

# COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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Business Address: No. Street City/Town/Province

Atty. Malu Sia-Bernas Contact Person
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811-0668/810-1814 Company/Telephone Number
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Month

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Day

S	E	C	1	7	-	Q
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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

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**To be accomplished by SEC Personnel concerned**

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Cashier

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**BERJAYA PHILIPPINES, INC.**

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*(Company's Full Name)*

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

-----  
*(Company's Address)*

8811-0668 / 8810-1814

-----  
*(Telephone Number)*

JUNE 30

any day in the month of October

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

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*(Annual Meeting)*

November 2024

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*(Term Expiring On)*

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SEC Form 17-Q for the quarter ended 31 March 2021

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*(Form Type)*

N.A.

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*(Amendment Designation, if applicable)*

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*(Period Ended Date)*

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## **PART I – FINANCIAL INFORMATION**

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

*See Interim Consolidated Statement of Financial Position as of 31 March 2021, attached hereto as Annex “A”, and Aging Schedule of Accounts Receivables as of 31 March 2021 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. Commencing 1998, it had 100% equity ownership of Philippine Gaming Management Corporation (PGMC) whose principal activity is leasing of on-line lottery equipment and providing software support. In July 2019, the Corporation disposed of 20% of its shareholdings, and subsequently did not subscribe to the issuance of additional shares from the unissued capital of PGMC. To date, the Corporation’s equity in PGMC is at 39.99%.

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

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

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

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

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

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

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

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

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

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

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

**Comparable Discussion on Material Changes in Results of Operations for the Nine Months' Period Ended 31 March 2021 vs. 31 March 2020**

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱21.73 billion for the nine months ended 31 March 2021, an increase of ₱834.15 million (3.99%) over total revenues of ₱20.89 billion during the same period in 2020. 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 nine months ended 31 March 2021 increased by ₱554.31 million (2.68%) to ₱21.23 billion from ₱20.68 billion for the same period in 2020. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱971.89 million (5.46%), (2) stationary and office supplies increased by ₱48.03 million (314.56%), (3) insurance increased by ₱42.57 million (178.93%), (4) depreciation and amortization increased by ₱17.66 million (4.49%) and (5) professional fees increased by ₱15.01 million (45.59%). These increases were offset by the following decrease in expenses: (1) salaries and employee benefits decreased by ₱165.23 million (13.00%), (2) marketing & selling decreased by ₱152.42 million (23.89%), (3) miscellaneous expenses decreased by ₱63.97 million (47.09%), (4) taxes and licenses decreased by ₱59.90 (56.58%), (5) rental decreased by ₱29.94 million (68.25%) and (6) repairs and maintenance decreased by ₱18.29 million (40.61%).

Other Income (Charges) amounted to ₱40.87 million for the nine months ended 31 March 2021, a decrease of ₱68.86 million (62.75%) from Other Income (Charges) of ₱109.73 million in the same period in 2020, mainly due to decrease in share of net income(losses) from its associated companies for the third quarter.

Net income from operations increased by ₱150.53 million (63.64%) to ₱387.08 million for the nine months ended 31 March 2021 from net income of ₱236.54 million in the same period in 2020 due to increase in sales of vehicles during the quarter.

**Comparable Discussion on Material Changes in Financial Condition as of 31 March 2021 vs. 30 June 2020**

Total assets of the Group decreased by P954.43 million (4.67%) to P19.50 billion as of 31 March 2021, from P20.45 billion as of 30 June 2020.

Trade and other receivables (net) increased by P936.59 million (82.45%) to P2.07 billion in 31 March 2021 compared to P1.14 billion in 30 June 2020, mainly due to increase in deposits, other trade receivables and due from related parties.

Financial assets at fair value through profit or loss increased by P19.75 million (547.34%) to P23.36 million in 31 March 2021 compared to P3.61 million in 30 June 2020 due to changes in its fair value.

Inventories (net) decreased by P1.17 billion (24.32%) to P3.63 billion in 31 March 2021 compared to P4.81 billion in 30 June 2020, mainly due to increase in sales of vehicles.

Advances to associates- net decreased by P118.05 million (8.86%) to P1.21 billion in 31 March 2021 compared to P1.33 billion in 30 June 2020.

Prepayments and other current assets (net) decreased by P112.48 million (14.07%) to P686.89 million in 31 March 2021 compared to P799.37 million in 30 June 2020.

Financial assets at fair value through other comprehensive income decreased by P88.72 million (7.05%) to P1.17 billion in 31 March 2021 compared to P1.26 billion in 30 June 2020 due to disposals made during the period.

Right of use asset-net decreased by P2.96 million (.10%) to P2.99 billion in 31 March 2021 compared to P3.00 billion in 30 June 2020 due to its amortization during the period.

Property and equipment (net) increased by P745.23 million (34.88%) to P2.88 billion in 31 March 2021 compared to P2.14 billion in 30 June 2020 is mainly due to additions made during the quarter.

Investment property increased by P9.70 million (8.55%) to P123.19 million in 31 March 2021 compared to P113.48 million in 30 June 2020 due to translation adjustment during the quarter.

Investments in associates decreased by P125.41 million (9.49%) to P1.20 billion in 31 March 2021 compared to P1.32 billion in 30 June 2020, mainly due to the impact of its share in net losses during the quarter.

Intangible assets increased by P114.96 million (8.34%) to P1.49 billion in 31 March 2021 compared to P1.38 billion in 30 June 2020, primarily due to changes in translation.

Deferred tax assets decreased by P2.86 million (3.46%) to P79.65 million in 31 March 2021 compared to P82.51 million in 30 June 2020.

Meanwhile, Other non-current assets decreased by ₱950.13 million (99.92%) to ₱77 million in 31 March 2021 compared to ₱950.90 million in 30 June 2020 due to reclassification.

Total liabilities of the Group decreased by ₱1.92 billion (16.20%) to ₱9.93 billion as of 31 March 2021, from ₱11.85 billion as of 30 June 2020.

Trade and other payables current decreased by ₱164.83 million (8.70%) to ₱1.73 billion in 31 March 2021 compared to ₱1.89 billion in 30 June 2020, mainly due to payments made for trade payables during the three quarters.

Lease liabilities- current increased by ₱37.03 million (12.82%) to ₱325.93 million in 31 March 2021 compared to ₱288.90 in 30 June 2020.

Current loans payable and borrowings decreased by ₱1.70 billion (35.83%) to ₱3.05 billion in 31 March 2021 compared to ₱4.75 billion in 30 June 2020, mainly due to payments made for the loans during the three quarters.

Contract Liabilities (current), which is recognized as advance payments received from customers, decreased by ₱192.10 million (9.33%) to ₱1.87 billion as of 31 March 2021, from ₱2.06 billion as of 30 June 2020.

Income Tax Payable increased by ₱96.01 million (100.00%) to ₱96.01 million in 31 March 2021 compared to ₱0 million in 30 June 2020.

Trade and other payables (non-current) increased by ₱1.31 million (8.55%) to ₱16.65 in 31 March 2021 compared to ₱15.34 billion in 30 June 2019, due to translation adjustment.

Lease liabilities- non-current decreased by ₱4.58 million (.16%) to ₱ 2.77 billion in 31 March 2021 compared to ₱2.77 billion in 30 June 2020, mainly due to reclassification of non-current into current lease liabilities.

Deferred tax liabilities increased by ₱6.31 million (16.19%) to ₱45.27 million in 31 March 2021 compared to ₱38.96 million in 30 June 2020.

Post-employment benefit obligation increased by ₱3.81 million (14.49%) to ₱30.11 million in 31 March 2021 compared ₱26.30 in 30 June 2020.

Total stockholders' equity of the Group increased by ₱768.69 million (9.70%) to ₱8.69 billion as of 31 March 2021, from ₱7.92 billion as of 30 June 2020 under review. The book value per share increased to ₱1.96 in 31 March 2021 from ₱1.79 in 30 June 2020.

**Comparable Discussion on Material Changes in Cash Flows for the Nine Months Period Ended 31 March 2021 vs. 31 March 2020**

The consolidated cash and cash equivalents for 31 March 2021 increased by ₱251.22 million (31.60%) to ₱1.05 billion as of 31 March 2021 from ₱795.04 million for the same period last year 31 March 2020. 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 March 2021	30 June 2020
Liquidity Ratio - Current ratio	1.23 : 1.00	1.06 : 1.00
Leverage Ratio - Debt to Equity	1.14 : 1.00	1.50 : 1.00
Activity Ratio - Annualized PPE	10.05 times	11.73 times

	31 March 2021	31 March 2020
Profitability Ratios		
Return on Equity	5.94%	3.79%
Return on Assets	2.77%	1.57%

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 Nine Months' Period Ended 31 March 2020 vs. 31 March 2019**

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱20.89 billion for the nine months ended 31 March 2020, a decrease of ₱2.97 billion (12.45%) over total revenues of ₱23.86 billion during the same period in 2019. The decrease was primarily due to a lower revenue contribution from H.R. Owen and no revenue contribution from lottery operation due to deconsolidation of PGMC from subsidiary to an associated company for this financial year.

The Group's total cost and operating expenses for the nine months ended 31 March 2020 decreased by ₱2.08 billion (9.13%) to ₱20.68 billion from ₱22.76 billion for the same period in 2019. The decrease is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts decreased by ₱1.36 billion (7.11%), (2) rental decreased by ₱252.50 million (91.22%), (3) salaries and employee benefits decreased by ₱139.59 million (9.89%), (4) maintenance of computer equipment decreased by ₱106.61 million (100%), (5) taxes and



licenses decreased by ₱88.60 (66.29%), (6) telecommunications decreased by ₱78.83 million (100%), (7) marketing & selling decreased by ₱67.77 million (9.60%), (8) stationery and office supplies decreased by ₱67.21 million (81.49%), (9) management fees decreased by ₱48.17 million (100%), (10) communication, light and water decreased by ₱45.65 million (58.09%), (11) charitable contribution decreased by ₱40.02 million (100%), (12) professional fees decreased by ₱23.71 million (14.86%), (13) miscellaneous expenses decreased by ₱19.44 million (44.97%) and (14) representation and entertainment decreased by ₱15.74 million (56.52%). These decreases were offset by the following increases of expenses: (1) depreciation and amortization expense increased by ₱205.61 million (109.38%) and (2) repairs and maintenance expense increased by ₱73.99 million (232.09%).

Other Income (Charges) amounted to ₱109.73 million for the nine months ended 31 March 2020, an increase of ₱155.18 million (341.45%) from Other Income (Charges) of (₱45.45) million in the same period in 2019, mainly due to gain on disposal of investment property of H.R. Owen, disposal of its subsidiary (PGMC) and fair value gain on financial asset at fair value through profit and loss.

Net income decreased by ₱494.75 million (67.65%) to ₱236.54 million for the nine months ended 31 March 2020 from net income of ₱731.29 million in the same period in 2019 due to lower revenue contribution from HR Owen.

**Comparable Discussion on Material Changes in Financial Condition as of 31 March 2020 vs. 30 June 2019**

Total assets of the Group increased by P3.11 billion (18.39%) to P20.03 billion as of 31 March 2020, from P16.92 billion as of 30 June 2019.

Trade and other receivables (net) increased by P254.26 million (17.71%) to P1.69 billion in 31 March 2020 compared to P1.44 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 P72.62 million (95.95%) to P3.07 million in 31 March 2020 compared to ₱75.69 million in 30 June 2019.

Inventories (net) increased by ₱526.23 million (9.51%) to ₱6.06 billion in 31 March 2020 compared to ₱5.53 billion in 30 June 2019, mainly due to purchases for vehicle stocks.

Advances to associates decreased by ₱252.00 million (14.28%) to ₱1.51 billion in 31 March 2020 compared to ₱1.76 billion in 30 June 2019.

Prepayments and other current assets (net) increased by ₱130.53 million (21.32%) to ₱742.84 million in 31 March 2020 compared to ₱612.31 million in 30 June 2019, mainly due to increase in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income decreased by ₱281.01 million (17.55%) to ₱1.32 billion in 31 March 2020 compared to ₱1.60 billion in 30 June 2019.

Property and equipment (net) increased by ₱468.29 million (28.47%) to ₱2.11 billion in 31 March 2020 compared to ₱1.64 billion in 30 June 2019.

Right of Use Asset increased by ₱2.75 billion (100%) to ₱2.75 billion in 31 March 2020 compared to ₱0 billion in 30 June 2019 mainly due to adoption of PFRS 16 in which Right of Use Asset was recognized.

Investment property decreased by P3.48 million (2.89%) to P116.97 million in 31 March 2020 compared to ₱120.46 million in 30 June 2019 due to disposal of investment property.

Investments in associates increased by ₱555.17 million (67.36%) to ₱1.38 billion in 31 March 2020 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 decreased by ₱45.25 million (3.08%) to ₱1.42 billion in 31 March 2020 compared to ₱1.47 billion in 30 June 2019, primarily due to impairment loss on disposal of goodwill.

Deferred tax assets increased by ₱0 million (0%) to ₱103.49 million in 31 March 2020 compared to ₱103.49 million in 30 June 2019.

Post-employment benefit asset decreased by ₱6.52 million (19.79%) to ₱26.42 in 31 March 2020 compared to ₱32.93 million in 30 June 2019.

Asset held for sale decreased by ₱653.84 million (100%) to ₱0 in 31 March 2020 compared to ₱653.84 million in 30 June 2019.

Meanwhile, Other non-current assets decreased by ₱1.65 million (100%) to ₱0 million in 31 March 2020 compared to ₱1.65 million in 30 June 2019 due to reclassification.

Total liabilities of the Group increased by ₱3.15 billion (36.86%) to ₱11.70 billion as of 31 March 2020, from ₱8.55 billion as of 30 June 2019 mainly due to adoption of PFRS 16 in which the Company recognize both current and non-current lease liabilities.

Trade and other payable decreased by ₱454.38 million (18.59%) to ₱1.99 billion in 31 March 2020 compared to ₱2.44 billion in 30 June 2019, mainly due to decrease in advances from customers.

Lease liabilities- current increased by ₱273.45 million (100%) to ₱273.45 million in 31 March 2020 compared to ₱0 in 30 June 2019, mainly due to the effect of the PFRS 16 adoption.

Current loans payable and borrowings increased by ₱1.45 billion (38.24%) to ₱5.23 billion in 31 March 2020 compared to ₱3.78 billion in 30 June 2019, mainly due to additional current loans.

Contract Liabilities (current) decreased by ₱268.09 million (14.05%) to ₱1.64 billion as of 31 March 2020, from ₱1.91 billion as of 30 June 2019.

Trade and other payables (non-current) decreased by ₱.47 million (2.89%) to ₱15.81 in 31 March 2020 compared to ₱16.28 billion in 30 June 2019, due to translation adjustment.

Non-current Loans payable and borrowings decreased by ₱195.74 million (100%) to ₱0 million in 31 March 2020 compared to ₱195.74 million in 30 June 2019 due to repayment of bank loans.

Lease liabilities- non-current increased by ₱2.51 billion (100%) to ₱2.51 billion in 31 March 2020 compared to ₱0 in 30 June 2019, mainly due to the effect of the PFRS 16 adoption.

Deferred tax liabilities decreased by ₱7.39 million (13.77%) to ₱46.28 million in 31 March 2020 compared to ₱53.67 million in 30 June 2019.

Post-employment benefit obligation decreased by ₱ 5.10 million (100%) to ₱0 million in 31 March 2020 compared ₱5.10 million in 30 June 2019.

Liabilities of disposal group decreased by ₱149.34 million (100%) to ₱0 in 31 March 2020 compared to ₱149.34 million in 30 June 2019.

Total stockholders' equity of the Group decreased by ₱41.26 million (.49%) to ₱8.32 billion as of 31 March 2020, from ₱8.36 billion as of 30 June 2019 under review. The book value per share decreased to ₱1.88 in 31 March 2020 from ₱1.89 in 30 June 2019.

**Comparable Discussion on Material Changes in Cash Flows for the Nine Months Period Ended 31 March 2020 vs. 31 March 2019**

The consolidated cash and cash equivalents for 31 March 2020 decreased by ₱112.00 million (12.35%) to ₱795.04 million as of 31 March 2020 from ₱907.04 million for the same period last year 31 March 2019. The decrease is mainly attributable to decrease in operating income as well as increase in payment for operating activities reported this period.

**Key Performance Indicators**

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

	31 Mar 2020	30 June 2019
Liquidity Ratio - Current ratio	1.18 : 1.00	1.29 : 1.00
Leverage Ratio - Debt to Equity	1.41 : 1.00	1.02 : 1.00
Activity Ratio - Annualized PPE	13.18 times	10.14 times

	31 Mar 2020	31 Mar 2019
Profitability Ratios		
Return on Equity	3.79%	4.22%
Return on Assets	1.57%	8.20%

The Corporation uses the following computations in obtaining key indicators:

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

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

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


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


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

**SIGNATURES**

Pursuant to the requirements of the Securities Regulation Code, the Issuer has caused this report to be signed on its behalf by the undersigned, being duly authorized, in the City of Makati on 15 May 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**  
**March 31, 2021 and June 30, 2020**  
*(Amounts in Philippine Pesos)*

Appendix A :

<b>ASSETS</b>	<u>Note</u>	<u>March 31, 2021</u> Unaudited	<u>June 30, 2020</u> Audited		
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	1,046,263,036	P 1,453,881,090	(407,618,054)	-28.04%
Trade and other receivables-net	6	2,072,609,315	1,136,016,361	936,592,954	82.45%
Financial assets at fair value through profit or loss	9	23,362,800	3,609,020	19,753,780	547.34%
Inventories - net	7	3,639,690,384	4,809,388,692	(1,169,698,308)	-24.32%
Advances to associates	13	2,086,438,876	2,007,231,967	79,206,909	3.95%
Prepayments and other current assets - net	8	686,891,925	799,374,640	(112,482,715)	-14.07%
Total Current Assets		<u>9,555,256,336</u>	<u>10,209,501,770</u>	(654,245,434)	-6.41%
<b>NON-CURRENT ASSETS</b>					
Financial asset at fair value through other comprehensive income	9	1,170,372,464	1,259,093,353	(88,720,889)	-7.05%
Right of use assets - net	12	2,994,733,137	2,997,696,798	(2,963,661)	-0.10%
Property and equipment - net	10	2,881,796,743	2,136,567,037	745,229,706	34.88%
Investment property	11	123,186,690	113,482,145	9,704,545	8.55%
Investments in associates	13	1,196,441,035	1,321,850,365	(125,409,330)	-9.49%
Intangible assets - net	14	1,493,761,043	1,378,798,345	114,962,698	8.34%
Deferred tax assets - net		79,647,353	82,506,046	(2,858,693)	-3.46%
Other non-current assets	8	771,455	950,903,294	(950,131,839)	-99.92%
Total Non-Current Assets		<u>9,940,709,920</u>	<u>10,240,897,383</u>	(300,187,463)	-2.93%
<b>TOTAL ASSETS</b>		<u><b>P 19,495,966,256</b></u>	<u><b>P 20,450,399,153</b></u>	(954,432,897)	-4.67%
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15	1,729,464,175	P 1,894,289,202	(164,825,027)	-8.70%
Loans payable and borrowings	16	3,050,041,283	4,753,375,352	(1,703,334,069)	-35.83%
Lease liabilities - current	12	325,929,987	288,904,856	37,025,131	12.82%
Contract liabilities		1,867,404,050	2,059,508,257	(192,104,207)	-9.33%
Advances from associates		871,559,579	674,301,470	197,258,109	29.25%
Income tax payable		96,008,641	0	96,008,641	#DIV/0!
Total Current Liabilities		7,940,407,715	9,670,379,137	(1,729,971,422)	-17.89%
<b>NON-CURRENT LIABILITIES</b>					
Trade and other payables	15	16,646,850	15,335,425	1,311,425	8.55%
Lease liabilities - non current	12	2,770,287,873	2,774,865,185	(4,577,312)	-0.16%
Deferred tax liabilities - net		45,270,217	38,962,082	6,308,135	16.19%
Post-employment benefit obligation		30,112,053	26,301,737	3,810,316	14.49%
Total Non-Current Liabilities		2,862,316,993	2,855,464,429	6,852,564	0.24%
Total Liabilities		<u>10,802,724,708</u>	<u>12,525,843,566</u>	(1,723,118,858)	-13.76%
<b>EQUITY</b>					
Attributable to Owners of the Parent Company		8,667,900,369	7,906,967,700	760,932,669	9.62%
Attributable to non-controlling interest		25,341,179	17,587,887	7,753,292	44.08%
Total Equity		<u>8,693,241,548</u>	<u>7,924,555,587</u>	768,685,961	9.70%
<b>TOTAL LIABILITIES AND EQUITY</b>		<u><b>P 19,495,966,256</b></u>	<u><b>P 20,450,399,153</b></u>	(954,432,897)	-4.67%

**BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES**  
**[A Subsidiary of Berjaya Lottery Management (HK) Limited]**  
**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the nine months ended MARCH 31, 2021 and MARCH 31, 2020**  
**(Amounts in Philippine Pesos)**  
**(UNAUDITED)**

	3 Months Ended March 31, 2021	9 Months Ended March 31, 2021	3 Months Ended March 31, 2020	9 Months Ended March 31, 2020
<b>REVENUES</b>				
Sales of vehicles	7,503,607,544	21,646,295,821	6,779,308,254	20,785,247,991
Hotel Operations	26,848,001	78,913,093	28,595,469	105,813,551
	<u>7,530,455,545</u>	<u>21,725,208,914</u>	<u>6,807,903,723</u>	<u>20,891,061,541</u>
<b>COSTS AND OTHER OPERATING EXPENSES</b>				
Cost of vehicles sold	6,507,885,088	18,772,296,374	5,714,065,854	17,800,404,772
Salaries and employee benefits	339,726,300	1,106,111,595	399,893,496	1,271,339,943
Marketing & Selling	167,499,439	485,626,366	254,692,987	638,044,403
Depreciation and amortization	139,948,509	411,244,587	135,639,537	393,589,103
Communication, light and water	19,772,809	57,540,279	22,636,086	68,306,187
Insurance	21,777,970	66,355,643	16,517,138	23,789,717
Stationery and Office Supplies	23,106,261	63,299,528	4,069,105	15,209,111
Professional fees	15,851,625	47,943,239	12,639,361	32,929,401
Miscellaneous Expenses	28,639,683	71,872,722	37,999,161	135,846,268
Repairs and maintenance	9,750,664	26,754,090	18,226,070	45,048,576
Cleaning and Maintenance	10,542,218	31,055,913	9,911,364	34,383,270
Taxes and licenses	23,438,110	45,964,232	38,558,354	105,865,914
Rental	4,398,255	13,925,861	17,764,131	43,866,271
Transportation and travel	5,112,538	17,219,088	7,336,638	24,312,789
Security Services	1,535,341	4,622,573	2,623,562	10,245,952
Cost of food and beverages	1,877,538	5,074,765	2,430,076	9,045,670
Outside Service	1,043,426	2,895,831	3,646,637	11,578,779
Commissions	1,265,405	2,338,180	989,170	2,857,148
Representation and entertainment	99,102	992,913	3,525,106	12,104,868
	<u>7,323,270,281</u>	<u>21,233,133,779</u>	<u>6,703,163,834</u>	<u>20,678,828,141</u>
<b>OPERATING PROFIT</b>	<u>207,185,264</u>	<u>492,075,135</u>	<u>104,739,888</u>	<u>212,233,400</u>
<b>OTHER INCOME (CHARGES)</b>				
Finance Income	51,347,304	116,514,288	22,161,566	66,404,333
Others	66,793,194	201,679,151	115,045,633	153,508,813
Fair value gain on financial assets at fair value through profit and loss	14,817,768	19,753,780	(38,012,357)	(40,054,045)
Equity share in net income (losses)	(18,382,726)	(125,250,619)	16,289,972	39,425,833
Gain on sale of investment property	-	-	-	108,107,351
Loss on disposal of share in PGMC	-	-	-	(23,402,247)
Finance Costs	(59,916,213)	(171,826,158)	(73,076,398)	(194,258,245)
	<u>54,659,327</u>	<u>40,870,442</u>	<u>42,408,416</u>	<u>109,731,792</u>
<b>PROFIT BEFORE INCOME TAX</b>	<u>261,844,591</u>	<u>532,945,577</u>	<u>147,148,304</u>	<u>321,965,193</u>
<b>TAX EXPENSE</b>	<u>59,408,797</u>	<u>145,868,376</u>	<u>23,528,484</u>	<u>85,420,785</u>
<b>TOTAL NET PROFIT</b>	<u>202,435,794</u>	<u>387,077,201</u>	<u>123,619,819</u>	<u>236,544,408</u>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<b>Item that will not be reclassified subsequently to profit or loss</b>				
Net unrealized fair value losses on financial assets at fair value through other comprehensive income	274,678,772	115,650,405	(132,163,058)	48,233,187
	<u>274,678,772</u>	<u>(159,028,367)</u>	<u>(132,163,058)</u>	<u>48,233,187</u>
<b>Items that will be reclassified subsequently to profit or loss</b>				
Translation adjustment	105,165,821	269,147,066	168,871,818	(95,401,147)
	<u>105,165,821</u>	<u>269,147,066</u>	<u>168,871,818</u>	<u>(95,401,147)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>582,280,387</u>	<u>497,195,900</u>	<u>160,328,579</u>	<u>189,376,447</u>
<b>Net profit attributable to:</b>				
Owners of the Parent Company	200,368,944	379,545,223	121,804,840	228,225,552
Non-controlling Interest	2,066,850	7,531,978	1,814,979	8,318,855
	<u>202,435,794</u>	<u>387,077,201</u>	<u>123,619,819</u>	<u>236,544,408</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent Company	580,213,537	489,663,922	158,513,600	199,314,247
Non-controlling Interest	2,066,850	7,531,978	1,814,979	6,513,876
	<u>582,280,387</u>	<u>497,195,900</u>	<u>160,328,579</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>
<b>Basic earnings per share (annualized)</b>	<u>0.19</u>	<u>0.12</u>	<u>0.11</u>	<u>0.07</u>

**BERJAYA PHILIPPINE INC. AND SUBSIDIARIES**  
*[A Subsidiary of Berjaya Lottery Management (HK) Limited]*  
**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
For the nine months ended MARCH 31, 2021 and MARCH 31, 2020  
*(Amounts in Philippine Pesos)*  
**(UNAUDITED)**

	Attributable Owners of the Parent Company									
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings		Total	Non-controlling Interest	Total
						Appropriated	Unappropriated			
Balance at 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	-	-	-	-	-	-	379,545,223	379,545,223	7,531,978	387,077,201
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	-	-	115,650,405	-	-	-	-	115,650,405	-	115,650,405
Disposal of financial asset	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	269,147,066	-	-	269,147,066	-	269,147,066
<b>Total equity at March 31, 2021</b>	<b>P 4,427,009,132</b>	<b>P (988,150,025)</b>	<b>P (412,287,658)</b>	<b>P (684,443,103)</b>	<b>P (65,573,687)</b>	<b>P 2,000,000,000</b>	<b>P 4,391,567,023</b>	<b>P 8,668,121,682</b>	<b>P 25,119,865</b>	<b>P 8,693,241,548</b>

	Attributable Owners of the Parent Company									
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings		Total	Non-controlling Interest	Total
						Appropriated	Unappropriated			
Balance at July 1, 2019	P 4,427,009,132	P (988,150,025)	P (260,093,179)	P (684,443,103)	P (149,457,978)	P 1,773,262,552	P 4,174,650,086	P 8,292,777,485	P 9,116,837	P 8,301,894,322
Effect of adoption of PFRS 9			-				53,620,903	53,620,903	-	53,620,903
As restated	4,427,009,132	(988,150,025)	(260,093,179)	(684,443,103)	(149,457,978)	1,773,262,552	4,228,270,989	8,346,398,388	9,116,837	8,355,515,225
Effect of change in percentage ownership over a subsidiary	-	-	-	-	-	-	-	-	-	-
Profit or loss for the year	-	-	-	-	-	-	228,225,552	228,225,552	8,318,855	236,544,408
Actuarial gain on remeasurement of post-employment benefit obligation - net of tax	-	-	-	-	-	-	-	-	-	-
Disposal of subsidiary	-	-	-	-	-	-	1,513,643	1,513,643	-	1,513,643
Disposal of investment property	-	-	(32,049,054)	-	-	-	32,049,054	-	-	-
Disposal of financial asset	-	-	-	-	-	-	8,373,996	8,373,996	-	8,373,996
Net unrealized fair value gains on disposals of financial assets at FVOCI	-	-	(183,183,162)	-	-	-	-	(183,183,162)	-	(183,183,162)
Translation adjustment	-	-	-	-	(95,401,147)	-	-	(95,401,147)	-	(95,401,147)
<b>Total equity at March 31, 2020</b>	<b>P 4,427,009,132</b>	<b>P (988,150,025)</b>	<b>P (475,325,394)</b>	<b>P (684,443,103)</b>	<b>P (244,859,125)</b>	<b>P 1,773,262,552</b>	<b>P 4,498,433,234</b>	<b>P 8,305,927,271</b>	<b>P 17,435,692</b>	<b>P 8,323,362,963</b>

**BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES**  
**[A Subsidiary of Berjaya Lottery Management (HK) Limited]**  
**INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS**  
**For the nine months ended MARCH 31, 2021 and MARCH 31, 2020**  
**(Amounts in Philippine Pesos)**  
**(UNAUDITED)**

	<b>3 Months Ended March 31, 2021</b>	<b>9 Months Ended March 31, 2021</b>	<b>3 Months Ended March 31, 2020</b>	<b>9 Months Ended March 31, 2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	<b>P</b> 261,844,591	<b>P</b> 532,945,577	<b>P</b> 147,148,304	<b>P</b> 321,965,193
Adjustments for:				
Depreciation and amortization	51,198,272	148,745,425	116,695,925	393,589,103
Impairment Loss on Asset	-	-	(4,565,486)	-
Dividend Income	(186,903)	(14,504,618)	(16,440,252)	(28,266,191)
Interest Expense	46,652,954	163,180,115	110,791,859	194,258,245
Interest Income	28,224,646	(102,009,670)	45,622,682	(66,404,333)
Equity Share in net losses (income) of associates	18,382,726	125,250,619	63,189,906	40,054,045
Loss (gain) on sale of property and equipment	-	-	(1,176,855)	-
Loss on revaluation of investment property	-	-	(31,098,727)	-
Loss (gain) on sale of available-for-sale assets	-	-	198,000	-
Loss (gain) on deemed disposal of subsidiary	-	-	-	-
Unrealized foreign exchange losses (gain)	13,263,259	8,646,043	-	27,689,308
Operating income before working capital changes	<u>419,379,545</u>	<u>862,253,491</u>	<u>430,365,356</u>	<u>882,885,370</u>
Decrease / (Increase) in:				
Trade and other receivables	(540,115,997)	(977,789,441)	1,011,036,621	(163,333,162)
Financial assets at fair value through profit or loss	(14,817,768)	(19,753,780)	62,545,321	60,503,633
Inventories	210,938,579	1,184,466,584	443,297,452	(250,003,087)
Post employment benefit asset	-	-	(37,187,870)	(7,769,413)
Prepaid expenses and other current assets	276,101,654	112,482,715	(106,987,019)	(103,778,891)
Decrease (increase) in other non-current assets	23,770,172	950,131,839	(1,614,745)	(4,067,488)
Increase / (Decrease) in:				
Trade and other payables	(5,120,653)	(164,824,977)	(2,286,113,422)	(3,122,693,384)
Loans Payables and Borrowings	-	-	1,175,888,183	1,175,888,183
Lease Liability Current	9,652,984	32,447,819	(693,272,424)	273,452,620
Contract liabilities	(216,692,947)	(192,104,207)	1,369,477,704	1,188,309,358
Advances from related party	239,668,089	197,258,109	2,046,901	360,158,813
Retirement Obligation	815,792	3,810,316	(27,651,042)	(31,095,707)
Cash paid for income taxes	<u>(59,408,797)</u>	<u>(145,868,376)</u>	<u>49,806,491</u>	<u>(215,446,500)</u>
Net cash provided (used in) operating activities	<u>344,170,653</u>	<u>1,842,510,092</u>	<u>1,391,637,506</u>	<u>43,010,344</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of Property and equipment	(46,799,902)	(801,930,926)	182,929,247	(625,809,230)
Acquisition of financial assets	(15,955,106)	(15,955,106)	(30,988,846)	(30,988,846)
Acquisition of additional investments in associates and subsidiaries	-	-	(301,138,395)	(343,138,392)
Proceeds from sale of financial assets	729,980	220,326,400	157,438,297	-
Proceeds from disposal of property and equipment	-	2,000	(125,632,451)	-
Proceeds from disposal of investment property	-	-	422,902,134	422,902,134
Interest Received	(28,224,646)	102,009,670	49,325,479	66,169,580
Cash dividends received	186,903	14,504,618	(54,259,322)	28,266,191
Advances to (collection from) associate - net	(26,432,420)	(80,768,364)	36,255,841	74,945,066
Net cash provided (used in) by investing activities	<u>(116,495,191)</u>	<u>(561,811,708)</u>	<u>336,831,983</u>	<u>(407,653,498)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from bank loans and borrowings	20,000,000	20,000,000	(1,403,679,010)	290,000,000
Repayment of bank loan and borrowings	20,360,252	(1,745,259,282)	(39,009,292)	(232,356,094)
Interest paid	(24,727,741)	(141,254,902)	(33,270,062)	(114,872,209)
Net cash provided (used in) by financing activities	<u>15,632,511</u>	<u>(1,866,514,184)</u>	<u>(1,475,958,364)</u>	<u>(57,228,303)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS</b>	<u>106,244,610</u>	<u>178,197,746</u>	<u>31,076,354</u>	<u>(4,454,444)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>349,552,583</u>	<u>(407,618,054)</u>	<u>283,587,479</u>	<u>(426,325,901)</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<u>696,710,453</u>	<u>1,453,881,090</u>	<u>511,455,229</u>	<u>1,221,368,609</u>
<b>CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD</b>	<b>P</b> <u>1,046,263,036</u>	<b>P</b> <u>1,046,263,036</u>	<b>P</b> <u>795,042,708</u>	<b>P</b> <u>795,042,708</u>



**BERJAYA PHILIPPINES INC. AND SUBSIDIARIES**  
*[A Subsidiary of Berjaya Lottery Management (HK) Limited]*  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**as of March 31, 2021 and June 30, 2020**  
*(Amounts in Philippine Pesos)*

**1. CORPORATE MATTERS**

***1.1 Incorporation and Operations***

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

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

The Parent Company is 74.20% owned by Berjaya Lottery Management (HK) Limited of Hong Kong (BLML) as at March 31, 2021. 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 nine months ended March 31, 2021 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 March 31, 2021 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 March 31, 2021 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>March 31, 2021</u>	<u>June 30, 2020</u>
Php – GBP	<b>P 896,185,561</b>	P1,359,890,732
Php– USD	<b>43,447,095</b>	2,395,018
Php – MYR	<b>481,077</b>	1,531,186
Php - EUR	<b>316,682</b>	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>March 31, 2021</u>		<u>June 30, 2020</u>	
	Reasonably possible change in rate	Effect in profit before tax	Reasonably possible change in rate	Effect in profit before tax
PhP - GBP	6.19%	P 63,808,412	18.81%	P 463,722,740
PhP - USD	2.88%	1,555,406	7.66%	198,307
PhP - MYR	4.81%	31,414	8.13%	171,340
PhP - EUR	8.44%	33,252	35.29%	46,563
		<u>P65,428,484</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 +/-15.79% and a +/-91.41% volatility in the market value of the investment for the nine months ended March 31, 2021. 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>March 31, 2021</u>	<u>June 30, 2020</u>
Cash and cash equivalents	5	<b>P 1,046,263,036</b>	P 1,453,881,090
Trade and other receivables – net	6	<b>2,072,609,315</b>	1,129,956,361
Financial assets at FVTPL	9	<b>23,362,800</b>	3,609,020
Advances to associates	13	<b>2,086,438,876</b>	2,007,231,967
Prepayments and other current assets	8	<b>70,915,581</b>	71,609,791
Other non-current assets	8	<u><b>771,455</b></u>	<u>771,455</u>
		<b><u>P 5,300,361,063</u></b>	<b><u>P 4,667,059,684</u></b>

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 March 31, 2021 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 March 31, 2021 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 nine months ended March 31, 2021, March 31, 2020 and for the year ended June 30, 2020, and certain assets and liabilities information regarding industry segments as at March 31, 2021, March 31, 2020 and June 30, 2020.

	<b><u>March 31, 2021</u></b>			
	<b>Holding and Investment</b>	<b>Services</b>	<b>Motor Vehicle</b>	<b>Consolidated</b>
Total Revenues	107,762,292	80,753,948	21,874,700,055	22,063,216,295
Inter-segment Revenues	-	-	1,570,783	1,570,783
Revenues – External	<b><u>107,762,292</u></b>	<b><u>80,753,948</u></b>	<b><u>21,876,270,838</u></b>	<b><u>22,064,787,078</u></b>
Expenses	43,519,813	93,169,745	21,269,901,325	21,406,590,883
Inter-segment expenses	125,250,619	-	-	125,250,619
Expenses – External	<b><u>168,770,432</u></b>	<b><u>93,169,745</u></b>	<b><u>21,269,901,325</u></b>	<b><u>21,531,841,502</u></b>
Total Combined Profit Before Tax	64,242,480	(12,415,797)	604,798,730	656,625,412
Total Consolidated Profit Before Tax	<b><u>(61,008,139)</u></b>	<b><u>(12,415,797)</u></b>	<b><u>606,369,513</u></b>	<b><u>532,945,577</u></b>
Net profit for the year	48,340,590	(13,102,234)	475,518,681	510,757,037
Eliminations	<u>(125,250,619)</u>	-	1,570,783	<u>(123,679,836)</u>
	<b><u>(76,910,139)</u></b>	<b><u>(13,102,234)</u></b>	<b><u>477,089,464</u></b>	<b><u>387,077,201</u></b>
Segment Assets	9,311,379,193	1,552,725,022	12,076,325,502	22,940,429,717
Eliminated Assets	-	-	-	<u>(3,444,463,461)</u>
Total Conso Assets	<b><u>9,311,379,193</u></b>	<b><u>1,552,725,022</u></b>	<b><u>12,076,325,502</u></b>	<b><u>19,495,966,256</u></b>
Segment Liabilities	1,375,758,054	1,312,537,534	9,269,049,895	12,148,414,038
Eliminated Liabilities	-	-	-	<u>(1,345,689,330)</u>
Total Conso Liabilities	<b><u>1,375,758,054</u></b>	<b><u>1,312,537,534</u></b>	<b><u>9,269,049,895</u></b>	<b><u>10,802,724,708</u></b>
Capital expenditures	-	128,022,744	675,407,754	803,430,498
Depreciation and amortization	-	20,224,392	391,020,196	411,244,588

March 31, 2020

	From Continuing Operations			From Discontinued Operations	Total Consolidated
	Holding and Investment	Services	Motor Vehicle	Leasing	Consolidated
Total Revenues	131,347,254	110,842,007	21,002,240,610	-	21,244,429,871
Inter-segment Revenues	-	-	-	-	-
Revenues - External	<u>131,347,254</u>	<u>110,842,007</u>	<u>21,002,240,610</u>	<u>-</u>	<u>21,244,429,871</u>
Expenses	65,228,288	120,398,142	20,719,154,338	-	20,904,780,767
Inter-segment expenses	<u>18,467,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,467,394</u>
Expenses - External	<u>83,695,682</u>	<u>120,398,142</u>	<u>20,719,154,338</u>	<u>-</u>	<u>20,923,248,161</u>
Total Combined Profit Before Tax	66,118,966	(9,556,135)	283,086,273	-	339,649,104
Total Consolidated Profit Before Tax	47,651,572	(9,556,135)	283,086,273	-	321,181,710
Net profit for the year	54,233,116	(11,936,800)	212,715,485	-	255,011,802
Eliminations	<u>(18,467,394)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,467,394)</u>
	<u>35,765,722</u>	<u>(11,936,800)</u>	<u>212,715,485</u>	<u>-</u>	<u>236,544,408</u>
Segment Assets	8,974,047,979	1,300,757,319	13,113,776,914	726,127,235	24,312,709,447
Eliminated Assets	<u>(4,048,126,308)</u>	<u>-</u>	<u>849,497,412</u>	<u>(726,127,235)</u>	<u>(3,924,756,130)</u>
Total Conso Assets	<u>4,925,921,671</u>	<u>1,300,757,319</u>	<u>14,161,274,326</u>	<u>-</u>	<u>20,387,953,317</u>
Segment Liabilities	1,119,085,568	1,041,071,049	10,950,893,901	149,335,036	13,260,385,554
Eliminated Liabilities	<u>(209,404,654)</u>	<u>(835,020,377)</u>	<u>(2,035,133)</u>	<u>(149,335,036)</u>	<u>(1,195,795,200)</u>
Total Conso Liabilities	<u>909,680,914</u>	<u>206,050,672</u>	<u>10,948,858,768</u>	<u>-</u>	<u>12,064,590,354</u>
Capital expenditures	<u>-</u>	<u>378,110,110</u>	<u>267,902,000</u>	<u>-</u>	<u>646,012,110</u>
Depreciation and amortization	<u>-</u>	<u>20,389,882</u>	<u>373,199,221</u>	<u>-</u>	<u>393,589,103</u>

June 30, 2020

		Motor Vehicle			
		Services	Investments	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</u>	<u>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	34,581,76341,975,892	
Inter-segment		<u>-</u>	<u>57,109,744</u>	<u>-</u>	<u>57,109,744</u>
Total expenses	<u>P</u>	<u>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)</u>	<u>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)	(P 40,555,754)	(P 6,142,927)	P 104,342,466	P 57,645,785
Segment assets	P 1,479,387,611	P 9,147,216,338	P 13,233,935,712	P 23,860,539,661
Segment liabilities	P 1,527,114,216	P 1,375,586,198	P 11,098,227,565	P 14,000,927,979
Other segment item – Capital expenditures	P 479,494,864	P _____	P 268,899,138	P 748,394,002

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>March 31, 2021</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Cash on hand and in banks	<b>P1,012,969,336</b>	P 1,423,210,240
Short-term placements	<u>33,293,700</u>	<u>30,670,850</u>
	<b><u>P1,046,263,036</u></b>	<b><u>P 1,453,881,090</u></b>

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements have an average maturity of 30 days and average annual effective interest ranging from .26% to .78% in 2020.

## 6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	<u>March 31, 2021</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Trade receivables	<b>P 517,442,880</b>	P 719,352,119
Deposits	<b>1,252,460,537</b>	414,526,013
Payments for future acquisition of investments	<b>473,509</b>	1,531,186
Other receivables	<u>322,621,185</u>	<u>45,346,121</u>
	<b>2,092,998,111</b>	1,180,755,439
Allowance for impairment	<u>(20,388,796)</u>	<u>(44,739,078)</u>
	<b><u>P2,072,609,315</u></b>	<b><u>P1,136,016,361</u></b>

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 SdnBerhad (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>March 31, 2021</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
At cost:		
Vehicles	P2,715,929,772	P2,986,533,244
Work in progress	-	42,403,493
Parts and components	-	-
Hotel supplies	<u>3,917,304</u>	<u>4,447,183</u>
	<u>2,791,847,076</u>	<u>3,033,383,920</u>
At net realizable value:		
Vehicles	824,974,437	1,786,345,509
Parts and components	<u>253,657,246</u>	<u>241,880,137</u>
	1,078,631,683	2,028,225,646
Allowance for inventory write down	( <u>158,788,375</u> )	( <u>252,220,874</u> )
	<u>919,843,308</u>	<u>1,776,004,772</u>
	<u>P3,639,690,384</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>March 31, 2021</u>	<u>June 30, 2020</u>
Balance at beginning of year	P 252,220,874	P 218,276,621
Additional provision during the year	(111,846,931)	48,712,529
Translation adjustment	<u>18,414,432</u>	( <u>14,768,276</u> )
Balance at end of year	<u>P 158,788,375</u>	<u>P 252,220,874</u>

## 8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<u>March 31, 2021</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Current:		
Prepaid expenses	<b>P 376,641,598</b>	P 309,328,221
VAT recoverable	<b>33,395,265</b>	65,620,468
Advances to suppliers	<b>94,359,085</b>	189,657,585
Refundable deposits	<b>70,915,581</b>	71,609,791
Input VAT	<b>100,004,745</b>	79,703,347
Creditable withholding tax	<b>7,798,016</b>	244,892
Prepaid taxes	<b>277,175</b>	81,246,452
Other current assets	<b><u>1,500,460</u></b>	<u>1,963,884</u>
	<b><u>686,891,925</u></b>	<u>799,374,640</u>
Non-current:		
Refundable deposits	<b>771,455</b>	771,455
Deferred input VAT	-	24,293,631
Advance payment for land acquisition	-	765,698,629
Advances to contractors	<u>-</u>	<u>160,139,579</u>
	<b><u>771,455</u></b>	<u>950,903,294</u>
	<b><u>P 687,663,380</u></b>	<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)

	<b><u>March 31, 2021</u></b> <b>(Unaudited)</b>	<u>June 30, 2020</u> (Audited)
Quoted equity securities	<b><u>P 23,362,800</u></b>	<u>P3,609,020</u>

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

	<b><u>March 31, 2021</u></b> <b>(Unaudited)</b>	<u>June 30, 2020</u> (Audited)
Equity securities:		
Quoted	<b>P1,146,422,961</b>	P1,234,459,451
Unquoted	<u>23,949,503</u>	<u>24,633,902</u>
	<b><u>P 1,170,372,464</u></b>	<u>P1,259,093,353</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 March 31, 2021 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>
<b>March 31, 2021</b>										
Cost	P 720,291,386	P 213,945,413	P 37,496,245	P 623,684,021	P 11,805,735	P 13,592,976	P 1,242,831,005	P 620,886,014	P 835,143,432	P 4,319,676,227
Accumulated depreciation and amortization	( 154,756,982 )	( 3,208,200 )	( 30,077,680 )	( 442,328,180 )	( 10,259,889 )	( 12,042,613 )	( 785,205,941 )	-	-	( 1,437,879,484 )
Net carrying amount	<u>P 565,534,404</u>	<u>P 210,737,214</u>	<u>P 7,418,565</u>	<u>P 181,355,841</u>	<u>P 1,545,846</u>	<u>P 1,550,363</u>	<u>P 457,625,064</u>	<u>P 620,886,014</u>	<u>P 835,143,432</u>	<u>P 2,881,796,743</u>
<b>June 30, 2020</b>										
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	( 143,918,533 )	( 1,198,136 )	( 25,952,495 )	( 379,251,283 )	( 9,926,910 )	( 11,773,117 )	( 673,596,689 )	-	-	( P 1,245,617,162 )
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 3,581,690GBP(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 4,125,000GBP (about P295,232,025) at the date of transfer and the Group recognized gain, net of related deferred tax, amounting to 450,948GBP (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 March 31, 2021 and June 30, 2020 amounted to P123,186,690 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 March 31, 2021 and June 30, 2020 are shown below.

	March 31, 2021		
	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	6,727,525	20,373,290
Translation adjustment	-	239,260,024	239,260,024
Amortization	( 2,799,299 )	( 259,797,676 )	( 262,596,975 )
Net carrying amount	<u>P 125,022,135</u>	<u>P 2,869,711,002</u>	<u>P 2,994,733,137</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 March 31, 2021 and June 30, 2020 as follows:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Current	<b>P 325,929,987</b>	P 288,904,856
Non-current	<b><u>2,770,287,873</u></b>	<u>2,774,865,185</u>
	<b><u>P3,096,217,860</u></b>	<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:

March 31, 2021	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	-	-	-	-	-	-	-	-	-	-	-
	<b>40,000</b>	<b>180,400</b>	<b>203,896</b>	<b>400</b>	<b>43,335</b>	<b>82,283</b>	<b>112,500</b>	<b>454,880</b>	<b>120,373</b>	<b>3,060</b>	<b>1,241,127</b>
Deduction of interest in associate –											
Loss on deemed disposal	-	-	( 143,988 )	-	-	-	-	-	-	-	( 143,988 )
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 )	( 29,544 )	37,649	(13,041)	P 2,113	(58,058)	(30)	366,756
Share in net profit (losses) during the year	(6,045)	-	( 12,718 )	-	( 5,589 )	( 67,615 )	( 55,231 )	23,825	-	( 1,877 )	(125,251)
Share in other comprehensive income during the year:											
Translation adjustment	-	-	-	-	-	P 87	-	(3,276)	-	-	( 3,189 )
	<b>134,161</b>	<b>(180,400)</b>	<b>455,544</b>	<b>(400)</b>	<b>(35,133)</b>	<b>(29,879)</b>	<b>(68,272)</b>	<b>P 22,661</b>	<b>(58,058)</b>	<b>(1,907)</b>	<b>238,317</b>
Total investments in associate:	174,161	-	438,752	-	8,202	52,404	44,228	477,541	62,315	1,153	1,258,756
Less: Impairment of Investment	-	-	-	-	-	-	-	-	(62,315)	-	(62,315)
	<b>174,161</b>	<b>-</b>	<b>438,752</b>	<b>-</b>	<b>8,202</b>	<b>52,404</b>	<b>44,228</b>	<b>477,541</b>	<b>-</b>	<b>1,153</b>	<b>1,196,441</b>
Advances to associates	433,588	526,832	-	3,023	-	1,133,088	-	-	81,892	-	2,178,423
Less: Impairment of Investment	-	(10,092)	-	-	-	-	-	-	(81,892)	-	(91,984)
	<b>433,588</b>	<b>516,740</b>	<b>-</b>	<b>3,023</b>	<b>-</b>	<b>1,133,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,086,439</b>
	<b><u>P 607,749</u></b>	<b><u>P 516,740</u></b>	<b><u>P 438,752</u></b>	<b><u>P 3,023</u></b>	<b><u>P 8,202</u></b>	<b><u>P 1,185,492</u></b>	<b><u>P 44,228</u></b>	<b><u>P 477,541</u></b>	<b><u>-</u></b>	<b><u>P 2,305</u></b>	<b><u>P 3,282,880</u></b>

	PLPI	BPPI	BAPI	PGMC	CPI	SBMPI	NPI	BAAI	CBFC	VideoDoc	Total
<b>June 30, 2020</b>											
<b>Investment</b>											
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>1,384,163</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>
	<b>P 590,050</b>	<b>P 495,660</b>	<b>P 451,470</b>	<b>P 456,993</b>	<b>P 3,023</b>	<b>P 13,791</b>	<b>P 1,218,636</b>	<b>-</b>	<b>P 99,459</b>	<b>P -</b>	<b>P 3,329,082</b>

## 14. INTANGIBLE ASSETS

The compositions of this account are shown below.

	<b>March 31, 2021</b> <b>(Unaudited)</b>	June 30, 2020 (Audited)
Goodwill	<b>P 786,419,740</b>	P 724,466,247
Dealership rights	<b>689,008,993</b>	634,729,438
Customer relationship	<u><b>18,332,310</b></u>	<u>19,602,660</u>
	<b><u>P 1,493,761,043</u></b>	<b><u>P 1,378,798,345</u></b>



## 15. TRADE AND OTHER PAYABLES

This account consists of the following:

	<u>March 31, 2021</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Current:		
Trade Payables	P 824,724,137	P 1,132,852,314
Accrued expenses	393,619,857	359,147,900
Withholding taxes payable	470,278	35,281,601
Deferred output VAT	49,622,670	41,777,853
Due to a related party	4,575,288	3,241,664
Other payables	<u>456,451,945</u>	<u>321,987,870</u>
	1,729,464,175	1,894,289,202
Non-current:		
Advances from a director	<u>16,646,850</u>	<u>15,335,425</u>
	<u>P1,746,111,025</u>	<u>P 1,909,624,627</u>

## 16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	<u>March 31, 2021</u> (Unaudited)	<u>June 30, 2020</u> (Audited)
Current:		
Vehicle stocking loans	P 2,683,041,283	P4,298,375,352
Bank loans and mortgages	<u>367,000,000</u>	<u>455,000,000</u>
	<u>P3,050,041,283</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>March 31, 2021</u> (Unaudited)		<u>June 30, 2020</u> (Audited)	
	<u>Carrying Values</u>	<u>Fair Values</u>	<u>Carrying Values</u>	<u>Fair Values</u>
<i>Financial Assets</i>				
Loans and receivables:				
Cash and cash equivalents	5 P 1,046,263,036	P 1,046,263,036	P1,453,881,090	P 1,453,881,090
Trade and other receivables - net	6 2,008,560,655	2,008,560,655	1,132,986,361	1,132,986,361
Advances to associates - net	13 2,086,438,876	2,086,438,876	2,007,231,967	2,007,231,967
Refundable deposits- current	8 70,915,581	70,915,581	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 5,212,949,603</u>	<u>P 5,212,949,603</u>	<u>P4,666,480,664</u>	<u>P 4,666,480,664</u>
Financial assets at FVTPL	9 <u>P 23,362,800</u>	<u>P 23,362,800</u>	<u>P 3,609,020</u>	<u>P 3,609,020</u>
Financial assets at FVOCI	9 <u>P 1,170,372,464</u>	<u>P 1,170,372,464</u>	<u>P 1,259,093,353</u>	<u>P 1,259,093,353</u>
<i>Financial Liabilities</i>				
Financial liabilities at amortized cost:				
Loans payable and borrowings	16 P 3,050,041,283	P3,050,041,283	P 4,753,375,352	P 4,753,375,352
Trade and other payables	15 1,729,464,175	1,729,464,175	1,832,565,174	1,832,565,174
Lease liabilities	12 3,096,217,860	3,096,217,860	3,063,770,041	3,063,770,041
Advances from related parties	<u>871,559,579</u>	<u>871,559,579</u>	<u>674,301,470</u>	<u>674,301,470</u>
	<u>P 8,747,282,897</u>	<u>P 8,747,282,897</u>	<u>P10,324,012,037</u>	<u>P10,324,012,037</u>

**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 March 2021**

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)
<b>a Trade Receivables</b>						
1) PCSO	-	-	-	-	-	-
2) Guest/City Ledger	8,465,218	740,707	529,076	846,522	-	10,581,522
3) Vehicle Debtor	278,773,747	50,686,136	76,029,204	101,372,272	-	506,861,358
3) Others	-	-	-	-	-	-
Subtotal	287,238,965	51,426,842	76,558,280	102,218,793	-	517,442,880
Less: Allow. For Doubtful Acct.	-	-	-	20,388,796	-	20,388,796
<b>Net Trade receivable</b>	287,238,965	51,426,842	76,558,280	81,829,997	-	497,054,084
<b>b Non - Trade Receivables</b>						
1) Deposits	1,252,460,537	-	-	-	-	1,252,460,537
2) Payment for future acquisition of inv	473,509	-	-	-	-	473,509
3) Other Receivables	322,621,185	-	-	-	-	322,621,185
	-	-	-	-	-	-
Subtotal	1,575,555,231	-	-	-	-	1,575,555,231
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
<b>Net Non - trade receivable</b>	1,575,555,231	-	-	-	-	1,575,555,231
<b>Net Receivables (a + b)</b>	<b>1,862,794,195</b>	<b>51,426,842</b>	<b>76,558,280</b>	<b>81,829,997</b>	<b>-</b>	<b>2,072,609,315</b>

Notes:

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

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

**2 Accounts Receivable Description**

Type of Receivables	Nature/Description	Collection/Liquidation Period
Trade Receivables		
1) PCSO	gross receipt from lottery ticket sales	30-60 days
2) Guest/City Ledger	rooms revenue and sale of food and beverages	30-60 days
3) Vehicle Debtor	sale of vehicles, parts and accessories and servicing and body shop sales	30-60 days

Notes:  
To indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both the trade and non - trade accounts.

**3 Normal Operating Cycle:**

365 days



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

**Financial Indicators**  
**March 31, 2021**

Financial Indicators	Computation		Ratios		Computation		Ratios
	March 2021	March 2020	March 2021	March 2020	June 2020	June 2020	
<b>Quick ratio</b>							
Cash and cash equivalents +	1,046,263,036	795,042,708			1,453,881,090		
Financial asset at fair value through profit or loss	23,362,800	3,068,546			3,609,020		
Trade and other receivables - net +	2,072,609,315	1,690,005,921			1,136,016,361		
Advances to associates	2,086,438,876	1,872,990,608	0.66	0.46	2,007,231,967		0.48
Total Current Liabilities	7,940,407,715	9,490,956,375			9,670,379,137		
<b>Current/liquidity ratio</b>							
Total Current Assets	9,555,256,336	11,160,927,497	1.20	1.18	10,209,501,770		1.06
Total Current Liabilities	7,940,407,715	9,490,956,375			9,670,379,137		
<b>Debt-to-equity ratio</b>							
Total Liabilities	10,802,724,708	12,064,590,354	1.24	1.45	12,525,843,566.00		1.58
Total Equity	8,693,241,548	8,323,362,963			7,924,555,587.00		
<b>Debt-to-assets ratio</b>							
Total Liabilities	10,802,724,708	12,064,590,354	0.55	0.59	12,525,843,566.00		0.61
Total Assets	19,495,966,256	20,387,953,317			20,450,399,153.00		
<b>Equity-to-assets ratio</b>							
Total Equity	8,693,241,548	8,323,362,963	0.45	0.41	7,924,555,587.00		0.39
Total Assets	19,495,966,256	20,387,953,317			20,450,399,153.00		
<b>Annualized PPE Turnover</b>							
Net Revenue	21,725,208,914	20,891,061,541	10.05	13.18	25,061,664,622.00		11.73
PPE	2,881,796,743	2,112,997,613			2,136,567,037		
<b>Annualized Return on assets</b>							
Net Profit	387,077,201	236,544,408	2.65%	1.55%	62,725,529.00		0.31%
Total Assets	19,495,966,256	20,387,953,317			20,450,399,153.00		
<b>Annualized Return on equity</b>							
Net Profit	387,077,201	236,544,408	5.94%	3.79%	62,725,529.00		0.79%
Total Equity	8,693,241,548	8,323,362,963			7,924,555,587.00		
<b>Annualized</b>	1	1			1		
<b>Earnings per share</b>							
Net Profit Attributable to Owners of the Parent Company	379,545,223	228,225,552	0.09	0.05	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		