488,746)</u> |
| Total Conso Liabilities | <u>780,075,801</u> | <u>950,268,103</u> | <u>10,006,661,050</u> | <u>-</u> | <u>10,710,528,977</u> |
| Capital expenditures | - | - | <u>711,190</u> | - | <u>711,190</u> |
| Depreciation and amortization | - | <u>5,116,864</u> | <u>41,161,141</u> | - | <u>46,278,005</u> |

June 30, 2020

| | | Services | Investments | Motor Vehicle Dealership | Total |
|-------------------------------|----|--------------------|----------------------|--------------------------|-------------------------|
| Income: | | | | | |
| Revenue from external | | | | | |
| customers | P | 130,982,234 | P - | P 24,930,682,388 | P 25,061,664,622 |
| Interest income | | 324,595 | 89,153,367 | 1,346,499 | 90,824,461 |
| Other income | | 4,707,096 | 41,685,415 | 381,894,371 | 428,286,882 |
| Inter-segment | | <u>-</u> | <u>52,030,000</u> | <u>-</u> | <u>52,030,000</u> |
| Total income | P | <u>136,013,925</u> | P <u>182,868,782</u> | P <u>548,948,482</u> | P <u>25,632,805,965</u> |
| Expenses: | | | | | |
| Costs and operating expenses | | | | | |
| before depreciation | P | 118,114,554 | P 37,926,683 | P 24,416,618,204 | P 24,572,659,441 |
| Depreciation and amortization | | 24,854,579 | - | 503,745,345 | 528,599,924 |
| Interest expense | | 7,261,494 | 26,692,308 | 229,718,623 | 263,672,425 |
| Equity share in net loss | | | | | |
| (income) of associates | | 22,830,473 | - | (4,989,203) | 17,841,270 |
| Other expenses (income) | | 1,644,505 | 5,749,624 | 34,581,763 | 41,975,892 |
| Inter-segment | | <u>-</u> | <u>57,109,744</u> | <u>-</u> | <u>57,109,744</u> |
| Total expenses | P | <u>174,442,105</u> | P <u>127,478,359</u> | P <u>25,184,212,262</u> | P <u>25,486,132,726</u> |
| Profit (loss) before tax | (P | <u>38,428,180)</u> | P <u>55,390,423</u> | P <u>129,710,996</u> | P <u>146,673,239</u> |

| | | | | |
|--|------------------------|------------------------|-------------------------|-------------------------|
| Net profit (loss) | (P <u>40,555,754</u>) | (P <u>6,142,927</u>) | P <u>104,342,466</u> | P <u>57,645,785</u> |
| Segment assets | P <u>1,479,387,611</u> | P <u>9,147,216,338</u> | P <u>13,233,935,712</u> | P <u>23,860,539,661</u> |
| Segment liabilities | P <u>1,527,114,216</u> | P <u>1,375,586,198</u> | P <u>11,098,227,565</u> | P <u>14,000,927,979</u> |
| Other segment item – Capital expenditures | P <u>479,494,864</u> | P _____ | P <u>268,899,138</u> | P <u>748,394,002</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>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|---------------------------|--|---|
| Cash on hand and in banks | P 888,649,375 | P 1,423,210,240 |
| Short-term placements | <u>31,172,700</u> | <u>30,670,850</u> |
| | <u>P 919,822,075</u> | <u>P 1,453,881,090</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 .26% to .78% in 2020.

6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

| | <u>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|---|--|---|
| Trade receivables | P 401,960,167 | P 719,352,119 |
| Manufacturer's bonuses | 177,747,455 | 411,496,013 |
| Deposit for future stock subscriptions | - | 3,030,000 |
| Payments for future acquisition of investments | 1,523,263 | 1,531,186 |
| Due from related parties | 623,391 | - |
| Advances to officers and employees | 341,645 | 397,822 |
| Other receivables | <u>1,392,875,982</u> | <u>44,948,299</u> |
| | 1,975,071,903 | 1,180,755,439 |
| Allowance for impairment | <u>(32,143,718)</u> | <u>(44,739,078)</u> |
| | <u>P 1,942,928,185</u> | <u>P 1,136,016,361</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>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|------------------------------------|--|-----------------------------------|
| At cost: | | |
| Vehicles | P2,547,712,995 | P2,986,533,244 |
| Work in progress | 13,171,787 | 42,403,493 |
| Parts and components | - | - |
| Hotel supplies | <u>4,278,124</u> | <u>4,447,183</u> |
| | <u>2,565,162,906</u> | <u>3,033,383,920</u> |
| At net realizable value: | | |
| Vehicles | 1,177,254,721 | 1,786,345,509 |
| Parts and components | <u>241,088,466</u> | <u>241,880,137</u> |
| | 1,418,343,187 | 2,028,225,646 |
| Allowance for inventory write down | <u>(188,396,012)</u> | <u>(252,220,874)</u> |
| | <u>1,229,947,175</u> | <u>1,776,004,772</u> |
| | <u>P 3,795,110,081</u> | <u>P4,809,388,692</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>September 30, 2020</u> | <u>June 30, 2020</u> |
|--------------------------------------|-----------------------------|----------------------|
| Balance at beginning of year | P 252,220,874 | P 218,276,621 |
| Additional provision during the year | (69,237,706) | 48,712,529 |
| Translation adjustment | <u>5,412,844</u> | <u>(14,768,276)</u> |
| Balance at end of year | <u>P 188,396,012</u> | <u>P 252,220,874</u> |

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

| | <u>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|---|--|-----------------------------------|
| Current: | | |
| Prepaid expenses | P 451,206,802 | P 309,328,221 |
| Advances to suppliers | 173,550,375 | 189,657,585 |
| VAT recoverable | 29,653,606 | 65,620,468 |
| Refundable deposits | 72,757,082 | 71,609,791 |
| Input VAT | 74,452,392 | 79,703,347 |
| Prepaid taxes | 37,858,387 | 81,246,452 |
| Creditable withholding tax | 9,548,509 | 244,892 |
| Other current assets | <u>1,862,344</u> | <u>1,963,884</u> |
| | <u>850,889,497</u> | <u>799,374,640</u> |
| Non-current: | | |
| Deferred input VAT | 23,770,172 | 24,293,631 |
| Refundable deposits | 771,455 | 771,455 |
| Advance payment for land acquisition | - | 765,698,629 |
| Advances to contractors | <u>-</u> | <u>160,139,579</u> |
| | <u>24,541,627</u> | <u>950,903,294</u> |
| | <u>P 875,431,124</u> | <u>P 1,750,277,934</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>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|--------------------------|--|-----------------------------------|
| Quoted equity securities | <u>P 3,382,647</u> | <u>P 3,609,020</u> |

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

| | <u>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|--------------------------|--|---|
| Quoted equity securities | <u>P1,061,112,392</u> | <u>P1,259,093,353</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 September 30, 2020 and June 30, 2020 are shown below.

| | | <u>Building</u> | <u>Building-Others</u> | <u>Transportation Equipment</u> | <u>Workshop Equipment</u> | <u>Office Furniture, Fixtures and Equipment</u> | <u>Hotel and Kitchen Equipment and Utensils/Linens</u> | <u>Leasehold Improvements</u> | <u>Construction in Progress</u> | <u>Land</u> | <u>TOTAL</u> |
|--|----------|--------------------|------------------------|-------------------------------------|-------------------------------|---|--|-----------------------------------|-------------------------------------|----------------------|----------------------------|
| <u>September 30, 2020</u> | | | | | | | | | | | |
| Cost | P | 720,291,386 | P 185,426,745 | P 9,558,835 | P 585,764,852 | P 11,705,166 | P 13,528,690 | P 1,169,460,526 | P 570,826,044 | P 172,069,065 | P 3,438,631,309 |
| Accumulated depreciation and amortization | (| <u>147,531,349</u> | (<u>1,739,629</u>) | (<u>2,660,649</u>) | (<u>403,640,293</u>) | (<u>9,962,065</u>) | (<u>11,862,649</u>) | (<u>706,593,836</u>) | <u>-</u> | <u>-</u> | (<u>P 1,283,990,471</u>) |
| Net carrying amount | <u>P</u> | <u>572,760,037</u> | <u>P 183,687,116</u> | <u>P 6,898,185</u> | <u>P 182,124,559</u> | <u>P 1,743,100</u> | <u>P 1,666,041</u> | <u>P 462,866,690</u> | <u>P 570,826,044</u> | <u>P 172,069,065</u> | <u>P 2,154,640,838</u> |
| <u>June 30, 2020</u> | | | | | | | | | | | |
| Cost | P | 720,291,386 | P 182,441,555 | P 31,290,850 | P 573,450,195 | P 11,752,020 | P 13,528,690 | P 1,182,946,295 | P 497,184,286 | P 169,298,921 | P 3,382,184,199 |
| Accumulated depreciation and amortization | (| <u>143,918,533</u> | (<u>1,198,136</u>) | (<u>25,952,495</u>) | (<u>379,251,283</u>) | (<u>9,926,910</u>) | (<u>11,773,117</u>) | (<u>673,596,689</u>) | <u>-</u> | <u>-</u> | (<u>P 1,245,617,162</u>) |
| Net carrying amount | <u>P</u> | <u>576,372,853</u> | <u>P 181,243,419</u> | <u>P 5,338,356</u> | <u>P 194,198,912</u> | <u>P 1,825,110</u> | <u>P 1,755,573</u> | <u>P 509,349,607</u> | <u>P 497,184,286</u> | <u>P 169,298,921</u> | <u>P 2,136,567,037</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. In 2020, the Group sold the said reclassified property at a sales price of 5,800,000 GBP (around P366,007,260). The Group recognized gain amounting to 1,675,000 GBP (around P108,442,683), which is presented as Gain on Sale of Investment Property in the 2020 consolidated statement of comprehensive income. The revaluation reserve resulting from the reclassification of the property in 2018 from Property and Equipment account to Investment Property account was subsequently transferred to Retained Earnings.

The translated amount of investment property as at September 30, 2020 and June 30, 2020 amounted to P115,338,990 and P113,482,145, respectively.

12. LEASES

The Group has a lease for a certain land and building. The lease is reflected separately on the consolidated statement of financial position as Right-of-use Asset and Lease Liability. The depreciation expense relating to right-of-use assets is presented as part of Depreciation and amortization under costs and operating expenses in the 2020 consolidated statement of comprehensive income.

The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognized in the consolidated statement of financial position.

| | Number of right-of-use assets leased | Range of remaining term | Average remaining lease term | Number of leases with extension options | Number of leases with termination options |
|----------|--|-------------------------------|------------------------------------|--|--|
| Land | 1 | 40 years | 40 years | 1 | - |
| Building | 27 | 1 to 20 years | 7 years | - | 6 |

The carrying amounts of the Group's right-of-use assets and the movements during the period September 30, 2020 and June 30, 2020 are shown below.

| | September 30, 2020 | | |
|----------------------------|----------------------|------------------------|------------------------|
| | Land | Building | Total |
| Balance at July 1, 2020 | P 114,175,669 | P 2,883,521,129 | P 2,997,696,798 |
| Effect of PFRS 16 adoption | - | - | - |
| Reclassification | 3,600,000 | - | 3,600,000 |
| Translation adjustment | - | 55,707,542 | 55,707,542 |
| Amortization | (844,493) | (85,382,061) | (86,226,554) |
| Net carrying amount | <u>P 116,931,176</u> | <u>P 2,853,846,610</u> | <u>P 2,970,777,786</u> |

| | June 30, 2020 | | |
|----------------------------|----------------------|------------------------|------------------------|
| | Land | Building | Total |
| Balance at July 1, 2019 | P - | P - | P - |
| Effect of PFRS 16 adoption | 117,054,047 | 2,252,611,522 | 2,369,665,569 |
| Reclassification | - | 939,182,253 | 939,182,253 |
| Translation adjustment | - | 14,095,519 | 14,095,519 |
| Amortization | (2,878,378) | (322,368,165) | (325,246,543) |
| Net carrying amount | <u>P 114,175,669</u> | <u>P 2,883,521,129</u> | <u>P 2,997,696,798</u> |

Lease liabilities are presented in the consolidated statement of financial position as at September 30, 2020 and June 30, 2020 as follows:

| | September 30, 2020 (Unaudited) | June 30, 2020 (Audited) |
|-------------|-----------------------------------|-------------------------------|
| Current | P 301,235,393 | P 288,904,856 |
| Non-current | <u>2,747,461,525</u> | <u>2,774,865,185</u> |
| | <u>P 3,048,696,918</u> | <u>P 3,063,770,041</u> |

13. 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:

| | PLPI | BPPI | BAPI | PGMC | CPI | SBMPI | NPI | BAAI | CBFC | VideoDoc | Total |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|------------------------|---------------------------|-----------------------|------------------------|-------------------|---------------------------|
| September 30, 2020 | | | | | | | | | | | |
| Investment: | | | | | | | | | | | |
| Acquisition costs: | | | | | | | | | | | |
| Beginning balance | P 40,000 | P 180,400 | P 203,896 | P 454,880 | P 400 | P 43,335 | P 82,283 | P 30 | P 112,500 | P 120,373 | P 1,238,097 |
| Reclassification | - | - | - | - | - | - | - | - | - | - | - |
| Additional investment | - | - | - | - | - | - | - | P 3,030 | - | - | 3,030 |
| Translation adjustment | - | - | - | - | - | - | - | - | 1,020 | - | 1,020 |
| | <u>40,000</u> | <u>180,400</u> | <u>203,896</u> | <u>454,880</u> | <u>400</u> | <u>43,335</u> | <u>82,283</u> | <u>3,060</u> | <u>112,500</u> | <u>121,393</u> | <u>1,242,147</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 | 140,206 | (180,400) | 468,262 | 2,113 | (400) | (29,544) | 37,648 | (30) | (13,041) | (58,058) | 366,756 |
| (losses) in prior years | - | - | - | - | - | - | - | - | - | - | - |
| Share in net profit | (1,749) | - | (6,422) | (14,096) | - | (1,586) | (73,424) | (980) | (18,127) | - | (116,384) |
| (losses) during the year | - | - | - | - | - | - | 87 | - | - | - | 87 |
| Share in other comprehensive income during the year | <u>138,457</u> | <u>(180,400)</u> | <u>461,840</u> | <u>(11,983)</u> | <u>(400)</u> | <u>(31,130)</u> | <u>(35,689)</u> | <u>(1,010)</u> | <u>(31,168)</u> | <u>(58,058)</u> | <u>250,459</u> |
| Total investments in associates | <u>178,457</u> | <u>-</u> | <u>445,048</u> | <u>442,897</u> | <u>-</u> | <u>12,205</u> | <u>46,594</u> | <u>2,050</u> | <u>81,332</u> | <u>63,335</u> | <u>1,271,918</u> |
| Allowance for Impairment | - | - | - | - | - | - | - | - | - | (63,335) | (63,335) |
| Total investments in associates - net | <u>178,457</u> | <u>-</u> | <u>445,048</u> | <u>442,897</u> | <u>-</u> | <u>12,205</u> | <u>46,594</u> | <u>2,050</u> | <u>81,332</u> | <u>-</u> | <u>1,208,583</u> |
| Advances | 426,645 | 512,778 | - | - | 3,023 | - | 1,105,287 | - | - | 83,232 | 2,130,966 |
| Allowance for Impairment | - | (10,092) | - | - | - | - | - | - | - | (83,232) | (93,324) |
| Advances - net | <u>426,645</u> | <u>P 502,686</u> | <u>-</u> | <u>-</u> | <u>P 3,023</u> | <u>-</u> | <u>1,105,287</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,037,642</u> |
| | <u>P 605,103</u> | <u>P 502,686</u> | <u>P 445,048</u> | <u>P 442,897</u> | <u>P 3,023</u> | <u>P 12,205</u> | <u>P 1,151,881</u> | <u>P 2,050</u> | <u>P 81,332</u> | <u>P -</u> | <u>P 3,246,225</u> |

| | PLPI | | BPPI | | BAPI | | PGMC | | CPI | | SBMPI | | NPI | | BAAI | | CBFC | | VideoDoc | | Total | |
|---|------------------|--------------------|------------------|------------------|----------------|-------------------|--------------------|---------------|-------------------|-------------------|--------------------|---|---------------|---|-----------|--------|----------------|------------|----------------|-------------|------------------|--|
| June 30, 2020 | | | | | | | | | | | | | | | | | | | | | | |
| 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 | 124,203 | P | 726,182 | 454,880 | |
| Reclassification | | | | | | | 454,880 | | | | | | | | | | | | | | | |
| Additional investment | - | - | - | - | - | - | - | - | - | 10,835 | - | - | - | P | 30 | P | 50,000 | - | - | 60,865 | | |
| Translation adjustment | | | | | | | | | | | | | | | | | | (3,830) | (3,830) | | | |
| | | <u>40,000</u> | | <u>180,400</u> | | <u>203,896</u> | <u>454,880</u> | | <u>400</u> | | <u>43,335</u> | | <u>82,283</u> | | <u>30</u> | | <u>112,500</u> | | <u>120,373</u> | | <u>1,238,097</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 | 145,603 | (180,400) | 450,741 | - | (400) | (16,821) | 55,176 | - | (11,022) | (58,058) | 384,819 | | | | | | | | | | | |
| Share in net profit | | | | | | | | | | | | | | | | | | | | | | |
| (losses) during the year | (5,397) | - | 17,742 | 2,113 | - | (12,723) | (17,528) | (30) | (2,019) | - | (17,842) | | | | | | | | | | | |
| Share in other comprehensive income during the year | - | - | (221) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (221) | | |
| | <u>140,206</u> | <u>(180,400)</u> | <u>468,262</u> | <u>2,113</u> | <u>(400)</u> | <u>(29,544)</u> | <u>37,648</u> | <u>(30)</u> | <u>(13,041)</u> | <u>(58,058)</u> | <u>366,756</u> | | | | | | | | | | | |
| Total investments in associates | <u>180,206</u> | <u>-</u> | <u>451,470</u> | <u>456,993</u> | <u>-</u> | <u>13,791</u> | <u>119,931</u> | <u>-</u> | <u>99,459</u> | <u>62,315</u> | <u>1,384,165</u> | | | | | | | | | | | |
| Allowance for Impairment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (62,315) | (62,315) | | | | |
| Total investments in associates - net | <u>180,206</u> | <u>-</u> | <u>451,470</u> | <u>456,993</u> | <u>-</u> | <u>13,791</u> | <u>119,931</u> | <u>-</u> | <u>99,459</u> | <u>-</u> | <u>1,321,850</u> | | | | | | | | | | | |
| Advances | | | | | | | | | | | | | | | | | | | | | | |
| | <u>409,844</u> | <u>505,752</u> | <u>-</u> | <u>-</u> | <u>3,023</u> | <u>-</u> | <u>1,098,705</u> | <u>-</u> | <u>-</u> | <u>81,892</u> | <u>2,099,216</u> | | | | | | | | | | | |
| Allowance for Impairment | - | (10,092) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | (81,892) | (91,984) | | | | |
| Advances - net | <u>409,844</u> | <u>P 495,660</u> | <u>-</u> | <u>-</u> | <u>P 3,023</u> | <u>-</u> | <u>1,098,705</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,007,232</u> | | | | | | | | | | | |
| | P 590,050 | P 495,660 | P 451,470 | P 456,993 | P 3,023 | P 13,791 | P 1,218,636 | - | P 99,459 | P - | P 3,329,082 | | | | | | | | | | | |

14. INTANGIBLE ASSETS

The compositions of this account are shown below.

| | September 31, 2020 (Unaudited) | June 30, 2020 (Audited) |
|-----------------------|---|--|
| Goodwill | P 736,320,284 | P 724,466,247 |
| Dealership rights | 645,115,161 | 634,729,438 |
| Customer relationship | <u>19,003,751</u> | <u>19,602,660</u> |
| | <u>P 1,400,439,196</u> | <u>P 1,378,798,345</u> |

15. TRADE AND OTHER PAYABLES

This account consists of the following:

| | <u>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|---------------------------|--|-----------------------------------|
| Current: | | |
| Trade Payables | P 727,795,261 | P 1,132,852,314 |
| Accrued expenses | 308,539,624 | 359,147,900 |
| Withholding taxes payable | 230,125 | 35,281,601 |
| Deferred output VAT | 43,907,364 | 41,777,853 |
| Due to a related party | 3,999,592 | 3,241,664 |
| Other payables | <u>414,168,673</u> | <u>321,987,870</u> |
| | 1,498,640,639 | 1,894,289,202 |
| Non-current: | | |
| Advances from a director | <u>15,586,350</u> | <u>15,335,425</u> |
| | <u>P1,514,226,989</u> | <u>P 1,909,624,627</u> |

16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

| | <u>September 30, 2020</u> (Unaudited) | <u>June 30, 2020</u> (Audited) |
|--------------------------|--|-----------------------------------|
| Current: | | |
| Vehicle stocking loans | P 2,801,528,891 | P 4,298,375,352 |
| Bank loans and mortgages | <u>437,500,000</u> | <u>455,000,000</u> |
| | <u>P 3,239,028,891</u> | <u>P 4,753,375,352</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.

| | | <u>September 30, 2020</u> (Unaudited) | | <u>June 30, 2020</u> (Audited) | |
|--|----|--|------------------------|-----------------------------------|------------------------|
| | | Carrying Values | Fair Values | Carrying Values | Fair Values |
| Financial Assets | | | | | |
| Loans and receivables: | | | | | |
| Cash and cash equivalents | 5 | P 919,822,075 | P 919,822,075 | P 1,453,881,090 | P 1,453,881,090 |
| Trade and other receivables - net | 6 | 1,942,928,185 | 1,942,928,185 | 1,132,986,361 | 1,132,986,361 |
| Advances to associates - net | 13 | 2,037,641,937 | 2,037,641,937 | 2,007,231,967 | 2,007,231,967 |
| Refundable deposits- current | 8 | 72,757,082 | 72,757,082 | 71,609,791 | 71,609,791 |
| Other non-current assets | 15 | <u>771,455</u> | <u>771,455</u> | <u>771,455</u> | <u>771,455</u> |
| | | <u>P 4,973,920,734</u> | <u>P 4,973,920,734</u> | <u>P 4,666,480,664</u> | <u>P 4,666,480,664</u> |
| Financial assets at FVTPL | 9 | <u>P 3,382,647</u> | <u>P 3,382,647</u> | <u>P 3,609,020</u> | <u>P 3,609,020</u> |
| Financial assets at FVOCI | 9 | <u>P 1,061,112,392</u> | <u>P 1,061,112,392</u> | <u>P 1,259,093,353</u> | <u>P 1,259,093,353</u> |
| Financial Liabilities | | | | | |
| Financial liabilities at amortized cost: | | | | | |
| Loans payable and borrowings | 17 | P 3,239,028,891 | P 3,239,028,891 | P 4,753,375,352 | P 4,753,375,352 |
| Trade and other payables | 16 | 1,498,640,639 | 1,498,640,639 | 1,832,565,174 | 1,832,565,174 |
| Lease liabilities | 12 | 3,048,696,918 | 3,048,696,918 | 3,063,770,041 | 3,063,770,041 |
| Advances from related parties | | <u>601,948,917</u> | <u>601,948,917</u> | <u>674,301,470</u> | <u>674,301,470</u> |
| | | <u>P 8,388,315,365</u> | <u>P 8,388,315,365</u> | <u>P10,324,012,037</u> | <u>P10,324,012,037</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 30 September 2020

| 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 Trade Receivables | | | | | | |
| 1) PCSO | - | - | - | - | - | - |
| 2) Guest/City Ledger | 2,378,495 | 208,118 | 148,656 | 237,849 | - | 2,973,119 |
| 3) Vehicle Debtor | 219,442,878 | 39,898,705 | 59,848,058 | 79,797,410 | - | 398,987,050 |
| 3) Others | - | - | - | - | - | - |
| Subtotal | 221,821,372 | 40,106,823 | 59,996,713 | 80,035,259 | - | 401,960,169 |
| Less: Allow. For Doubtful Acct. | - | - | - | 32,143,718 | - | 32,143,718 |
| Net Trade receivable | 221,821,372 | 40,106,823 | 59,996,713 | 47,891,541 | - | 369,816,451 |
| b Non - Trade Receivables | | | | | | |
| 1) Advances for stock subscription | 117,150,000 | - | - | - | - | 117,150,000 |
| 2) Payment to other related parties | 623,391 | - | - | - | - | 623,391 |
| 3) Advances to employees | 341,645 | - | - | - | - | 341,645 |
| 4) Other Receivables | 1,454,996,698 | - | - | - | - | 1,454,996,698 |
| 4) Deposit | - | - | - | - | - | - |
| Subtotal | 1,573,111,734 | - | - | - | - | 1,573,111,734 |
| Less: Allow. For Doubtful Acct. | - | - | - | - | - | - |
| Net Non - trade receivable | 1,573,111,734 | - | - | - | - | 1,573,111,734 |
| Net Receivables (a + b) | 1,794,933,106 | 40,106,823 | 59,996,713 | 47,891,541 | - | 1,942,928,185 |

(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

| For the Fiscal Year Currency | June 2021 Philippine Peso | | June 2020 Philippine Peso | |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | | | |
| Balance Sheet | Current year | | Previous year | |
| | 3 mos ended September 30, 2020 | 3 mos ended September 30, 2020 | 3 mos ended September 31, 2019 | 3 mos ended September 31, 2019 |
| Current Assets | 9,549,774,422 | 9,549,774,422 | 10,253,150,371 | 10,209,501,770 |
| Total Assets | 18,564,855,934 | 18,564,855,934 | 19,130,067,263 | 20,430,399,153 |
| Current Liabilities | 7,740,188,649 | 7,740,188,649 | 7,955,849,152 | 9,670,379,137 |
| Total Liabilities | 10,575,072,412 | 10,575,072,412 | 10,710,528,977 | 12,525,843,566 |
| Retained Earnings | 6,090,902,848 | 6,090,902,848 | 6,072,139,754 | 6,043,882,496 |
| Stockholders Equity-Parent | 7,989,783,522 | 7,989,783,522 | 8,419,538,286 | 7,924,553,587 |
| Stockholders Equity-Parent | 7,989,783,522 | 7,989,783,522 | 8,407,821,099 | 7,906,967,790 |
| Book Value Per Share | 1.80 | 1.80 | 1.90 | 1.79 |
| Income Statement | 3 mos ended September 30, 2020 | | 3 mos ended September 31, 2019 | |
| | 3 mos ended September 30, 2020 | 3 mos ended September 30, 2020 | 3 mos ended September 31, 2019 | 3 mos ended September 31, 2019 |
| Gross Revenue | 7,779,000,965 | 7,779,000,965 | 7,477,692,232 | 7,477,692,232 |
| Gross Expense | 7,567,899,715 | 7,567,899,715 | 7,400,153,728 | 7,400,153,728 |
| Net Operating Income | 67,368,946 | 67,368,946 | 155,450,248 | 155,450,248 |
| Net Operating Expense | 174,754,126 | 174,754,126 | 89,576,161 | 89,576,161 |
| Profit/(Loss) Before Income Tax | 103,716,070 | 103,716,070 | 143,412,592 | 143,412,592 |
| Income Tax Expense | 47,494,207 | 47,494,207 | 58,521,819 | 58,521,819 |
| Net Income/(Loss) After Tax | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| Net Income/(Loss) Attributable to Parent | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| Equity Holder | 53,421,672 | 53,421,672 | 82,290,423 | 82,290,423 |
| Earnings/(Loss) Per Share (Basic) | 0.01 | 0.01 | 0.02 | 0.02 |
| Earnings/(Loss) Per Share (Diluted) | | | | |
| Financial Ratios | 3 mos ended September 30, 2020 | | 3 mos ended September 31, 2019 | |
| | 3 mos ended September 30, 2020 | 3 mos ended September 30, 2020 | 3 mos ended September 31, 2019 | 3 mos ended September 31, 2019 |
| Liquidity Analysis Ratios | | | | |
| Current Ratio or Working Capital ratio | | | | |
| Current Assets/ | 9,549,774,422 | 9,549,774,422 | 10,253,150,371 | 10,253,150,371 |
| Current Liabilities | 7,740,188,649 | 7,740,188,649 | 7,955,849,152 | 7,955,849,152 |
| | 1.23 | 1.23 | 1.29 | 1.29 |
| Quick Ratio | | | | |
| Current Assets-Inventories-Prepayments)/ | 4,903,774,844 | 4,903,774,844 | 4,576,611,240 | 4,576,611,240 |
| Current Liabilities | 7,740,188,649 | 7,740,188,649 | 7,955,849,152 | 7,955,849,152 |
| | 0.63 | 0.63 | 0.58 | 0.58 |
| Solvency Ratio | | | | |
| Total Assets/ | 18,564,855,934 | 18,564,855,934 | 19,130,067,263 | 19,130,067,263 |
| Total Liabilities | 10,575,072,412 | 10,575,072,412 | 10,710,528,977 | 10,710,528,977 |
| | 1.76 | 1.76 | 1.79 | 1.79 |
| Financial Leverage Ratios | | | | |
| Debt Ratio | | | | |
| Total Debt/ | 10,575,072,412 | 10,575,072,412 | 10,710,528,977 | 10,710,528,977 |
| Total assets | 18,564,855,934 | 18,564,855,934 | 19,130,067,263 | 19,130,067,263 |
| | 0.57 | 0.57 | 0.56 | 0.56 |
| Debt to Equity Ratio | | | | |
| Total Debt/ | 10,575,072,412 | 10,575,072,412 | 10,710,528,977 | 10,710,528,977 |
| Total Stockholder's Equity | 7,989,783,522 | 7,989,783,522 | 8,419,538,286 | 8,419,538,286 |
| | 1.32 | 1.32 | 1.27 | 1.27 |
| Interest Coverage | | | | |
| Earnings Before Interest and Taxes (EBIT)/ | 103,716,070 | 103,716,070 | 143,412,592 | 143,412,592 |
| Interest Charges | 58,143,651 | 58,143,651 | 58,488,130 | 58,488,130 |
| | 2.78 | 2.78 | 3.45 | 3.45 |
| Assets to Equity Ratio | | | | |
| Total assets/ | 18,564,855,934 | 18,564,855,934 | 19,130,067,263 | 19,130,067,263 |
| Total Stockholders Equity | 7,989,783,522 | 7,989,783,522 | 8,419,538,286 | 8,419,538,286 |
| | 2.32 | 2.32 | 2.27 | 2.27 |
| Profitability Ratios | | | | |
| Gross Profit Margin | | | | |
| Sales-Cost of Goods Sold or Cost of Services/ | 7,779,000,965 | 7,779,000,965 | 7,477,692,232 | 7,477,692,232 |
| Sales | 6,753,223,570 | 6,753,223,570 | 6,432,803,220 | 6,432,803,220 |
| | 0.13 | 0.13 | 0.14 | 0.14 |
| Net Profit Margin | | | | |
| Net Profit/ | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| Sales | 7,779,000,965 | 7,779,000,965 | 7,477,692,232 | 7,477,692,232 |
| | 2.89% | 2.89% | 4.54% | 4.54% |
| Return of Assets | | | | |
| Net Income/ | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| Total Assets | 18,564,855,934 | 18,564,855,934 | 19,130,067,263 | 19,130,067,263 |
| | 1.21% | 1.21% | 1.78% | 1.78% |
| Return of Equity | | | | |
| Net Income/ | 56,221,863 | 56,221,863 | 84,890,773 | 84,890,773 |
| Total Stockholders Equity | 7,989,783,522 | 7,989,783,522 | 8,419,538,286 | 8,419,538,286 |
| | 2.81% | 2.81% | 4.03% | 4.03% |
| Price/Earnings Ratio | | | | |
| Price Per Share/ | 3.00 | 3.00 | 2.31 | 2.31 |
| Earnings Per Common Share | 0.012 | 0.012 | 0.019 | 0.019 |
| | 243.79 | 243.79 | 121.87 | 121.87 |
| Current year trailing 12 mos | | | | |
| Current year to date Net Income+Latest Annual | | 34,056,619 | | 476,961,398 |
| Net Income-Previous Year Net Income | | 4,341,280,855 | | 4,341,280,855 |
| Weighted average no of own shares | | | | |
| Previous year trailing 12 mos | | | | |
| Current year to date Net Income+Latest Annual | | | | |
| Net Income-Previous Year Net Income | | | | |
| Weighted average no of own shares | | | | |

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

Financial Indicators
September 30, 2020

| Financial Indicators | Computation | | Ratios | | Computation | Ratios |
|---|----------------|----------------|----------------|----------------|-------------------|-----------|
| | September 2020 | September 2019 | September 2020 | September 2019 | June 2020 | June 2020 |
| Quick ratio | | | | | | |
| Cash and cash equivalents + | 919,822,075 | 752,794,788 | | | 1,453,881,090 | |
| Financial asset at fair value through profit or loss | 3,382,647 | 6,837,821 | | | 3,609,020 | |
| Trade and other receivables - net + | 1,942,928,185 | 2,050,899,062 | | | 1,136,016,361 | |
| Advances to associates | 2,037,641,937 | 1,766,079,569 | 0.63 | 0.58 | 2,007,231,967 | 0.48 |
| Total Current Liabilities | 7,740,188,649 | 7,955,849,152 | | | 9,670,379,137 | |
| Current/liquidity ratio | | | | | | |
| Total Current Assets | 9,549,774,422 | 10,253,150,371 | 1.23 | 1.29 | 10,209,501,770 | 1.06 |
| Total Current Liabilities | 7,740,188,649 | 7,955,849,152 | | | 9,670,379,137 | |
| Debt-to-equity ratio | | | | | | |
| Total Liabilities | 10,575,072,412 | 10,710,528,977 | 1.32 | 1.27 | 12,525,843,566.00 | 1.58 |
| Total Equity | 7,989,783,522 | 8,419,538,286 | | | 7,924,555,587.00 | |
| Debt-to-assets ratio | | | | | | |
| Total Liabilities | 10,575,072,412 | 10,710,528,977 | 0.57 | 0.56 | 12,525,843,566.00 | 0.61 |
| Total Assets | 18,564,855,934 | 19,130,067,263 | | | 20,450,399,153.00 | |
| Equity-to-assets ratio | | | | | | |
| Total Equity | 7,989,783,522 | 8,419,538,286 | 0.43 | 0.44 | 7,924,555,587.00 | 0.39 |
| Total Assets | 18,564,855,934 | 19,130,067,263 | | | 20,450,399,153.00 | |
| Annualized PPE Turnover | | | | | | |
| Net Revenue | 7,779,000,965 | 7,477,692,232 | 14.44 | 20.42 | 25,061,664,622.00 | 11.73 |
| PPE | 2,154,640,838 | 1,464,452,504 | | | 2,136,567,037 | |
| Annualized Return on assets | | | | | | |
| Net Profit | 56,221,863 | 84,890,773 | 1.21% | 1.78% | 62,725,529.00 | 0.31% |
| Total Assets | 18,564,855,934 | 19,130,067,263 | | | 20,450,399,153.00 | |
| Annualized Return on equity | | | | | | |
| Net Profit | 56,221,863 | 84,890,773 | 2.81% | 4.03% | 62,725,529.00 | 0.79% |
| Total Equity | 7,989,783,522 | 8,419,538,286 | | | 7,924,555,587.00 | |
| Annualized | 4 | 4 | | | 1 | |
| Earnings per share | | | | | | |
| Net Profit Attributable to Owners of the Parent Company | 53,421,672 | 82,290,423 | 0.01 | 0.02 | 54,033,165.00 | 0.01 |
| Weighted Average Number of Outstanding Common Shares | 4,341,280,855 | 4,341,280,855 | | | 4,341,280,855 | |