

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 31December 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 **31 December 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) 8811-0540
9. Former name, former address, and former fiscal year, if changed since last report **N.A.**

Former Name:
Former Address:
Former Fiscal Year

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

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

Yes [☒] No [☐]

12. Indicate by check mark whether the registrant:

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

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See Interim Consolidated Statement of Financial Position as of 31 December 2020, attached hereto as Annex “A”, and Aging Schedule of Accounts Receivables as of 31 December 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 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 - Philippines. The Corporation subscribed to forty percent (40%) of the shares of stock of Perdana Land Philippines Inc. (“PLPI”) which owns the land leased by PHPI.

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

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

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

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

In July 2015, the Corporation invested in Ssangyong Berjaya Motor Philippines Inc. ("SBMPI"), a corporation engaged in the sale and distribution of all types of motor vehicles. On 1 May 2016, SBMPI entered into a Distributorship Agreement with Ssangyong Motor Company of Korea for the distribution of vehicles bearing the Ssangyong brand within the territory of the Philippines. At present, the Corporation's equity interest in SBMPI is equivalent to twenty one point sixty seven percent (21.67%).

In May 2016, the Corporation acquired forty one point forty six percent (41.46%) of the shares 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%) of the 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%) ownership to eDoc Holdings ("eDoc") from its subsidiary H.R. Owen with the assumption of eDoc's outstanding liability. eDoc Holdings was incorporated on 25 July 2017 and is registered to as a holding company in London. Videodoc was incorporated to engage in the business of providing online health consultations and private care service to patients. Videodoc's principal place business is located in London. At present, eDoc's equity interest in Videodoc is equivalent to twenty point fifteen percent (20.15%).

In July 2019, BPI acquired thirty percent (30%) ownership interest in Berjaya Auto Asia, Inc. (BAAI). BAAI was incorporated on 20 November 2017 and is primarily engaged in the business of dealing in all types of new automobiles, trucks, and other motor vehicles including spare 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 Six Months' Period Ended 31 December 2020 vs. 31 December 2019

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱14.19 billion for the six months ended 31 December 2020, an increase of ₱111.60 million (0.79%) over total revenues of ₱14.08 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 six months ended 31 December 2020 decreased by ₱65.80 million (0.47%) to ₱13.91 billion from ₱13.98 billion for the same period in 2019. The decrease is attributed to the following: (1) salaries and employee benefits decreased by ₱105.06 million (12.06%), (2) marketing & selling decreased by ₱65.22 million (17.01%), (3) miscellaneous expenses decreased by ₱54.61 million (55.82%), (4) taxes and licenses decreased by ₱44.78 (66.53%), (5) rental decreased by ₱16.57 million (63.50%), (6) repairs and maintenance decreased by ₱9.82 million (36.61%), (7) communication, light and water decreased by ₱7.90 million (17.30%), (8) representation and entertainment decreased by ₱7.69 million (89.58%), (9) outside services decreased by ₱6.08 million (76.65%), (10) transportation and travel increased by ₱4.87 million (28.68%), (11) security services expense decreased by ₱4.54 million (59.50%), (12) cleaning and maintenance decreased by ₱3.96 million (16.17%), (13) cost of food and beverages decreased by ₱3.42 million (51.67%) and (14) commission expense increased by ₱.80 million (42.57%). These decreases were offset by the following increase in expenses: (1) cost of vehicles sold and body shop repairs and parts increased by ₱178.07 million (1.47%), (2) insurance increased by ₱37.31 million (512.96%), (3) stationary and office supplies increased by ₱28.99 million (258.87%), (4) depreciation and amortization increased by ₱13.35 million (5.17%) and (5) professional fees increased by ₱11.80 million (58.16%).

Other Income (Charges) amounted to (₱13.79) million for the six months ended 31 December 2020, a decrease of ₱81.11 million (120.48%) from Other Income (Charges) of ₱67.32 million in the same period in 2019, mainly due to an increase in the share of net losses from its associated companies for the second quarter.

Net income from operations increased by ₱71.72 million (63.51%) to ₱184.64 million for the six months ended 31 December 2020 from net income of ₱112.92 million in the same period in 2019 due to an increase in the sales of vehicles during the quarter.

Comparable Discussion on Material Changes in Financial Condition as of 31 December 2020 vs. 30 June 2020

Total assets of the Group decreased by ₱ 1.72 billion (8.43%) to ₱ 18.73 billion as of 31 December 2020, from ₱ 20.45 billion as of 30 June 2020.

Trade and other receivables (net) increased by ₱ 396.48 million (34.90%) to ₱ 1.53 billion in 31 December 2020 compared to ₱ 1.14 billion in 30 June 2020, mainly due to an increase in deposits, other trade receivables and due from related parties.

Financial assets at fair value through profit or loss increased by ₱ 4.94 million (136.77%) to ₱8.55 million in 31 December 2020 compared to ₱3.61 million in 30 June 2020 due to changes in its fair value.

Inventories (net) decreased by ₱958.76 million (19.94%) to ₱3.85 billion in 31 December 2020 compared to ₱4.81 billion in 30 June 2020, mainly due to vehicle stocks sold.

Advances to associates increased by ₱52.77 million (2.63%) to ₱2.06 billion in 31 December 2020 compared to ₱2.01 billion in 30 June 2020.

Prepayments and other current assets (net) increased by ₱163.62 million (20.47%) to ₱962.99 million in 31 December 2020 compared to ₱799.37 million in 30 June 2020, mainly due to an increase in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income decreased by ₱379.35 million (30.13%) to ₱879.74 million in 31 December 2020 compared to ₱1.26 billion in 30 June 2020 due to fair value loss during the period.

Right of use asset-net decreased by ₱.96 million (.03%) to ₱3.00 billion in 31 December 2020 compared to ₱3.00 billion in 30 June 2020 due to its amortization during the period.

Property and equipment (net) increased by ₱713.01 million (33.37%) to ₱2.85 billion in 31 December 2020 compared to ₱2.14 billion in 30 June 2020 mainly due to additions made during the quarter.

Investment property increased by ₱ 6.07 million (5.35%) to ₱ 119.55 million in 31 December 2020 compared to ₱113.48 million in 30 June 2020 due to the translation adjustment during the quarter.

Investments in associates decreased by ₱107.03 million (8.10%) to ₱1.21 billion in 31 December 2020 compared to ₱1.32 billion in 30 June 2020, mainly due to the impact of its share in net losses during the quarter.

Intangible assets increased by ₱71.84 million (5.21%) to ₱1.45 billion in 31 December 2020 compared to ₱1.38 billion in 30 June 2020, primarily due to changes in translation.

Deferred tax assets decreased by ₱2.86 million (3.46%) to ₱79.65 million in 31 December 2020 compared to ₱82.51 million in 30 June 2020.

Meanwhile, Other non-current assets decreased by ₱926.36 million (97.42%) to ₱24.54 million in 31 December 2020 compared to ₱950.90 million in 30 June 2020 due to reclassification.

Total liabilities of the Group decreased by ₱1.91 billion (15.25%) to ₱10.62 billion as of 31 December 2020, from ₱12.53 billion as of 30 June 2020.

Trade and other payables - current decreased by ₱159.70 million (8.43%) to ₱1.73 billion in 31 December 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 ₱25.86 million (8.95%) to ₱314.77 million in 31 December 2020 compared to ₱288.90 in 30 June 2020.

Current loans payable and borrowings decreased by ₱1.77 billion (37.14%) to ₱2.99 billion in 31 December 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 ₱24.59 million (1.19%) to ₱2.08 billion as of 31 December 2020, from ₱2.06 billion as of 30 June 2020.

Advances from associates decreased by ₱42.41 (6.29%) million to ₱631.89 million as of 31 December 2020, from ₱674.30 as of 30 June 2020. The decrease is due to the payment of advances made during the quarter.

Income Tax Payable increased by ₱1.33 million (100.00%) to ₱1.33 million in 31 December 2020 compared to ₱0 million in 30 June 2020.

Trade and other payables (non-current) increased by ₱.82 million (5.35%) to ₱16.16 in 31 December 2020 compared to ₱15.34 billion in 30 June 2019, due to translation adjustment.

Lease liabilities- non-current decreased by ₱3.07 million (.11%) to ₱2.77 billion in 31 December 2020 compared to ₱2.77 million in 30 June 2020, mainly due to the reclassification of non-current into current lease liabilities.

Deferred tax liabilities increased by ₱5.03 million (12.92%) to ₱43.99 million in 31 December 2020 compared to ₱38.96 million in 30 June 2020.

Post-employment benefit obligation increased by ₱2.99 million (11.39%) to ₱29.30 million in 31 December 2020 compared ₱26.30.10 in 30 June 2020.

Total stockholders' equity of the Group increased by ₱186.41 million (2.35%) to ₱8.11 billion as of 31 December 2020, from ₱7.92 billion as of 30 June 2020 under review. The book value per share increased to ₱1.83 in 31 December 2020 from ₱1.79 in 30 June 2020.

Comparable Discussion on Material Changes in Cash Flows for the Six Months Period Ended 31 December 2020 vs. 31 December 2019

The consolidated cash and cash equivalents for 31 December 2020 increased by ₱359.39 million (106.54%) to ₱696.71 million as of 31 December 2020 from ₱337.32 million for the same period last year 31 December 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:

	31 December 2020	30 June 2020
Liquidity Ratio - Current ratio	1.17 : 1.00	1.06 : 1.00
Leverage Ratio - Debt to Equity	1.31 : 1.00	1.58 : 1.00
Activity Ratio - Annualized PPE	19.01 times	11.73 times

	31 December 2020	31 December 2019
Profitability Ratios		
Return on Equity	4.55%	2.63%
Return on Assets	1.97%	1.12%

The Corporation uses the following computations in obtaining key indicators:

<u>Key Performance Indicator</u>	<u>Formula</u>
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 Six Months' Period Ended 31 December 2019 vs. 31 December 2018

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱14.08 billion for the six months ended 31 December 2019, a decrease of ₱2.80 billion (16.60%) over total revenues of ₱16.89 billion during the same period in 2018. The decrease was primarily due to a lower revenue contribution from H.R. Owen, and 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 six months ended 31 December 2019 decreased by ₱2.07 billion (12.89%) to ₱13.98 billion from ₱16.04 billion for the same period in 2018. The decrease is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts decreased by ₱1.51 billion (11.10%), (2) rental decreased by ₱ 154.04 million (85.51%), (3) salaries and employee benefits decreased by ₱122.44 million (12.32%), (4)

professional fees decreased by ₦85.99 million (80.91%), (5) maintenance of computer equipment decreased by ₦68.62 million (100%), (6) marketing & selling decreased by ₦65.41 million (14.58%), (7) telecommunications decreased by ₦55.37 million (100%), (8) stationery and office supplies decreased by ₦44.20 million (79.78%), (9) management fees decreased by ₦36.98 million (100%), (10) insurance decreased by ₦34.01 million (82.38%), (11) charitable contribution decreased by ₦32.83 million (100%), (12) taxes and licenses decreased by ₦23.57 (25.93%), (13) transportation and travel decreased by ₦14.36 million (45.83%), (14) communication, light and water decreased by ₦8.63 million (15.89%), (15) representation and entertainment decreased by ₦7.20 million (45.63%), (16) security services decreased by ₦1.33 million (14.85%), and (17) cleaning and maintenance decreased by ₦.60 million (2.39%). These decreases were offset by the following increases of these expenses: (1) depreciation and amortization expense increased by ₦129.38 million (100.63%), (2) miscellaneous expenses increased by ₦59.28 million (153.72%), (3) repairs and maintenance increased by ₦3.58 million (15.40%), (4) outside service increased by ₦2.51 million (46.19%), (5) cost of food and beverages increased by ₦.86 million (14.87%) and (6) commissions increased by ₦.06 million (3.41%).

Other Income (Charges) amounted to ₦67.32 million for the six months ended 31 December 31, 2019, an increase of ₦78.84 million (684.46%) from Other Income (Charges) of (₦11.52) million in the same period in 2018, mainly due to gain on disposal of investment property by H.R. Owen.

Net income from continuing operations decreased by ₦479.38 million (80.93%) to ₦112.92 million for the six months ended 31 December 2019 from net income of ₦592.30 million in the same period in 2018 due to lower revenue contribution from HR Owen as well as the disposal of subsidiary PGMC.

Comparable Discussion on Material Changes in Financial Condition as of 31 December 2019 vs. 30 June 2019

Total assets of the Group increased by ₦3.33 billion (19.7%) to ₦20.24 billion as of 30 June 2019, from ₦16.91 billion as of 30 June 2019.

Trade and other receivables (net) increased by ₦366.96 million (25.6%) to ₦ 1.80 billion in 31 December 2019 compared to ₦ 1.43 billion in 30 June 2019, 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 ₦ 69.55 million to ₦ 6.14 million in 31 December 2019 compared to ₦75.69 million in 30 June 2019.

Inventories (net) increased to ₦642.11 million (11.6%) from ₦6.17 billion in 31 December 2019 compared to ₦5.53 billion in 30 June 2019, mainly due to increase of vehicle stocks.

Advances to associates increased by ₦56.58 million (3.2%) to ₦1.82 billion in 31 December 2019 compared to ₦1.76 billion in 30 June 2019.

Prepayments and other current assets (net) decreased by ₦30.87 million (5.0%) to ₦581.44 million in 31 December 2019 compared to ₦612.31 million in 30 June 2019, mainly due to decrease in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income decreased by ₦39.10 million (2.4%) to ₦1.56 billion in 31 December 2019 compared to ₦1.60 billion in 30 June 2019.

Property and equipment (net) increased by ₦3.22 billion (195.9%) to ₦4.87 billion in 31 December 2019 compared to ₦1.64 billion in 30 June 2019 mainly due to the adoption of PFRS 16 in which Right of Use Asset was recognized.

Investment property increased by ₱ 1.63 million (1.4%) to ₱ 122.09 million in 31 December 2019 compared to ₱120.46 million in 30 June 2019 due to translation adjustment.

Investments in associates increased by ₱528.01 million (64.1%) to ₱1.35 billion in 31 December 2019 compared to ₱824.17 million in 30 June 2019, mainly due to equity investment of associate as a result of deemed disposal of subsidiary.

Intangible assets increased by ₱17.90 million (1.2%) to ₱1.48 billion in 31 December 2019 compared to ₱1.47 billion in 30 June 2019, primarily due to translation adjustment.

Post-employment benefit asset increased by ₱.19 million (0.7%) to ₱28.02 in 31 December 2019 compared to ₱27.83 in 30 June 2019 due to translation adjustment.

Total liabilities of the Group increased by ₱3.08 billion (36.0%) to ₱11.62 billion as of 31 December 2019, from ₱8.55 billion as of 30 June 2019 mainly due to the adoption of PFRS 16 in which the Company recognizes both current and non-current lease liabilities.

Trade and other payables decreased by ₱853.61million (34.9%) to ₱1.59 billion in 31 December 2019 compared to ₱2.44 billion in 30 June 2019, mainly due to the decrease in advances from customers.

Current loans payable and borrowings increased by ₱1.2billion (31.8%) to ₱4.98 billion in 31 December 2019 compared to ₱3.78 billion in 30 June 2019, mainly due to the payment of current loans.

Lease liabilities - current increased by ₱272.46 million (100%) to ₱272.46 million in 31 December 2019 compared to ₱0 in 30 June 2019, mainly due to the effect of the PFRS 16 adoption.

Contract Liabilities (current) which is recognized from advance payments received from customers decreased by ₱196.26million (10.3%) to ₱1.71billion as of 31 December 2019, from ₱1.91 million as of 30 June 2019.

Trade and other payables (non-current) increased by ₱.22 million (1.4%) to ₱16.50 in 31 December 2019 compared to ₱16.28 billion in 30 June 2019, due to translation adjustment.

Non-current Loans payable and borrowings decreased by ₱183.24 million (93.6%) to ₱12.5 million in 31 December 2019 compared to ₱195.74 million in 30 June 2019 due to repayment of bank loans.

Lease liabilities - non-current increased by ₱2.68 billion (100%) to ₱2.68 billion in 31 December 2019 compared to ₱0 in 30 June 2019, mainly due to the effect of the PFRS 16 adoption.

Deferred tax liabilities decreased by ₱5.37 million (10.0%) to ₱48.30 million in 31 December 2019 compared to ₱53.67 million in 30 June 2019.

Total stockholders' equity of the Group increased by ₱252.94 million (3.0%) to ₱8.62 billion as of 31 December 2019, from ₱8.36 billion as of 30 June 2019.

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

The consolidated cash and cash equivalents for 31 December 2019 decreased by ₱552.88 million (62.1%) to ₱337.32 million as of 31 December 2019 from ₱890.20 million for the same period last year 31 December 2018. The decrease is mainly attributable to the 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 Dec 2019	30 June 2019
Liquidity Ratio - Current ratio	1.21 : 1.00	1.29 : 1.00
Leverage Ratio - Debt to Equity	1.35 : 1.00	1.02 : 1.00
Activity Ratio - Annualized PPE	5.83 times	10.14 times
	31 Dec 2019	31 Dec 2018
Profitability Ratios		
Return on Equity	4.29%	7.08%
Return on Assets	1.82%	3.50%

The Corporation uses the following computations in obtaining key indicators:

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

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

- i) There is no known trend, event or uncertainty that has or is reasonably likely to have an impact on the Corporation' short term or long-term liquidity.
- ii) The liquidity of the subsidiaries would continue to be generated from the collections of revenue from customers. There is no requirement for external funding for liquidity.
- iii) There is no known trend, event or uncertainty that has or that is reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.

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

vi) There is no cause for any material change from period to period in one or more of the line items of the Corporation's financial statements.

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

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

1) There are no items affecting the assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size, or incidents.

2) There is no change in the estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

3) There is no issuance, repurchase or repayment of debts and equity securities.

4) There are no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.

5) There are no business combinations, acquisition or disposals subsidiaries and long-term investments, restructurings and discontinuing operations for the interim period.

6) There are no contingent liabilities or contingent assets since the last annual balance sheet date.

7) There are no material contingencies and any other events or transactions that are material to an understanding of the current interim period.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has caused this report to be signed on its behalf by the undersigned, being duly authorized, in the City of Makati on 15 February 2021.

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
December 31, 2020 and June 30, 2020
(Amounts in Philippine Pesos)

	<u>Note</u>	<u>December 31, 2020</u> Unaudited	<u>June 30, 2020</u> Audited
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	5	696,710,453	P 1,453,881,090
Trade and other receivables-net	6	1,532,493,319	1,136,016,361
Financial assets at fair value through profit or loss	9	8,545,032	3,609,020
Inventories - net	7	3,850,628,963	4,809,388,692
Advances to associates	13	2,060,006,456	2,007,231,967
Prepayments and other current assets - net	8	962,993,579	799,374,640
Total Current Assets		9,111,377,802	10,209,501,770
NON-CURRENT ASSETS			
Financial asset at fair value through other comprehensive income	9	879,738,585	1,259,093,353
Right of use assets - net	12	2,996,732,650	2,997,696,798
Property and equipment - net	10	2,849,576,662	2,136,567,037
Investment property	11	119,552,180	113,482,145
Investments in associates	13	1,214,823,760	1,321,850,365
Intangible assets - net	14	1,450,642,248	1,378,798,345
Deferred tax assets - net		79,647,353	82,506,046
Other non-current assets	8	24,541,627	950,903,294
Total Non-Current Assets		9,615,255,065	10,240,897,383
TOTAL ASSETS		P 18,726,632,867	P 20,450,399,153
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Trade and other payables	15	1,734,584,877	P 1,894,289,202
Loans payable and borrowings	16	2,987,755,818	4,753,375,352
Lease liabilities - current	12	314,765,386	288,904,856
Contract liabilities		2,084,096,997	2,059,508,257
Advances from associates		631,891,490	674,301,470
Income tax payable		1,331,031	0
Total Current Liabilities		7,754,425,599	9,670,379,137
NON-CURRENT LIABILITIES			
Trade and other payables	15	16,155,700	15,335,425
Lease liabilities - non current	12	2,771,799,490	2,774,865,185
Deferred tax liabilities - net		43,994,656	38,962,082
Post-employment benefit obligation		29,296,261	26,301,737
Total Non-Current Liabilities		2,861,246,107	2,855,464,429
Total Liabilities		10,615,671,706	12,525,843,566
EQUITY			
Attributable to Owners of the Parent Company		8,087,686,832	7,906,967,700
Attributable to non-controlling interest		23,274,329	17,587,887
Total Equity		8,110,961,161	7,924,555,587
TOTAL LIABILITIES AND EQUITY		P 18,726,632,867	P 20,450,399,153

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the six months ended DECEMBER 31, 2020 and DECEMBER 31, 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended December 31, 2020	6 Months Ended December 31, 2020	3 Months Ended December 31, 2019	6 Months Ended December 31, 2019
REVENUES				
Sales of vehicles	6,388,545,615	14,142,688,277	6,562,824,618 P	14,005,939,737
Hotel Operations	27,206,789	52,065,092	42,640,968	77,218,082
	<u>6,415,752,404</u>	<u>14,194,753,369</u>	<u>6,605,465,586</u>	<u>14,083,157,819</u>
COSTS AND OTHER OPERATING EXPENSES				
Cost of vehicles sold	5,512,492,908	12,264,411,286	5,656,395,327	-
Salaries and employee benefits	366,765,565	766,385,295	419,950,809	871,446,448
Marketing & Selling	177,310,376	318,126,927	196,897,539	383,351,416
Depreciation and amortization	135,487,775	271,296,078	136,384,479	257,949,566
Insurance	23,978,795	44,577,673	(8,529,116)	7,272,579
Miscellaneous Expenses	26,768,611	43,233,038	41,944,414	97,847,107
Stationery and Office Supplies	22,266,864	40,193,267	5,805,592	11,200,006
Communication, light and water	16,019,221	37,767,470	23,680,558	45,670,101
Professional fees	14,371,438	32,091,614	(9,040,788)	20,290,040
Taxes and licences	13,167,002	22,526,122	30,872,355	67,307,560
Cleaning and Maintenance	10,152,906	20,513,695	12,260,148	24,471,906
Repairs and maintenance	5,416,767	17,003,426	18,844,158	26,822,506
Transportation and travel	7,454,234	12,106,550	12,805,408	16,976,151
Rental	4,201,861	9,527,606	16,320,477	26,102,140
Cost of food and beverages	1,892,030	3,197,227	3,755,958	6,615,595
Security Services	979,610	3,087,233	3,089,341	7,622,390
Outside Service	1,526,225	1,852,405	6,644,434	7,932,141
Commissions	900,394	1,072,775	1,030,627	1,867,978
Representation and entertainment	811,201	893,811	6,398,860	8,579,760
	<u>6,341,963,783</u>	<u>13,909,863,498</u>	<u>6,575,510,579</u>	<u>13,975,664,307</u>
OPERATING PROFIT	<u>73,788,621</u>	<u>284,889,871</u>	<u>29,955,007</u>	<u>107,493,512</u>
OTHER INCOME (CHARGES)				
Finance Income	36,933,815	65,166,984	22,287,410	44,242,767
Others	95,750,180	134,885,957	7,614,373	38,463,180
Fair value gain on financial assets at fair value through profit and loss	5,162,385	4,936,012	(695,969)	(2,041,688)
Equity share in net income (losses)	9,516,209	(106,867,893)	28,515,506	23,135,861
Gain on sale of investment property	-	-	6,421,687	108,107,348
Loss on disposal of share in PGMC	-	-	-	(23,402,244)
Finance Costs	(53,766,294)	(111,909,945)	(62,693,717)	(121,181,847)
	<u>93,596,295</u>	<u>(13,788,885)</u>	<u>1,449,290</u>	<u>67,323,377</u>
PROFIT BEFORE INCOME TAX	<u>167,384,916</u>	<u>271,100,986</u>	<u>31,404,297</u>	<u>174,816,889</u>
TAX EXPENSE	<u>38,965,372</u>	<u>86,459,579</u>	<u>3,370,482</u>	<u>61,892,301</u>
TOTAL NET PROFIT	<u>128,419,544</u>	<u>184,641,407</u>	<u>28,033,815</u>	<u>112,924,588</u>
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	(122,131,919)	(159,028,367)	27,474,943	48,233,187
	<u>(122,131,919)</u>	<u>(159,028,367)</u>	<u>27,474,943</u>	<u>48,233,187</u>
Items that will be reclassified subsequently to profit or loss				
Translation adjustment	118,165,794	163,981,245	96,173,943	44,660,347
	<u>118,165,794</u>	<u>163,981,245</u>	<u>96,173,943</u>	<u>44,660,347</u>
TOTAL COMPREHENSIVE INCOME	<u>124,453,419</u>	<u>189,594,285</u>	<u>151,682,700</u>	<u>205,818,123</u>
Net profit attributable to:				
Owners of the Parent Company	125,754,607	179,176,279	24,130,289	106,420,712
Non-controlling Interest	2,664,937	5,465,128	3,903,526	6,503,876
	<u>128,419,544</u>	<u>184,641,407</u>	<u>28,033,815</u>	<u>112,924,588</u>
Total comprehensive income attributable to:				
Owners of the Parent Company	121,788,482	184,129,157	147,779,174	199,314,247
Non-controlling Interest	2,664,937	5,465,128	3,903,526	6,503,876
	<u>124,453,419</u>	<u>189,594,285</u>	<u>151,682,700</u>	<u>205,818,123</u>
Weighted average number of shares outstanding	<u>4,341,280,855</u>	<u>4,341,280,855</u>	<u>4,341,280,855</u>	<u>4,341,280,855</u>
Basic earnings per share (annualized)	<u>0.12</u>	<u>0.09</u>	<u>P 0.03</u>	<u>P 0.05</u>

BERJAYA PHILIPPINE INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the six months ended DECEMBER 31, 2020 and DECEMBER 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														(31,860,696)	P	(31,860,696)			P	(31,860,696)	
Capital issuance through stock dividends		-		-		-		-		-		-		-		-		-		-	
Profit or loss for the year		-		-		-		-		-		-		179,176,279		179,176,279		5,465,128		184,641,407	
Appropriation during the year		-		-		-		-		-		-		-		-		-		-	
Reversal of appropriations during the year														-	P					-	
Realized fair value changes on disposals of financial assets at FVOCI		-		-		31,860,696		-		-		-		-		31,860,696		-		31,860,696	
Actuarial Gain on remeasurement of post-employment benefit obligation - net of tax		-		-		(3,188,712)		-		-		-		-		(3,188,712)		-		(3,188,712)	
Net unrealized fair value gains on disposals of financial assets at FVO		-		-		(159,028,367)		-		-		-		-		(159,028,367)		-		(159,028,367)	
Disposal of financial asset		-		-		-		-		-		-		-		-		-		-	
Disposal of subsidiary		-		-		-		-		-		-		-		-		-		-	
Translation adjustment		-		-		-		-		163,981,245		-		-		163,981,245		-		163,981,245	
Total equity at December 30, 2020	P	4,427,009,132	P	(988,150,025)	P	(686,966,430)	P	(684,443,103)	P	(170,739,508)	P	2,000,000,000	P	4,191,198,079	P	8,087,908,145	P	23,053,015	P	8,110,961,161	
												6,191,198,079									
	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		-		-		-		-		-		-		106,420,712		106,420,712		6,503,876		112,924,588	
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						2,114,307								8,373,996		10,488,303				10,488,303	
Net unrealized fair value gains on disposals of financial assets at FVOCI						48,233,187										48,233,187				48,233,187	
Translation adjustment		-		-		-		-		44,660,347		-		-		44,660,347				44,660,347	
Total equity at December 31, 2019	P	4,427,009,132	P	(988,150,025)	P	(180,583,323)	P	(684,443,103)	P	(104,797,630)	P	1,773,262,552	P	4,323,007,491	P	8,565,305,095	P	15,620,713	P	8,580,925,808	

BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS
For the six months ended DECEMBER 31, 2020 and DECEMBER 31, 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended December 31, 2020	6 Months Ended December 31, 2020	3 Months Ended December 31, 2019	6 Months Ended December 31, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	167,384,916	271,100,986	89,926,116 P	174,816,889 1
Adjustments for:				
Depreciation and amortization	21,046,299	97,547,153	230,615,173	276,893,178
Impairment Loss on Asset	-	-	4,565,486	4,565,486
Dividend Income	(14,317,715)	(14,317,715)	(7,992,391)	(11,825,939)
Interest Expense	60,247,749	116,527,161	24,978,256	83,466,386
Interest Income	(103,652,535)	(130,234,316)	(90,071,658)	(112,027,015)
Equity Share in net losses (income) of associates	(9,516,209)	106,867,893	(28,515,506)	(23,135,861)
Loss (gain) on sale of property and equipment	-	-	1,176,855	1,176,855
Loss on revaluation of investment property	(31,098,727)	-	31,098,727	31,098,727
Loss (gain) on sale of available-for-sale assets	-	-	(198,000)	(198,000)
Loss (gain) on deemed disposal of subsidiary	-	-	-	-
Unrealized foreign exchange losses (gain)	(32,306,524)	(4,617,216)	28,435,078	27,689,308
Operating income before working capital changes	57,787,254	442,873,946	284,018,136	452,520,014
Decrease / (Increase) in:				
Trade and other receivables	410,533,416	(437,673,444)	(559,120,340)	(1,174,369,783)
Financial assets at fair value through profit or loss	(5,162,385)	(4,936,012)	(22,799,932)	(2,041,688)
Inventories	(55,518,882)	973,528,005	(1,085,391,466)	(693,300,539)
Post employment benefit asset	-	-	(3,515,627)	29,418,457
Prepaid expenses and other current assets	(112,104,082)	(163,618,939)	(71,226,375)	3,208,128
Decrease (increase) in other non-current assets	-	926,361,667	(4,098,987)	(2,452,743)
Increase / (Decrease) in:				
Trade and other payables	235,944,241	(159,704,324)	(442,004,389)	(836,579,962)
Loans Payables and Borrowings	-	-	-	-
Lease Liability Current	37,867,958	22,794,835	719,408,487	966,725,044
Contract liabilities	(14,144,067)	24,588,740	51,823,856	(181,168,346)
Advances from related party	29,942,573	(42,409,980)	120,905,880	358,111,912
Retirement Obligation	921,800	2,994,524	28,722,293	(3,444,665)
Cash paid for income taxes	(38,965,385)	(86,459,579)	(274,712,557)	(265,252,991)
Net cash provided (used in) operating activities	547,102,441	1,498,339,439	(1,257,991,021)	(1,348,627,162)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property and equipment	(677,597,830)	(755,131,024)	(808,027,287)	(808,738,477)
Acquisition of financial assets	-	-	-	-
Acquisition of additional investments in associates and subsidiaries	-	-	-	(41,999,997)
Proceeds from sale of financial assets	58,511,907	219,596,420	(157,438,297)	(157,438,297)
Proceeds from disposal of property and equipment	2,000	2,000	(8,343,024)	125,632,451
Proceeds from disposal of investment property	-	-	-	-
Interest Received	103,652,535	130,234,316	(5,111,256)	16,844,101
Cash dividends received	14,317,715	14,317,715	78,691,965	82,525,513
Advances to (collection from) associate - net	(23,925,974)	(54,335,944)	41,501,033	38,689,225
Net cash provided (used in) by investing activities	(525,039,647)	(445,316,517)	(858,726,866)	(744,485,481)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	-	-	1,693,679,010	1,693,679,010
Repayment of bank loan and borrowings	(251,273,073)	(1,765,619,534)	-	(193,346,802)
Interest paid	(60,247,749)	(116,527,161)	(23,114,017)	(81,602,147)
Net cash provided (used in) by financing activities	(311,520,822)	(1,882,146,695)	1,670,564,993	1,418,730,061
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS	66,346,406	71,953,136	30,677,716	(35,530,798)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(223,111,622)	(757,170,637)	(415,475,178)	(709,913,380)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	919,822,075	1,453,881,090	752,794,788	1,047,232,990
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	P 696,710,453	P 696,710,453	337,319,610 P	337,319,610 1

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
as of December 31, 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 as Central Azucarera del Pilar mainly for the production of sugar. 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.

It subsequently changed its name to Prime Gaming Philippines Inc. (PGPI) in 1998 and changed its primary purpose to that of a holding company.

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 December 31, 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 six months ended December 31, 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 December 31, 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 December 31, 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>December 31, 2020</u>	<u>June 30, 2020</u>
Php – GBP	P 606,809,809	P1,359,890,732
Php – USD	58,912,641	2,395,018
Php – MYR	16,090,369	1,531,186
Php - EUR	306,461	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>December 31, 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	6.19%	P 37,561,527	18.81%	P 463,722,740
PhP - USD	2.88%	1,696,684	7.66%	198,307
PhP - MYR	4.81%	773,947	8.13%	171,340
PhP - EUR	8.44%	<u>25,865</u>	35.29%	<u>46,563</u>
		<u>P 40,058,023</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 +/-13.77% and a +/-81.33% volatility in the market value of the investment for the six months ended December 31, 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>December 31, 2020</u>	<u>June 30, 2020</u>
Cash and cash equivalents	5	P 696,710,453	P 1,453,881,090
Trade and other receivables – net	6	1,532,493,319	1,129,956,361
Financial assets at FVTPL	9	8,545,032	3,609,020
Advances to associates	13	2,060,006,456	2,007,231,967
Prepayments and other current assets	8	75,414,808	71,609,791
Other non-current assets	15	<u>771,455</u>	<u>771,455</u>
		<u>P 4,373,941,523</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 December 31, 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 December 31, 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 six months ended December 31, 2020, December 31, 2019 and for the year ended June 30, 2020, and certain assets and liabilities information regarding industry segments as at December 31, 2020, December 31, 2019 and June 30, 2020.

	December 31, 2020			
	Holding and Investment	Services	Motor Vehicle	Consolidated
Total Revenues	67,531,131	52,692,943	14,284,154,488	14,404,378,562
Inter-segment Revenues	-	-	1,570,783	1,570,783
Revenues – External	<u>67,531,131</u>	<u>52,692,943</u>	<u>14,285,725,271</u>	<u>14,405,949,345</u>
Expenses	25,966,512	62,193,715	13,939,820,240	14,027,980,467
Inter-segment expenses	<u>106,867,893</u>	-	-	<u>106,867,893</u>
Expenses – External	<u>132,834,405</u>	<u>62,193,715</u>	<u>13,939,820,240</u>	<u>14,134,848,360</u>
Total Combined Profit Before Tax	41,564,618	(9,500,772)	344,334,249	376,398,095
Total Consolidated Profit Before Tax	<u>(65,303,274)</u>	<u>(9,500,772)</u>	<u>345,905,032</u>	<u>271,100,986</u>
Net profit for the year	29,165,756	(9,714,751)	270,487,512	289,938,517
Eliminations	<u>(106,867,893)</u>	-	<u>1,570,780</u>	<u>(105,297,110)</u>
	<u>(77,702,137)</u>	<u>(9,714,751)</u>	<u>272,058,295</u>	<u>184,641,407</u>
Segment Assets	8,947,658,577	1,517,074,190	11,800,629,547	22,265,362,314
Eliminated Assets	-	-	-	<u>(3,538,729,447)</u>
Total Conso Assets	<u>8,947,658,577</u>	<u>1,517,074,190</u>	<u>11,800,629,547</u>	<u>18,726,632,867</u>
Segment Liabilities	1,491,322,297	1,273,499,218	9,276,174,433	12,040,995,948
Eliminated Liabilities	-	-	-	<u>(1,425,324,242)</u>
Total Conso Liabilities	<u>1,491,322,297</u>	<u>1,273,499,218</u>	<u>9,276,174,433</u>	<u>10,615,671,706</u>
Capital expenditures	-	<u>100,114,192</u>	<u>684,853,912</u>	<u>784,968,104</u>
Depreciation and amortization	-	<u>13,564,381</u>	<u>257,731,697</u>	<u>271,296,078</u>

December 31, 2019

	From Continuing Operations			From Discontinued Operations	Total Consolidated
	Holding and Investment	Services	Motor Vehicle	Leasing	Consolidated
Total Revenues	129,746,926	81,093,468	14,143,771,549	-	14,354,611,943
Inter-segment Revenues	<u>383,246,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>383,246,114</u>
Revenues - External	<u>512,993,040</u>	<u>81,093,468</u>	<u>14,143,771,549</u>	<u>-</u>	<u>14,737,858,057</u>
Expenses	47,224,166	81,777,207	13,992,679,108	-	14,121,680,480
Inter-segment expenses	<u>441,360,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,360,688</u>
Expenses - External	<u>488,584,854</u>	<u>81,777,207</u>	<u>13,992,679,108</u>	<u>-</u>	<u>14,563,041,168</u>
Total Combined Profit Before Tax	82,522,761	(683,739)	151,092,441	-	232,931,463
Total Consolidated Profit Before Tax	24,408,187	(683,739)	151,092,441	-	174,816,889
Net profit for the year	68,533,443	(3,665,698)	106,171,417	-	171,039,162
Eliminations	<u>(58,114,574)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,114,574)</u>
	<u>10,418,869</u>	<u>(3,665,698)</u>	<u>106,171,417</u>	<u>-</u>	<u>112,924,588</u>
Segment Assets	9,044,481,009	1,123,431,304	13,113,423,790	726,127,235	24,007,463,339
Eliminated Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(726,127,235)</u>	<u>(3,815,307,708)</u>
Total Conso Assets	<u>9,044,481,009</u>	<u>1,123,431,304</u>	<u>13,113,423,790</u>	<u>-</u>	<u>20,192,155,631</u>
Segment Liabilities	1,146,816,116	952,563,361	10,757,544,980	149,335,036	13,006,259,493
Eliminated Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,335,036)</u>	<u>(1,395,813,151)</u>
Total Conso Liabilities	<u>1,146,816,116</u>	<u>952,563,361</u>	<u>10,757,544,980</u>	<u>-</u>	<u>11,610,446,342</u>
Capital expenditures	<u>-</u>	<u>114,258,745</u>	<u>410,336,131</u>	<u>-</u>	<u>524,594,876</u>
Depreciation and amortization	<u>-</u>	<u>13,296,863</u>	<u>244,652,703</u>	<u>-</u>	<u>257,949,566</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	<u>P 136,013,925</u>	<u>P 182,868,782</u>	<u>P 548,948,482</u>	<u>P 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	<u>P 174,442,105</u>	<u>P 127,478,359</u>	<u>P 25,184,212,262</u>	<u>P 25,486,132,726</u>
Profit (loss) before tax	<u>(P 38,428,180)</u>	<u>P 55,390,423</u>	<u>P 129,710,996</u>	<u>P 146,673,239</u>
Net profit (loss)	<u>(P 40,555,754)</u>	<u>(P 6,142,927)</u>	<u>P 104,342,466</u>	<u>P 57,645,785</u>

Segment assets	<u>P 1,479,387,611</u>	<u>P 9,147,216,338</u>	<u>P 13,233,935,712</u>	<u>P 23,860,539,661</u>
Segment liabilities	<u>P 1,527,114,216</u>	<u>P 1,375,586,198</u>	<u>P 11,098,227,565</u>	<u>P 14,000,927,979</u>
Other segment item – Capital expenditures	<u>P 479,494,864</u>	<u>P _____</u>	<u>P 268,899,138</u>	<u>P 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>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Cash on hand and in banks	P 664,399,053	P 1,423,210,240
Short-term placements	<u>32,311,400</u>	<u>30,670,850</u>
	<u>P 696,710,453</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>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Trade receivables	P 282,653,624	P 719,352,119
Deposits	1,075,919,563	414,526,013
Payments for future acquisition of investments	16,090,369	1,531,186
Other receivables	<u>175,975,005</u>	<u>45,346,121</u>
	1,550,638,561	1,180,755,439
Allowance for impairment	<u>(18,145,242)</u>	<u>(44,739,078)</u>
	<u>P 1,532,493,319</u>	<u>P 1,136,016,361</u>

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

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

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.

Other receivables include outstanding warranty claims, finance commissions and interest income.

7. INVENTORIES

The composition of this account are shown below.

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
At cost:		
Vehicles	P2,788,001,501	P2,986,533,244
Work in progress	-	42,403,493
Parts and components	-	-
Hotel supplies	<u>3,896,987</u>	<u>4,447,183</u>
	<u>2,791,898,488</u>	<u>3,033,383,920</u>
At net realizable value:		
Vehicles	964,213,577	1,786,345,509
Parts and components	<u>266,892,965</u>	<u>241,880,137</u>
	1,231,106,542	2,028,225,646
Allowance for inventory write down	(<u>172,376,067</u>)	(<u>252,220,874</u>)
	<u>1,058,730,475</u>	<u>1,776,004,772</u>
	<u>P3,850,628,963</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>December 31, 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	(91,968,056)	48,712,529
Translation adjustment	<u>12,123,249</u>	(<u>14,768,276</u>)
Balance at end of year	<u>P 172,376,067</u>	<u>P 252,220,874</u>

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Current:		
Prepaid expenses	P 386,440,941	P 309,328,221
VAT recoverable	310,043,586	65,620,468

Advances to suppliers	98,737,851	189,657,585
Refundable deposits	75,414,808	71,609,791
Input VAT	74,677,705	79,703,347
Creditable withholding tax	7,563,661	244,892
Prepaid taxes	7,347,777	81,246,452
Other current assets	<u>2,767,250</u>	<u>1,963,884</u>
	<u>962,993,579</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 987,535,206</u>	<u>P 1,750,277,934</u>

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).

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

Advances to suppliers pertain to advances for supplies on the hotel and service vehicle operations, which are expected to be realized in the next reporting period.

The advance payment for the land acquisition pertains to disbursements made to a third party agent for the acquisition of land for the development of multi-franchise site and head office in United Kingdom. As of June 30, 2020, the Group and the third party agent have executed a contract conditional on planning permission.

9. INVESTMENT SECURITIES

This account consists of the following financial assets:

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

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Quoted equity securities	<u>P 8,545,032</u>	<u>P 3,609,020</u>

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

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Equity securities:		
Quoted	P 856,001,566	P 1,234,459,451
Unquoted	<u>23,737,019</u>	<u>24,633,902</u>
	<u>P 879,738,585</u>	<u>P 1,259,093,353</u>

The quoted and unquoted equity securities consist of listed foreign shares of stock and investments in shares of stock of foreign privately-held companies, respectively. The fair values of the quoted financial assets have been determined by reference to published prices in an active market. The fair value of unquoted securities have been determined using the discounted cash flow valuation.

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 December 31, 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>
December 31, 2020										
Cost	P 723,408,781	P 204,607,746	P 37,118,079	P 602,239,570	P 11,771,360	P 13,528,690	P 1,188,554,776	P 626,550,203	P 810,503,290	P 4,218,282,495
Accumulated depreciation and amortization	(<u>151,170,144</u>)	(<u>2,447,525</u>)	(<u>28,724,241</u>)	(<u>414,948,640</u>)	(<u>10,111,560</u>)	(<u>11,976,085</u>)	(<u>749,327,638</u>)	-	-	(<u>1,368,705,833</u>)
Net carrying amount	<u>P 572,238,637</u>	<u>P 202,160,221</u>	<u>P 8,393,838</u>	<u>P 187,290,930</u>	<u>P 1,659,800</u>	<u>P 1,552,605</u>	<u>P 439,227,138</u>	<u>P 626,550,203</u>	<u>P 810,503,290</u>	<u>P 2,849,576,662</u>
June 30, 2020										
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>P 1,245,617,162</u>)
Net carrying amount	<u>P 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 December 31, 2020 and June 30, 2020 amounted to P119,552,180 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 December 31, 2020 and June 30, 2020 are shown below.

	December 31, 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	13,645,765	1,455,328	15,101,093
Translation adjustment	-	151,769,979	151,769,979
Amortization	(1,996,159)	(165,839,061)	(167,835,220)
Net carrying amount	<u>P 125,825,275</u>	<u>P 2,870,907,375</u>	<u>P 2,996,732,650</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 December 31, 2020 and June 30, 2020 as follows:

	December 31, 2020 (Unaudited)	June 30, 2020 (Audited)
Current	P 314,765,386	P 288,904,856
Non-current	<u>2,771,799,490</u>	<u>2,774,865,185</u>
	<u>P 3,086,564,876</u>	<u>P3,063,770,041</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:

NOTE 13											
December 31, 2020	PLPI	BPPI	BAPI	CPI	SBMPI	NPI	CBFC	PGMC	VideoDoc	BAAI	Total
Investment:											
Acquisition costs:											
Beginning balance	P 40,000	P 180,400	P 203,896	P 400	P 32,500	P 82,283	P 62,500	P 454,880	P 120,373	P -	P 1,177,232
Reclassification	-	-	-	-	10,835	-	P 50,000	-	-	P 3,060	63,895
Additional investment	-	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
	40,000	180,400	203,896	400	43,335	82,283	112,500	454,880	120,373	3,060	1,241,127
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	140,206	(180,400)	468,262	(400)	(29,545)	37,649	(13,041)	P 2,113	(58,058)	(30)	366,755
Share in net profit (losses) during the year	(3,954)	-	(10,062)	-	(3,270)	(44,640)	(53,658)	10,365	-	(1,648)	(106,868)
Share in other comprehensive income during the year	-	-	-	-	-	P 87	-	(3,276)	-	-	(3,189)
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
	136,251	(180,400)	458,200	(400)	(32,815)	(6,904)	(66,699)	P 9,202	(58,058)	(1,678)	256,699
Total investments in associate	176,251	-	441,408	-	10,520	75,379	45,801	464,082	62,315	1,382	1,277,138
Less: Impairment of Investment	-	-	-	-	-	-	-	-	(62,315)	-	(62,315)
	176,251	-	441,408	-	10,520	75,379	45,801	464,082	-	1,382	1,214,823
Advances to associates	429,582	519,805	-	3,023	-	1,117,688	-	-	81,892	-	2,151,991
Less: Impairment of Investment	-	(10,092)	-	-	-	-	-	-	(81,892)	-	(91,984)
Advances net	429,582	509,713	-	3,023	-	1,117,688	-	-	-	-	2,060,006
	<u>P 605,834</u>	<u>P 509,713</u>	<u>P 441,408</u>	<u>P 3,023</u>	<u>P 10,520</u>	<u>P 1,193,067</u>	<u>P 45,801</u>	<u>P 464,082</u>	<u>-</u>	<u>P 1,382</u>	<u>P 3,274,829</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		
Reclassification							454,880													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.

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Goodwill	P 763,217,149	P 724,466,247
Dealership rights	668,680,416	634,729,438
Customer relationship	<u>18,744,683</u>	<u>19,602,660</u>
	<u>P 1,450,642,248</u>	<u>P 1,378,798,345</u>

15. TRADE AND OTHER PAYABLES

This account consists of the following:

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Current:		
Trade Payables	P 841,959,167	P 1,132,852,314
Accrued expenses	377,455,836	359,147,900
Withholding taxes payable	207,839	35,281,601
Deferred output VAT	46,707,245	41,777,853
Due to a related party	4,379,510	3,241,664
Other payables	<u>463,875,280</u>	<u>321,987,870</u>
	1,734,584,877	1,894,289,202
Non-current:		
Advances from a director	<u>16,155,700</u>	<u>15,335,425</u>
	<u>P1,750,740,577</u>	<u>P 1,909,624,627</u>

16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	<u>December 31, 2020</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Current:		
Vehicle stocking loans	P 2,575,255,818	P 4,298,375,352
Bank loans and mortgages	<u>412,500,000</u>	<u>455,000,000</u>
	<u>P 2,987,755,818</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>December 31, 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 696,710,453	P 696,710,453	P 1,453,881,090	P 1,453,881,090
Trade and other receivables - net	6	1,482,493,319	1,482,493,319	1,132,986,361	1,132,986,361
Advances to associates - net	13	2,060,006,456	2,060,006,456	2,007,231,967	2,007,231,967
Refundable deposits- current	8	75,414,808	75,414,808	71,609,791	71,609,791
Other non-current assets	8	<u>771,455</u>	<u>771,455</u>	<u>771,455</u>	<u>771,455</u>
		<u>P 4,315,396,491</u>	<u>P4,315,396,491</u>	<u>P 4,666,480,664</u>	<u>P 4,666,480,664</u>
Financial assets at FVTPL	9	<u>P 8,545,032</u>	<u>P 8,545,032</u>	<u>P 3,609,020</u>	<u>P 3,609,020</u>
Financial assets at FVOCI	9	<u>P 879,738,585</u>	<u>P 879,738,585</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	16	P 2,987,755,818	P 2,987,755,818	P 4,753,375,352	P 4,753,375,352
Trade and other payables	15	1,734,584,877	1,734,584,877	1,832,565,174	1,832,565,174
Lease liabilities	12	3,086,564,876	3,086,564,876	3,063,770,041	3,063,770,041
Advances from related parties		<u>631,891,490</u>	<u>631,891,490</u>	<u>674,301,470</u>	<u>674,301,470</u>
		<u>P 8,440,797,061</u>	<u>P 8,440,797,061</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 31 December 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)	(Peso)
a Trade Receivables						
1) PCSO	-	-	-	-	-	-
2) Guest/City Ledger	4,155,920	363,643	259,745	415,592	-	5,194,900
3) Vehicle Debtor	152,602,298	27,745,872	41,618,809	55,491,745	-	277,458,724
3) Others	-	-	-	-	-	-
Subtotal	156,758,218	28,109,515	41,878,554	55,907,337	-	282,653,624
Less: Allow. For Doubtful Acct.	-	-	-	18,145,242	-	18,145,242
Net Trade receivable	156,758,218	28,109,515	41,878,554	37,762,095	-	264,508,382
b Non - Trade Receivables						
1) Deposits	1,075,919,563					1,075,919,563
2) Payment for future acquisition of inv	16,090,369					16,090,369
3) Other Receivables	175,975,005			-		175,975,005
	-			-	-	-
Subtotal	1,267,984,937	-	-	-	-	1,267,984,937
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
Net Non - trade receivable	1,267,984,937	-	-	-	-	1,267,984,937
Net Receivables (a + b)	1,424,743,155	28,109,515	41,878,554	37,762,095	-	1,532,493,319

(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 2021 Philippine Peso		June 2020 Philippine Peso		June 2020 Philippine Peso	
	Current year		Current year to date		Previous year		Previous year to date	
Balance Sheet	3 mos ended December 31, 2020		6 mos ended December 31, 2020		3 mos ended December 31, 2019		6 mos ended December 31, 2019	12 mos ended June 30 2020
Current Assets	9,111,377,802		9,111,377,802		10,699,161,860		10,699,161,860	10,209,501,770
Total Assets	18,726,632,867		18,726,632,867		20,192,155,631		20,192,155,631	20,430,399,153
Current Liabilities	7,754,425,599		7,754,425,599		8,935,340,434		8,935,340,434	9,670,379,137
Total Liabilities	10,615,671,706		10,615,671,706		11,610,446,342		11,610,446,342	12,525,843,566
Retained Earnings	6,191,198,079		6,191,198,079		6,149,800,945		6,149,800,945	6,043,882,496
Stockholders Equity	8,110,961,161		8,110,961,161		8,581,709,289		8,581,709,289	7,924,555,587
Stockholders Equity-Parent	8,087,686,832		8,087,686,832		8,566,088,576		8,566,088,576	7,906,967,700
Book Value Per Share	1.83		1.83		1.94		1.94	1.79
Income Statement	3 mos ended December 31, 2020		6 mos ended December 31, 2020		3 mos ended December 31, 2019		6 mos ended December 31, 2019	12 mos ended June 30 2020
Gross Revenue	6,415,752,404		14,194,753,369		6,605,465,586		14,083,157,819	25,061,664,622
Gross Expense	6,341,963,783		13,909,863,498		6,575,510,579		13,975,664,307	25,105,533,395
Net Operating Income	147,362,589		204,988,953		64,838,976		213,949,156	519,111,343
Net Operating Expense	53,766,294		218,777,838		63,389,686		146,625,779	323,489,587
Profit/(Loss) Before Income Tax	167,384,916		271,100,986		31,404,297		174,816,889	151,752,983
Income Tax Expense	30,965,372		86,439,579		3,370,482		61,022,301	89,027,434
Net Income/(Loss) After Tax	128,419,544		184,641,407		28,033,815		112,924,588	62,725,529
Net Income/(Loss) Attributable to Parent								
Equity Holder	125,754,607		179,176,279		24,130,289		106,420,712	54,033,163
Earnings/(Loss) Per Share (Basic)	0.03		0.04		0.01		0.02	0.01
Earnings/(Loss) Per Share (Diluted)								-
Financial Ratios	3 mos ended December 31, 2020		6 mos ended December 31, 2020		3 mos ended December 31, 2019		6 mos ended December 31, 2019	12 mos ended June 30 2020
Liquidity Analysis Ratios:								
Current Ratio or Working Capital ratio								
Current Assets/	9,111,377,802	1.17	9,111,377,802	1.17	10,699,161,860	1.20	10,699,161,860	1.06
Current Liabilities	7,754,425,599		7,754,425,599		8,935,340,434		8,935,340,434	
Quick Ratio								
Current Assets-InVENTORY-Prepayments)/	4,297,755,260	0.55	4,297,755,260	0.55	3,950,652,076	0.44	3,950,652,076	0.48
Current Liabilities	7,754,425,599		7,754,425,599		8,935,340,434		8,935,340,434	
Solvency Ratio								
Total Assets/	18,726,632,867	1.76	18,726,632,867	1.76	20,192,155,631	1.74	20,192,155,631	1.63
Total Liabilities	10,615,671,706		10,615,671,706		11,610,446,342		11,610,446,342	
Financial Leverage Ratios								
Debt Ratio								
Total Debt/	10,615,671,706	0.57	10,615,671,706	0.57	11,610,446,342	0.57	11,610,446,342	0.61
Total assets	18,726,632,867		18,726,632,867		20,192,155,631		20,192,155,631	
Debt to Equity Ratio								
Total Debt/	10,615,671,706	1.31	10,615,671,706	1.31	11,610,446,342	1.35	11,610,446,342	1.58
Total Stockholder's Equity	8,110,961,161		8,110,961,161		8,581,709,289		8,581,709,289	
Interest Coverage								
Earnings Before Interest and Taxes (EBIT)/	167,384,916		271,100,986		31,404,297		174,816,889	
Interest Charges	53,766,294	4.11	111,909,945	3.42	62,693,717	1.50	121,181,847	1.44
	53,766,294		111,909,945		62,693,717		121,181,847	
Assets to Equity Ratio								
Total assets/	18,726,632,867	2.31	18,726,632,867	2.31	20,192,155,631	2.35	20,192,155,631	2.58
Total Stockholders Equity	8,110,961,161		8,110,961,161		8,581,709,289		8,581,709,289	
Profitability Ratios								
Gross Profit Margin								
Sales-Cost of Goods Sold or Cost of Services/	6,415,752,404		14,194,753,369		6,605,465,586		14,083,157,819	
Sales	6,415,752,404	0.14	14,194,753,369	0.14	6,605,465,586	0.14	14,083,157,819	0.14
	6,415,752,404		14,194,753,369		6,605,465,586		14,083,157,819	
Net Profit Margin								
Net Profit/	128,419,544	8.01%	184,641,407	5.20%	28,033,815	1.70%	112,924,588	0.25%
Sales	6,415,752,404		14,194,753,369		6,605,465,586		14,083,157,819	
Return of Assets								
Net Income/	128,419,544	2.74%	184,641,407	3.94%	28,033,815	0.56%	112,924,588	0.31%
Total Assets	18,726,632,867		18,726,632,867		20,192,155,631		20,192,155,631	
Return of Equity								
Net Income/	128,419,544	6.33%	184,641,407	9.11%	28,033,815	1.31%	112,924,588	0.79%
Total Stockholders Equity	8,110,961,161		8,110,961,161		8,581,709,289		8,581,709,289	
Price/Earnings Ratio								
Price Per Share/	3.00		3.00		2.31		2.31	
Earnings Per Common Share	0.029	103.57	0.041	72.69	0.006	415.59	0.025	94.23
								176.76
Current year trailing 12 mos								
Current year to date Net Income+Latest Annual			134,442,348	0.03			476,061,398	0.11
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
December 31, 2020

Financial Indicators	Computation		Ratios		Computation	Ratios
	December 2020	December 2019	December 2020	December 2019	June 2020	June 2020
Quick ratio						
Cash and cash equivalents +	696,710,453	337,319,610			1,453,881,090	
Financial asset at fair value through profit or loss	8,545,032	6,141,852			3,609,020	
Trade and other receivables - net +	1,532,493,319	1,785,778,676			1,136,016,361	
Advances to associates	2,060,006,456	1,821,412,838	0.55	0.44	2,007,231,967	0.48
Total Current Liabilities	7,754,425,599	8,935,340,434			9,670,379,137	
Current/liquidity ratio						
Total Current Assets	9,111,377,802	10,699,161,860	1.17	1.20	10,209,501,770	1.06
Total Current Liabilities	7,754,425,599	8,935,340,434			9,670,379,137	
Debt-to-equity ratio						
Total Liabilities	10,615,671,706	11,610,446,342	1.31	1.35	12,525,843,566.00	1.58
Total Equity	8,110,961,161	8,581,709,289			7,924,555,587.00	
Debt-to-assets ratio						
Total Liabilities	10,615,671,706	11,610,446,342	0.57	0.57	12,525,843,566.00	0.61
Total Assets	18,726,632,867	20,192,155,631			20,450,399,153.00	
Equity-to-assets ratio						
Total Equity	8,110,961,161	8,581,709,289	0.43	0.43	7,924,555,587.00	0.39
Total Assets	18,726,632,867	20,192,155,631			20,450,399,153.00	
Annualized PPE Turnover						
Net Revenue	14,194,753,369	14,083,157,819	9.96	14.59	25,061,664,622.00	11.73
PPE	2,849,576,662	1,930,762,202			2,136,567,037	
Annualized Return on assets						
Net Profit	184,641,407	112,924,588	1.97%	1.12%	62,725,529.00	0.31%
Total Assets	18,726,632,867	20,192,155,631			20,450,399,153.00	
Annualized Return on equity						
Net Profit	184,641,407	112,924,588	4.55%	2.63%	62,725,529.00	0.79%
Total Equity	8,110,961,161	8,581,709,289			7,924,555,587.00	
Annualized	2	2			1	
Earnings per share						
Net Profit Attributable to Owners of the Parent Company	179,176,279	106,420,712	0.04	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	