COVER SHEET

P R E W A R 4 7 6

S.E.C. Registration Number

B E R J A Y A P H I L I P P I N E S

I N C .

(Company's Full Name)

9 F R U F I N O P A C I F I C T O W E R

6 7 8 4 A Y A L A A V E N U E C O R .

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

Business Address: No. Street City/Town/Province

Atty. Malu Sia-Bernas

Contact Person

811-0668/810-1814

Company/Telepone Number

Month Day

SEC Form - 20IS

Definitive Information Statement

FORM TYPE

Month Day

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks - pls. use black ink for scanning purposes

BERJAYA

2 November 2021

Dear Stockholder,

Please take notice that an annual meeting of the stockholders of BERJAYA PHILIPPINES INC. will be held this year on 23 November 2021 at 9:00 a.m. by zoom in view of the General Community Quarantine in the National Capital Region due to the COVID-19 situation.

To join the meeting, please submit your name and email address to us at the address below, not later than 12 November 2021:

BCOR Corporate Secretary <corpsec@bernaslaw.com>

When the office has validated your identity, a notice will be sent to your email for confirmation of your attendance and for guidelines on joining the meeting.

If you are attending by proxy, please send us your proxies or Secretary's Certificates at the same e-mail address not later than 12 November 2021. Scanned copy of the forms should be sent to the above-mentioned email address.

Please download the zoom app on your computers, iPad and mobile phones to be able to access the meeting.

The Agenda for the meeting is as follows:

1. Call to Order
2. Certification of Notice and Quorum
3. Ratification of the Minutes of the Annual Stockholders' Meeting held on 28 October 2020.
4. Ratification of Corporate Acts of the Board of Directors for the year ended 30 June 2021
5. Report of the Chairman
6. Election of the members of the Board of Directors of the Corporation
7. Appointment of External Auditors
8. Other Matters

JOSE A. BERNAS
Corporate Secretary

9th Floor Rufino Pacific Tower, 6784 Ayala Avenue cor V.A. Rufino Street, Makati City, M.M.

PROXY and BALLOT

Name ________________________________

Email address ________________________________

Mobile number ________________________________ (optional)

Date ________________________________

Identification

☐ I will be able to attend the meeting and will accomplish and submit the Ballot.

☐ I will not be able to attend the meeting and hereby appoint _____________ ______________________ as my proxy to represent me and vote at the Annual Stockholders' Meeting of Berjaya Philippines Inc. on 23 November 2021 or at any adjournment or postponement thereof, as fully as to all Intents as I might do if I was present and acting in person, including the accomplishment and submission of the ballot.

In case of the non-attendance of my above named proxy, I hereby authorize the Chairman of the Meeting to exercise and act as my proxy in the meeting.

This proxy revokes and supersedes all previously executed proxy or proxies, if applicable, and shall be valid for a period of one year from execution unless specifically revoked by me in writing and addressed to the Corporate Secretary or Assistant Corporate Secretary of Berjaya Philippines Inc.

Instructions

By affixing your signature on the space provided below, you as stockholder are voting on the matters to be taken up at the Annual Stockholders' Meeting. In the alternative, you are authorizing or directing your above-written proxy to vote on the Agenda on your behalf. Please note that your failure to indicate your vote on the items specified shall serve as an authorization for your proxy to exercise full discretion on voting.

In addition to the proxy, corporate stockholders are required to submit a Secretary's Certificate indicating the authority of its representative to attend the meeting, and/or accomplish the Ballot, or appoint a proxy.

Please note that proxies are validated by the Corporation's Corporate Secretary based on its records. The record date for the stockholders entitled to attend and vote at the Annual Stockholders' Meeting is 1 September 2021.

Method of Counting Votes

The election of the Board of Directors, as well as the appointment of the external auditors shall be decided by the plurality vote of stockholders present in person and entitled to vote thereat by cumulative voting, provided that quorum is present.

The top seven (7) nominees with the most number of votes will be elected as directors. If the number of nominees does not exceed the number of directors to be elected, all the shares present or represented in the meeting will be cast in favor of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballots. On the election of directors, each stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate such shares and give on candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal or he may distribute them on the same principle among as many candidates as he sees fit. The total number of your votes cast by yourself shall not exceed the number of shares owned by yourself as stockholder multiplied by the total number of directors to be elected.

Please accomplish the Ballot below.

Particulars	Please place a ✓ or x mark		
	For	Against	Abstain
1. Approval of the Minutes of the Annual Meeting of The Stockholders held on 9 November 2020.			
2. Ratification of the Acts of the Board for the Fiscal year ended 30 June 2020.			
3. Election of Directors			
"Nerine" Tan Sheik Ping			
Dr. George T. Yang			
Atty. Casey M. Barleta (independent director)			
Dean Poncevic M. Ceballos (independent director)			
Derek Chin Chee Seng			
Tan Eng Hwa			
Atty. Jimmy S. Soo			
4. Appointment of Punongbayan & Araullo as External Auditors			

Signature of Stockholder __________________________

Printed name of stockholder __________________________

Date __________________________

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

Information Statement Pursuant to Section 20
of the Securities Regulation Code

1. Check the appropriate box:
   _______ Preliminary Information Statement
   ___✓___ Definitive Information Statement

2. Name of Registrant as specified in its charter – BERJAYA PHILIPPINES INC.

3. Province, country or other jurisdiction of incorporation or organization - Manila, Philippines

4. SEC Identification Number – pre war 476

5. BIR Tax Identification Code - 001-289-374

6. Address of principal office - 9/F Rufino Pacific Tower, 6784 Ayala Avenue corner
   V.A. Rufino (formerly Herrera) Street,
   Makati City, Metro Manila 1229

7. Registrant's telephone number, including area code - (632) 811-0668

8. Date, time and place of meeting of security holders -
   The Annual Meeting of the Stockholders of Berjaya Philippines, Inc. (the Corporation) will be held on 23 November 2021, at 9:00 a.m. by remote communication through zoom. The presiding officer and the Corporate Secretary shall be in the City of Makati, where the principal office of the Corporation is located. Directors may attend by remote communication.

   To join the meeting, shareholders are instructed to submit their name and email address at the address below, not later than 12 November 2021 for identity validation and sending of guidelines on joining the meeting:

   BCOR Corporate Secretary <corpsec@bernaslaw.com>

Approximate date on which the Information Statement is first to be sent or given to security holders - 2 November 2021

9. *In case of Proxy Solicitations: Not applicable*

   Name of Person Filing the
   Statement/Solicitor:____
   Address and Telephone No.: ____

10. Securities registered pursuant to Code or Sections 4 and 8 of the RSA (Information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
COMMON	**4,341,280,772**

Amount of Debt Outstanding as of 30 June 2021 : Php 3,772,316,148.00

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?
Yes __✓___ No _______

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

The shares are listed in the Philippine Stock Exchange and are classified either as common or treasury shares.

GENERAL INFORMATION

Date, time and place of meeting of security holders

The Annual Meeting of the Stockholders of Berjaya Philippines, Inc. (the Corporation) shall be held on 23 November 2021, at 9:00 a.m. by remote communication or video-conference. The presiding officer and the Corporate Secretary shall be in the City of Makati where the principal office of the Corporation is located.

Consistent with what is stated in the Notice, to join the meeting, shareholders are instructed to submit their name and email address at the address below, not later than 12 November 2021 for identity validation and sending of guidelines on joining the meeting:

BCOR Corporate Secretary <corpsec@bernaslaw.com>

The complete mailing address of the principal office of the registrant is 9/F Rufino Pacific Tower, 6784 Ayala Avenue corner V. A. Rufino (formerly Herrera) Street, Makati City, Metro Manila.

The Information Statement will approximately be sent or given first to stockholders of record on 2 November 2021 or at least fifteen (15) business days before the meeting date.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

Dissenters' Right of Appraisal

Pursuant to Section 81 of the Corporation Code of the Philippines (the Corporation Code), any stockholder of the Corporation shall have the right to dissent and demand payment of the fair value of his shares in the following instances:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets; and

3. In case of merger or consolidation.

The Agenda for the Annual Stockholders' Meeting on 23 November 2021 does not include any of the foregoing instances.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

No current director or officer of the Corporation, or nominee for election as directors of the Corporation, or any associate thereof, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon.

No director has informed the Corporation in writing that he intends to oppose any action to be taken by the registrant at the meeting.

CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

There are four billion three hundred forty one million two hundred eighty thousand seven hundred seventy two (4,341,280,772) issued and outstanding common shares of stock of the Corporation entitled to vote at the Annual Stockholders' Meeting, each of which is entitled to one (1) vote.

Foreign ownership amounts to 3,919,879,001 shares equivalent to 88.54 % broken down per nationality as follows:

CITIZENSHIP	SUBSCRIBED/ OUTSTANDING	AMOUNT	PAID-UP	PERCENTAGE HOLDINGS	NUMBER OF STOCKHOLDERS
SPANISH	1,834,960	1,834,960.00	1,834,960.00	00.04	18
MALAYSIAN	610,205,311	610,205,311.00	610,205,311.00	13.78	4
OTHER ALIEN	85,788,770	85,788,770.00	85,788,770.00	01.94	8
FILIPINO	507,130,131	507,130,131.00	507,130,131.00	11.46	103
NORWEGIAN	174,160	174,160.00	174,160.00	00.00	1
BRITISH	229,920	229,920.00	229,920.00	00.01	2
AMERICAN	276,000	276,000.00	276,000.00	00.01	5
CHINESE	3,221,369,880	3,221,369,880.00	3,221,369,880.00	72.77	3
TOTAL	4,427,009,132	4,427,009,132.00	4,427,009,132.00	100.00	144

The cut-off date presented as information in this Statement is as of 29 October 2021.

The record date for closing the stock and transfer book of the Corporation in order to determine the stockholders entitled to vote at the Annual Stockholders' Meeting is 1 September 2021.

For purposes of the election of directors, all stockholders of record are entitled to cumulative voting rights as provided by the Revised Corporation Code, and there are no conditions precedent to the exercise thereof. Further, no discretionary authority to cumulate votes is being solicited. A stockholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit.

In the previous Annual Stockholders' Meeting held on 9 November 2020, cumulative voting was practiced. A shareholder's one share was entitled to one vote. Stockholders were provided with paper where they wrote their votes and signed thereon. For every resolution, stockholders were asked by the director presiding whether there were any questions. Stockholders did stand up at the center aisle in front of the microphone and proceeded to ask questions. Motions were duly made and seconded for every matter. The list of directors who attended the meeting, the directors elected, the appointment of the external auditor, and all the matters taken up, including the officers elected during the subsequent Organizational Meeting of the Board which followed the Annual Stockholders' Meeting were reported to the SEC and PSE in the Current Report under SEC Form 17-C.

Security Ownership of Certain Record and Beneficial Owners

Holders

As of the record date of 1 September 2021, there are four billion three hundred forty one million two hundred eighty thousand seven hundred seventy two (4,341,280,772) issued and outstanding common shares of stock of the Corporation. Out of the issued and outstanding capital, 85,728,360 shares or 0.019% is held by the Berjaya Philippines Inc.

The top twenty (20) stockholders of Berjaya Philippines Inc., including their shares and their percentage of total common shares outstanding held by each as of the record date of 1 September 2021 are as follows:

Name	Number of Shares Held	Percentage of Total Shares Held
BERJAYA LOTTERY MANAGEMENT(H.K.), LTD.	3,221,238,280	72.76 %
BERJAYA SPORTS TOTO (CAYMAN) LIMITED	610,205,150	13.78 %
PCD NOMINEE CORPORATION (Filipino)	252,440,485	05.70 %
ABACUS SECURITIES CORPORATION	158,000,000	03.57 %
ABACUS SECURITIES CORP.	92,000,000	02.08 %
BERJAYA PHILIPPINES INC.	85,728,360	01.94 %
FAR EAST MOLASSES CORPORATION	1,554,880	00.04 %
CONCEPCION TEUS VDA. DE M. VARA DE REY	650,000	00.01 %
DOLORES TEUS DE M. VARA DE REY	552,000	00.01 %
STEINER, NORMA O.	436,160	00.01 %
CORPORACION FRANCISCANA	293,920	00.01 %
THE PHIL.-AMERICAN GEN.	226,400	00.01 %
PHIL. REMNANTS CO., INC.	224,160	00.01 %

ELIZALDE, FRANCISCO J.	206,800	00.00 %
ZERNICHOW, CHRISTIAN D.	174,160	00.00 %
ELIZALDE, JOAQUIN M.,	168,800	00.00 %
MA. TERESA VARA DE REY Y TEUS	148,320	00.00 %
MA. DOLORES VARA DE	148,320	00.00 %
ECHEGOYEN, LUIS C.	147,280	00.00 %
LEDESMA, ANITA L. DE	136,320	00.00 %

Treasury Shares

As of the record date of 1 September 2021 the Issuer holds in its name a total of eighty five million seven hundred twenty eight thousand three hundred sixty (85,728,360) treasury shares.

As of 20 September 2021 the Issuer holds in its name a total of eighty five million seven hundred twenty eight thousand three hundred sixty (85,728,360) treasury shares.

Dividends

(a) Dividends declared by Berjaya Philippines Inc.

On 28 October 2004 the Corporation declared cash dividends to all stockholders on record as of November 17, 2004 or a total of ₱87.14 million.

On 5 January 2012, the Corporation declared cash dividends amounting to ten centavos per share to all stockholders of record as of 19 January 2012.

On 5 October 2015, the Issuer declared stock dividends at a rate of 4 common shares for every common share held to taken from the increase in authorized capital stock. On the same date, the Issuer caused the reversal of previously allocated funds for capex and corporate expansion and appropriated ₱3.47 billion from the Issuer's retained earnings for the distribution of stock dividends.

* On 28 April 2020, the Corporation set aside ₱2 billion from the Issuer's retained earnings for future corporate expansion for the next two years.

(b) Dividends Declared by the Issuer's former subsidiary – PGMC

From 2007 to 2014, the Corporation's subsidiary, PGMC, issued cash dividends amounting to six billion forty six billion pesos (₱6.46 billion).

On 16 July 2015, the Corporation declared cash dividends amounting to one hundred million pesos (₱100.0 million).

On 1 September 2015, the Corporation declared cash dividends amounting to one hundred eighty million pesos (₱180.0 million).

On 2 October 2015, the Corporation declared cash dividends amounting to two hundred million pesos (₱ 200.0 million).

On 8 January 2016, the Corporation declared cash dividends amounting to two hundred million pesos (₱ 200.0 million).

On 13 June 2017, the Corporation declared cash dividends amounting to one hundred seventy million pesos (₱170,000,000.00).

On 11 September 2017, the Corporation declared cash dividends amounting to one hundred thirty million pesos (₱ 130,000,000.00).

On 23 January 2018, the Corporation declared cash dividends amounting to one hundred fifty million pesos (₱ 150,000,000.00).

On 5 April 2018, the Corporation declared cash dividends amounting to one hundred fifty million pesos (₱150,000,000.00).

On 30 April 2018, the Corporation declared cash dividends amounting to fifty million pesos (₱ 50,000,000.00).

On 17 August 2018, the Corporation declared cash dividends amounting to one hundred twenty million pesos (₱ 120,000,000.00).

On 28 November 2018, the Corporation declared cash dividends amounting to two hundred twenty million pesos (₱ 220,000,000.00).

On 22 June 2021, the Corporation declared cash dividends amounting to ₱50,000,000.00 to all stockholders as of even date.

On 17 August 2021, the Corporation declared cash dividends amounting to ₱60,000,000.00 to all stockholders as of even date.

(c) Dividends Declared by the Issuer's wholly owned subsidiary – PHPI

In April 2012, the Corporation declared cash dividends amounting to ten million pesos (₱10,000,000.0c0 million).

In August 2013, the Corporation declared cash dividends amounting to four million pesos (₱ 4,000,000.00).

Recent Sales of Unregistered Securities

There were no sales of unregistered securities over the last five (5) fiscal years.

Security Ownership of Holders of more than 5%

According to the records of the Issuer's stock and transfer agent, security ownership of holders of more than five percent (5%) of the Company's securities as of 27 October 2021 are as follows:

Title of Class	Name, Address of Record Owner and relationship with Issuer	Name of Beneficial Owner / Relationship with Record Owner	Citizen-ship	Number of Shares Held	Percent age Held
common	Berjaya Lottery Management (H.K.) Ltd. Level 54, Hopewell Centre, 183 Queen's Road East, HongKong / major stockholder	Berjaya Lottery Management (H.K.) Ltd. (same as record owner) persons entitled to vote is Messrs. Seow Swee Pin or Tan Eng Hwa, in the said order of preference	Chinese	3,221,238,280 (common shares)	74.20%
common	Berjaya Sports Toto (Cayman) Limited 190 Elgin Avenue, George Town, Grand Cayman KYI-9005 Cayman Islands / major stockholder	Berjaya Sports Toto (Cayman) Limited (same as record owner) person entitled to vote is SeowSwee Pin	Caymanian	610,205,150 (common shares)	14.06%
common	Berjaya Philippines Inc. 9th Floor RufinoPacific Tower 6784 Ayala corner V.A. Rufino (Herrera) St. Makati City, M.M. / the Issuer	Berjaya Philippines Inc. (same as record owner) person entitled to vote is the President of the Corporation, Wong Ee Coln	Filipino	85,728,360	1.97%

There has been no change in the control of the Corporation since the beginning of its last fiscal year. The transfer price of the Corporation's outstanding common listed shares decreased as can be seen from its posted prices at the Philippine Stock Exchange. The decrease may be due to the general or prevailing economic situation in the country.

Security Ownership of Management

Security ownership of the directors and officers of the Corporation as of 29 October 2021 are as follows:

Title of Class	Name & Address of Record owner Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	Number of Shares Held	Percentage Held
Common	Seow Swee Pin 9th Floor Rufino Pacific Tower, 6784 Ayala Avenue corner V.A. Rufino St. Makati City / Stockholder of Issuer and connected with the Berjaya Group of companies in Malaysia, specifically as Executive Director of Sports Toto Sdn. Bhd. and Berjaya Sports Toto Berhad.	Seow Swee Pin	Malaysian	80	0.00%
Common	Wong Ee Coln 78 Jalan Leong Yew Koh, Taman Tun, Dr. Ismail, Kuala Lumpur 60000 / stockholder of Issuer and connected with the Berjaya Group of companies in Malaysia, specifically as Executive Director of the Berjaya Group Bhd.	Wong Ee Coln	Malaysian	1	0.00%
Common	Dr. George T. Yang 17th Floor Citibank Center Building, Paseo de Roxas, Makati City / stockholder	Dr. George T. Yang	Filipino	80	0.00%
Common	Atty. Casey M. Barleta The Bellagio Tower 1 1st Avenue corner Burgos Circle, BGC, Taguig City / stockholder	Atty. Casey M. Barleta	Filipino	1	0.00%
Common	Atty. Jimmy S. Soo D2 Garden Level, Corinthian Plaza Building, 121 Paseo de Roxas, Makati City / stockholder	Atty. Jimmy S. Soo	Filipino	75	0.00%
Common	Tan Eng Hwa 9th Floor Rufino Pacific Tower, 6784 Ayala	Tan Eng Hwa	Malaysian	80	0.00%

	Avenue corner V.A. Rufino Street, Makati City/ Stockholder and Connected with the Berjaya Group of companies in the Philippines in different capacities				
Common	Jose A. Bernas 6th Floor Raha Sulayman Bldg. 108 Benavidez St. Legaspi Vill, Makati City / Corporate Secretary	Jose A. Bernas	Filipino	80	0.00%
Common	Marie Lourdes Bernas 4th Floor Raha Sulayman Bldg. 108 Benavidez St. Legaspi Vil. Makati City / Assistant Corporate Secretary	Marie Lourdes T. Sia-Bernas	Filipino	500	0.00%

There are no voting trust holders of five percent (5%) or more of the Corporation's securities. The figures above are based on the last transaction or market price as of 29 October 2021 which is five pesos and fifty nine centavos (₱ 5.59) per share.

There are no arrangements which may result in a change in control of the Corporation.

Directors and Executive Officers

The current directors and officers of the Corporation are listed below:

Directors / Officers	Designation	Citizenship
1. Seow Swee Pin	Director / Chairman	Malaysian
2. Wong Ee Coln	Director / President	Malaysian
3. George T. Yang*	Director	Filipino
4. Tan Eng Hwa	Director / Treasurer	Malaysian
5. Casey M. Barleta *	Director	Filipino
6. Jimmy S. Soo	Director	Filipino
7. Dean Poncevic M. Ceballos	Director	Filipino
8. Jose A. Bernas	Corporate Secretary	Filipino
9. Marie Lourdes Bernas	Assistant Corporate Secretary	Filipino

* The independent directors, Dr. George T. Yang, and Atty. Casey M. Barleta are independent minority stockholders who are not employees nor officers of the Corporation, and whose shareholdings are less than two percent (2%) of the Corporation's equity pursuant to Section 38 of the Securities Regulation Code.

Dr. George T. Yang is an independent director of the Issuer. The former treasurer of the Corporation, Mr. Low Siaw Peng, nominated Dr. Yang as independent director. Dr. Yang and Mr. Low are not related to each other.

Atty. Casey M. Barleta is the second independent director of the Issuer. Mr. Tan Eng Hwa, a stockholder and the Treasurer nominated Atty. Barleta in a meeting of the Board on 17 August 2020, to serve the unexpired term of Tan Sri Dato Dr. Seri Ibrahim Bin Saad. Atty. Barleta and Mr. Tan are not related to each other.

The members of the Nomination Committee are Messrs. Tan Eng Hwa, Casey M. Barleta, and Seow Swee Pin, with Atty. Barleta sitting as Chairman.

Procedures of SRC Rule 38 have been followed in the nomination and qualification of independent directors.

The Corporation will observe the term limits for independent directors imposed by SEC Memorandum Circular No. 4, Series of 2017 which became effective on 31 March 2017, or 15 days after its publication in two newspapers of general circulation on 16 March 2017. One of the Corporation's current independent director Dr. Yang may serve as independent director until the year 2021, while Atty. Barleta may serve as independent director until the year 2029 in compliance with the cumulative nine-year term reckoned from the year 2012.

Since Dr. Yang may only serve as independent director until the year 2021, the new independent director nominated by the Board to replace Dr. George T. Yang is Dean Poncevic M. Ceballos who is not an employee nor an officer of the Corporation, and whose shareholdings is less than two percent (2%) of the Corporation's equity pursuant to Section 38 of the Securities Regulation Code. Mr. Jose A. Bernas nominated Dean Poncevic M. Ceballos as independent director in a meeting on 5 October 2021.

In compliance with SEC Memorandum Circular No. 5, Series of 2017, the independent directors' *Certification of Independent Director* on their qualification are attached to this *Information Statement*.

The term of a Director is for one (1) year and Directors are elected annually during the annual stockholders meeting. The Independent Director for re-nomination is Atty. Casey M. Barleta, and the other regular director to be nominated for Independent Director is Dean Poncevic M. Ceballos, who are both Filipino citizens.

The current Board of Directors are as follows:

	Name	Age	Positions/Offices/Directorships Held for the past Five (5) years
1.	Seow Swee Pin (Malaysian)	64	Director and Chairman of the Board Berjaya Philippines Inc. Philippine Gaming Management Corporation Cosway Philippines Inc. Director: Neptune Properties Inc. Perdana Land Philippines Inc. Perdana Hotel Philippines Inc. Sanpiro Realty and Development Corporation Berjaya Pizza (Philippines) Inc. Executive Director:

			Sports Toto Malaysia Sdn. Bhd. Berjaya Sports Toto Berhad Member: Malaysian Institute of Accountants Malaysian Institute of Certified Public Accountants
2.	Dr. George T. Yang (Filipino)	82	Independent Director: Berjaya Philippines Inc. Philippine Gaming Management Corporation Founder: Golden Arches Development Corporation (McDonald's Philippines) Chairman of the Board: Ronald McDonald's House Charities First Georgetown Ventures, Inc. MDS Call Solutions Inc. Advance Food Concepts Mfg. Inc. Klassikal Music Foundation Inc. Trojan Computer Forms, Inc. Canyon Hills and Marina Inc. Canyon Hills Real Estate and Development Inc. GY Alliance Concepts Inc. Northview Builder and Development Corporation Chairman of the Board and President: Golden Arches Realty Corporation Chairman: Paseo Premier Residences Inc. Paseo Dormitories Inc. Lead Logistics Innovations Inc. Fast Serve Solutions Systems Inc. Clark Mac Enterprises Inc. Creative Gateway Inc. Davao City Food Industries Inc. Golden City Food Industries Inc. First Golden Laoag Ventures Inc. First Creative Arch Restaurant Corporation First Premiere Arches Restaurants Inc. Golden Laoag Foods Corporation Molino First Golden Food Inc. Onzal Development Corporation Prime Arch Creative Restaurants Inc. Retiro Golden Foods Inc. Vice Chairman: Oceonfront Properties Inc. TransAire Development Holdings Corporation Member of the Board of Governors: Ayala Center Estate Association Masters Degree in Business Administration

		Wharton School, University of Pennsylvania Former Member of the Asian Executive Board Wharton School, University of Pennsylvania Cum Laude, Bachelor of Science in Business Administration De La Salle University Consul General *ad honorem*: State of Eritrea
3. Jimmy S. Soo (Filipino)	63	Director: Berjaya Philippines Inc. Berjaya Pizza (Philippines) Inc. First Abacus Financial Holdings Corporation Chairman and President: Kailash PMN Management, Inc. Tortola Resources, Inc. Trimante Holdings Phils., Inc. Director First Abacus Financial Holdings Corporation Philippine Gaming Management Corporation Director and Corporate Secretary: Abacus Capital & Investment Corporation St. Giles Hotel (Manila), Inc. Bagan Resources Pte Inc. Corporate Secretary: Limketkai Manufacturing Corporation Limketkai Sons, Inc. Paramount Life & General Holdings Corp. Paramount Life & General Insurance Corp. Resident Agent: IDP Education Pty Limited Member of the Board of Trustees: Berjaya Foundation Inc. Lifetime Member: Integrated Bar of the Philippines Managing Partner: Soo Gutierrez Leogardo & Lee Law Offices
4. Wong Ee Coln (Malaysian)	42	Director and President: Berjaya Philippines Inc. Executive Director: Berjaya Group Bhd. General Manager: Group Properties and Development Department of Berjaya Land Berhad Chartered Financial Analyst (CFA) and member: CFA Institute 1st Class Bachelor of Engineering (Mechanical

		Engineering) Degree: University of Birmingham Extensive working experience in the field of property development and investment in Malaysia and other countries such as China, Vietnam, etc.
5. Tan Eng Hwa (Malaysian)	52	Director and Treasurer: Berjaya Philippines Inc. Save the Sea Philippines Inc. Director and Chairman: Floridablanca Enviro Corporation Perdana Hotel Philippines Inc. Perdana Land Philippines Inc. Philippine Gaming Management Corporation Berjaya Pizza (Philippines) Inc. Director and President: B Infinite Asia Philippines Inc. Sanpiro Realty & Development Corporation Neptune Properties Inc. Director, Chairman and President: Landphil Management and Development Corp. Cosway Philippines Inc. Director and Treasurer: Bermaz Auto Philippines Inc. Berjaya Auto Asia Inc. Ssangyong Berjaya Motor Philippines Most Pretty Lady Holdings Inc. Berjaya Vacation Club (Phils.) Inc. Director: Beautiful Creation Holdings Inc. Chailease Berjaya Finance Corporation Member of the Board of Trustees and President: Berjaya Foundation, Inc. Chartered Accountant and Member: Malaysian Institute of Accountants Masters Degree in Business Administration: University of Chicago, USA Masters Degree in Science in Professional Accountancy University of London
6. Casey M. Barleta (Filipino)	62	Independent Director: Berjaya Philippines Inc. Tax Partner / Managing Partner: CMB/P Law (Casey M. Barleta & Partners) Director: Prime Rivers, Inc. MF Development Corporation SCF Properties Inc.

		First Foremost Resources, Inc. Corporate Secretary and Treasurer: Synechron Technologies Philippines, Inc. Member: Integrated Bar of the Philippines
7. Dean Poncevic M. Ceballos (Filipino)		Director: Berjaya Philippines Inc. Dean: Liceo Law, Cagayan de Oro City (2010-2011) Associate Dean: Philippine Christian University (2015-2016) MCLE Lecturer: Ateneo School of Law Professor: Ateneo de Manila School of Law, since 1990 Wesleyan University Philippines Law School Cor Jesu College of Law Liceo Law, Cagayan de Oro City (2010-2011) Letran College, Doctorate in Business Administration (2016-2017) Philippine Christian University Law School, 2015-2017 Guest Lecturer: University of Hongkong Owner / Director: Ceballos Bar Trends Corp. Bohol Enterprises Inc. Ceballos Holdings Corp. NIKAPRO Realty Corp. Baesa Summit Holdings Corp. Angels & Lemons Bistros, Inc. Director and Corporate Secretary: QMarketz Corp. Automart.ph Motomart.ph Recipient: Three professorial chairs, Ateneo School of Law Member: Integrated Bar of the Philippines
8. Jose A. Bernas (Filipino)	61	Corporate Secretary: Berjaya Philippines Inc. Philippine Gaming Management Corporation Berjaya Pizza (Philippines) Inc. Bermaz Auto Philippines Inc. MOL AccessPortal Inc. Uniwiz Trade Sales Inc.

Cosway Philippines Inc.
Swift Foods, Inc.
Chailease Berjaya Finance Corporation

Director and President:
Discovery Centre Condominium Corporation
Perdana Land Philippines Inc.
Perdana Hotel Philippines Inc.

Chairman of the Board and Director:
Automation Specialists & Power Exponents Inc.

Director and Corporate Secretary:
Florida Enviro Corporation
Beautiful Creation Holdings Inc.
Most Pretty Lady Holdings Inc.
Berjaya Auto Asia Inc.
VST-ECS Philippines Inc.

Trustee and Corporate Secretary:
Berjaya Foundation, Inc.

Member:
Integrated Bar of the Philippines
New York Bar

Managing Partner:
Bernas Law Offices

9. Marie Lourdes Sia-Bernas 55 (Filipino)

Assistant Corporate Secretary:
Berjaya Philippines Inc.
Philippine Gaming Management Corporation
Berjaya Pizza (Philippines) Inc.
Berjaya Foundation Inc.
Bermaz Auto Philippines Inc.
Berjaya Auto Asia Inc.
B Infinite Asia Philippines Inc.
Beautiful Creation Holdings Inc.
Cosway Philippines Inc.
Go.Life International Holdings Inc.
GK International Holdings Inc.
MOL AccessPortal Inc.
Most Pretty Lady Holdings Inc.
Sanpiro Realty & Development Corporation
Ssangyong Berjaya Motor Corporation
One Qualityways Phils. Inc.
Uniwiz Trade Sales Inc.
VST-ECS Philippines Inc.
Swift Foods, Inc.

Corporate Secretary:
Olsen's Food Corporation
Automation Specialists & Power Exponents Inc.
Juillet Trading Corporation
Ultasaurus Philippine Trading Inc.
Neptune Holdings Inc.

Noblesse Holdings Inc.
Perdana Hotel Philippines Inc.
Perdana Land Philippines Inc.
B Infinite Asia Philippines Inc.
Discovery Centre Condominium Corporation

Chairman and President:
Roadster Car Imports, Inc.
Save the Sea Philippines Inc.

President:
Deux Mille Trading Corporation
Silver Giggling Buddha Trading Inc.

Director and Assistant Corporate Secretary:
Floridablanca Enviro Corporation

Member since October 2012:
American Academy of Project Management

Certified Compliance Officer since 27 July 2021

Member:
Integrated Bar of the Philippines

Administrative Partner:
Bernas Law Offices

There are no family relationships between and among the directors and officers of the Corporation, except for the Corporate Secretary Jose A. Bernas and the Assistant Corporate Secretary Marie Lourdes T. Sia-Bernas who are married to each other; and director Jimmy S. Soo who is a brother of Paulino S. Soo, the President of the Corporation's affiliate Philippine Gaming Management Corporation.

There is no person who is not an officer who is expected by the Corporation to make a significant contribution to the business. Neither is there an arrangement that may result in the change in control of the Corporation.

None of the current directors and officers work in government.

The persons nominated by the Nomination Committee to serve as regular directors to replace Messrs. Wong Ee Coln and Seow Swee Pin who have informed the Board that they are no longer interested in being re-nominated as directors for the current year are Ms. Tan Sheik Ping "Nerine" and Derek Chin Chee Seng.

"Nerine" Tan Sheik Ping (Malaysian)	45	Chief Executive Officer & Executive Director: Berjaya Sports Toto Bhd. Board Member: Berjaya Corporation Berhad Berjaya Group Bhd. Non-Independent Executive Director Berjaya Land Bhd. Former Vice President - Marketing Berjaya Hotels & Resorts (M) Sdn. Bhd. Berjaya Resort Management Sdn. Bhd. Former Manager- Business Development Cosway (M) Sdn. Bhd.

		Degree in Management London School of Economics & Political Science
Derek Chin Chee Seng (Malaysian)	64	Executive Director Berjaya Sports Toto Berhad Berjaya Group Berhad Asia Inc. Chief Legal Officer Berjaya Corporation Berhad Qualified as Barrister-at-Law in U.K. Advocate and Solicitor in Malaysia Allen & Gledhill, Kuala Lumpur (1983-1989) Corporate & Commercial Law Practice (1990 to date) Berjaya Corporation Group of Companies Business Law Degree London Guildhall University U.K.

Involvement in legal proceedings of directors

None of the directors are involved in any bankruptcy petition, have been convicted by final judgment or are subject to any court order, judgment or decree, including the violation of a securities or commodities law during the past five (5) years up to the filing of this report.

The Corporation is not involved in any bankruptcy petition, or in any litigation during the past five (5) years up to the filing of this report.

Directors and Executive Officers as a Group

As of 27 October 2021 :

(1) Title of Class	(2) Name of Record/ Beneficial Owner	(3) Amount and Nature of Record/ Beneficial Ownership	(4) Percentage Held
common shares	Directors and Executive Officers As a Group	898	0.001 %
	T o t a l :	898	0.001 %

Certain Relationships and Related Transactions

There has been no material related transactions during the past two years, nor is any material transaction presently proposed, to which any director, executive officer of the Corporation or security holder of more than five percent (5%) of the Corporation's voting securities, any relative or spouse of any director or executive officer or owner of more than five percent (5%) of the Corporation's voting securities had or is to have direct or indirect material interest.

Seventy Four point Twenty Percent (74.20%) of the equity of the Corporation is owned by Berjaya Lottery Management (H.K.) Limited. Berjaya Lottery Management (H.K.) Limited is one hundred percent (100%) owned by Berjaya Sports Toto (Cayman) Ltd. who is in turn one hundred percent (100%) owned by Magna Mahsuri Sdn Bhd.

No voting trusts or change in control arrangements are recorded in the books of the Corporation.

Compensation of Directors and Executive Officers

The members of the Board of Directors of the Corporation are entitled to reasonable per diem for actual attendance of any regular or special meeting of the Board of Directors. The directors as a group, were paid Three Million Two Hundred Thousand Pesos (₱ 3,200,000.00) divided equally, in financial year ended 30 June 2021. No salary, bonuses or other compensation has been stipulated or paid to Executive officers for acting as such.

There is no need to disclose a summary compensation table because the Issuer does not have employees and does not pay out salaries. There are no standard agreements for the compensation of directors and the top executive officers as there are no salaries paid. The officers are either directors who receive only their reasonable per diems issued to all directors or are engaged by the corporation on a professional basis like the law firm of the corporate secretary and assistant corporate secretary who are not employees of the Corporation.

There are no warrants or options re-pricing or employment contracts entered into by the Corporation, nor any termination of employment and change in the control arrangement between the Corporation and the executive officers.

Material Pending Legal Proceedings

There is no pending litigation in which the directors are involved either directly or indirectly in the past five years. Neither has the Corporation filed a petition for bankruptcy, been subject to any order, judgment or decree or convicted by final judgment.

There is no material pending legal proceeding to which the Corporation is a party to up to the time of the preparation of this report that undersigned is aware of.

Violation of a Securities or Commodities Law

To its knowledge, the Corporation is not in violation of a Securities or Commodities Law.

Independent Public Accountants

For professional services rendered on the audit of the financial statements of the Corporation and its subsidiaries, Punongbayan & Araullo was paid the amounts of Php175,000.00 for its audit on the Corporation, Php 200,000.00 for its audit on Perdana Hotel Philippines Inc. (PHPI), and Php 60,000.00 for Floridablanca Enviro Corporation (FEC) for the fiscal year ending 30 June 2021.

For financial year ended 30 April 2020, the amount of Php165,000.00 was paid for its audit on the Corporation, Php200,000.00 for its audit on Perdana Hotel Philippines Inc. (PHPI), and Php20,000.00 for Floridablanca Enviro Corporation (FEC). For the then new fiscal year ended 30 June 2020, the amount of Php 110,000.00 was paid for its audit on the Corporation, Php81,000.00 and Php7,200.00 for its audit on PHPI and FEC. For financial year ending 2019, the amount of Php 165,000.00 was paid for its audit on the Corporation, Php 425,000.00 and Php190,000.00 for its audit on PGMC and PHPI.

There are no other services other than the audit and review of the Corporation's financial statements rendered by the external auditor for tax accounting, compliance, advice, planning and other form of tax services.

The election, approval or ratification of the registrant's public accountant shall be discussed during the Annual Meeting on 23 November 2021. Punongbayan & Araullo, which is the principal accountant for the previous fiscal year ending 30 June 2021, was selected during the Annual Meeting held on 9 November 2020 and will be recommended for re-appointment this 23 November 2021 during the annual stockholders' meeting.

Representatives of Punongbayan & Araullo are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and they are expected to be available to respond to appropriate questions.

As a matter of procedure, Punongbayan & Araullo submits the corporation's Audited Financial Statements to the Audit Committee, which in turn submits the same Audited Financial Statements to the Board of Directors for approval.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in or disagreements with accountants on accounting and financial disclosure.

The partner at Punongbayan & Araullo assigned to the Issuer is changed or rotated in compliance with SRC Rule 68 (3) (b) (iv).

Recent Sales of Unregistered or Exempt Securities

There is no sale of unregistered or exempt securities including recent issuance of securities constituting an exempt transaction.

Audit Committee

The members of the Audit Committee are as follows:

Chairman	-	Atty. Casey M. Barleta
Member	-	Dean Poncevic M. Ceballos
Member	-	Mr. Seow Swee Pin

Nomination Committee

The members of the Nomination Committee are as follows:

Chairman	-	Mr. Tan Eng Hwa
Member	-	Atty. Casey M. Barleta
Member	-	Mr. Seow Swee Pin

Compensation Plans

There are no compensation plans.

Amendments of Charter, By-Laws and Other Documents

There are no proposed amendments in the Articles of Incorporation or By-Laws of the Corporation.

OTHER MATTERS

There are no material matters that need approval by the stockholders in the stockholders' meeting. There are no reports nor minutes to be submitted for stockholder approval.

Plans to Improve Corporate Governance of the Corporation

The Corporation will continue monitoring compliance with its *Manual on Corporate Governance* to ensure full compliance thereto.

The Corporation shall implement its corporate governance rules in accordance with the Revised Code of Corporate Governance under SEC Memorandum Circular No. 06-2009. The Revised Manual on Corporate Governance is available for inspection by and shareholder at reasonable hours on business days.

Previous Meeting held in 2020

All the directors attended the Annual Stockholders Meeting held on 9 November 2020 by zoom. Five out of the seven director, including the President, who presided at the meeting, the Treasurer, Corporate Secretary, and Assistant Corporate Secretary were in the City of Makati, where the principal office of the Corporation is located.

The Agenda and voting last year is similar to the Agenda for this year. No amendments or ratifications for amendments were sought from stockholders.

Voting was by ballot. There were at least 88.26% of the stockholders in attendance. The presence of the representatives of the two major stockholders of the Corporation, namely Berjaya Lottery Management (H.K.) Ltd and Berjaya Sports Toto (Cayman) Limited are more than sufficient to constitute quorum, holding 74.20% and 14.06% percent equity of the Corporation respectively. There were twelve minority shareholders who attended and cast their votes, in addition to the directors who are also stockholders.

Last year's tabulation of votes is reproduced below, as follows:

Particulars	For	Against	Abstain or Absent
1. Approval of the Minutes of the Annual Meeting of The Stockholders held on 8 October 2019.	3,863,739,887		477,540,885
2. Ratification of the Acts of the Board for the Fiscal year ended 30 June 2020.	3,863,739,887		477,540,885
3. Election of Directors			
Seow Swee Pin	3,863,739,887		477,540,885
Wong Ee Coln	3,863,739,887		477,540,885
Dr. George T. Yang	3,863,739,887		477,540,885
Casey M. Barleta	3,863,739,887		477,540,885
Dean Poncevic M. Ceballos	3,863,739,887		477,540,885
Jimmy S. Soo	3,863,739,887		477,540,885
Tan Eng Hwa	3,863,739,887		477,540,885
4. Appointment of Punongbayan & Araullo as External Auditors	3,863,739,707	180	477,540,885

Voting Procedures

The election of the Board of Directors, as well as the appointment of the external auditors shall be decided by the plurality vote of stockholders present in person and entitled to vote thereat by cumulative voting, provided that quorum is present.

The vote of at least two-thirds of the stockholders representing the outstanding capital stock of the Corporation will be required in order to amend the Corporation's Articles of Incorporation or By-Laws. However, neither the Articles of Incorporation nor By-Laws will be amended.

Voting shall be by ballot. Each ballot shall be signed by the stockholder voting, and shall be sent by email to : BCOR Corporate Secretary corpsec@bernaslaw.com when the stockholder signifies its intention to join or attend the meeting.

Voting shall be by ballot. Each ballot shall be signed by the stockholder voting, and shall state the number of shares voted by him. The votes will be counted manually and will be supervised by the transfer agent.

The Quarterly Report under SEC Form 17-Q for the quarter ended 31 March 2021, and the Annual Report under SEC Form 17-A for the year ended 30 June 2021 shall be available without charge to stockholders requesting for a copy.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Issuer has duly caused this report to be signed on its behalf by the undersigned hereunto authorized.

BERJAYA PHILIPPINES INC.

By: **MARIE LOURDES T. SIA-BERNAS**
Assistant Corporate Secretary
2 November 2021

M A N A G E M E N T   R E P O R T

Dear Stockholders,

Business

Berjaya Philippines, Inc. (“the Corporation”) was incorporated on 12 November 1924 as Central Azucarera de Pilar mainly for the purpose of production of sugar. It subsequently changed its primary purpose to a holding corporation and changed its name to Prime Gaming Philippines, Inc. (PGPI) in 1998 and to Berjaya Philippines in 2010.

In 1998, the Corporation completed the acquisition of its subsidiary corporation, Philippine Gaming Management Corporation (“PGMC”), whose principal activity is the leasing of on-line lottery equipment and providing software support to the Philippine Charity Sweepstakes Office (“PCSO”). 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%.

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. In 2017, the Corporation’s equity interest in BAPI was diluted from thirty five percent (35%) to twenty five point forty eight percent (25.48%) when the Corporation agreed to take in more investors. In 2018, the Corporation made additional investment in BAPI which resulted to the increase in its effective ownership interest over BAPI 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. At present, CPI has not yet started its commercial operations. The Corporation’s equity or interest in CPI is equivalent to forty percent (40%).

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

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

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

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

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

In April 2018, the Corporation acquired 100% ownership to eDoc Holdings (“eDoc”) from its subsidiary H.R. Owen with the assumption of the eDoc’s outstanding liability. eDoc Holdings was incorporated on July 25, 2017 and is registered to engaged as a holding company in London.

As of 30 June 2021, the Corporation does not have employees. Its subsidiaries, PHPI, Floridablanca Enviro Corporation (“FEC”) and H.R. Owen have sixty four (64), seven (7), and four hundred nine (409) employees, respectively. The Corporation does not anticipate any substantial increase in the number of its employees within the ensuing twelve (12) months. There are no supplemental benefits or incentive arrangements the subsidiaries have or will have with its employees.

In September 2021, PGMC acquired 49% of Pinoylotto Technologies Corp, a corporation which was awarded by the Philippine Charity Sweepstakes Office’s (PCSO) Procurement of Five (5) Years Lease of the Customized PCSO Lottery System, also known as the ‘2021 PLS Project’ under SBAC Contract No. 2021-1.

Financial Statements

The Audited Financial Statements of the Corporation as of 30 June 2021 is attached.

Disagreements with Accountants on Accounting and Financial Disclosures

There are no disagreements with the accountants on accounting and financial disclosures. There has been no resignation or dismissal of accountants over the past two year period.

Management's Discussion and Analysis of Financial Conditions and Results of Operations

The Corporation's principal activity is investment holding. Prior to divesting most of its shares in Philippine Gaming Management Corporation (PGMC), it had since 1998 and through PGMC, operated the business of leasing online lottery equipment and providing software support in the Luzon Region to the Philippine Charity Sweepstakes Office (PCSO),a Philippine government agency responsible for lotteries and sweepstakes;100% equity interest in H.R. Owen Plc. (HR Owen),a luxury motor retailer, which operates a number of vehicle dealerships in the prestige and specialist car market for both sales and aftersales, predominantly in London, UK; and the wholly-owned Perdana Hotel Philippines Inc. (PHPI) which operates Berjaya Makati Hotel in Makati City, Metro Manila.

<u>June 2021 Compared to June 2020</u>

<u>Results of Operations</u>

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱29.47 billion for the year ended 30 June 2021, an increase of ₱4.41 billion (17.6%) over total revenues of ₱25.06 billion in the previous financial year. The increase was primarily due to a higher revenue contribution from H.R. Owen in the financial year under review upon conversion into Philippine Peso.

PHPI which operates Berjaya Makati Hotel in Makati City recorded a decrease in revenue of ₱111.56 million compared to ₱130.98 million in the previous financial year. The decrease of ₱19.43 million (14.8%) in revenue was mainly due to the decrease in room occupancy level compared to the previous financial year.

HR Owen recorded a revenue of ₱29.36 billion in the financial year under review compared to ₱24.93 billion in the previous financial year. The increase of ₱4.43 billion (17.8%), was mainly due to an increase in units sold for new and pre-owned vehicles across various franchises.

The Group's total cost and operating expenses for the year ended 30 June 2021 increased by ₱3.60 billion (14.4%), from ₱25.10 billion to ₱28.71 billion for the same period in 2020. The increase is attributed to the following: (1) cost of vehicles sold increased by ₱2.84 billion (14.5%), (2) body shop repairs and parts increased by ₱1.27 billion (76.3%), (3) depreciation expense increased by ₱26.36 million (5.0%), (4) impairment losses increased by ₱25.86 million (178.02%), (5) professional fees increased by ₱13.97 million (20.1%). These increases were offset by the following decrease of expenses: (1) salaries and employee benefits decreased by P90.97 million (5.4%), (2) advertising and promotions decreased by P301.15 million (32.3%), (3) communication, light and water decreased by P14.45 million (17.7%), (4) taxes and licenses decreased by ₱96.52 million (68.2%), (5) transportation and travel expenses decreased by ₱37.76 million (55.3%), (6) rental expense decreased by ₱17.48 million (50.6%), and (7) representation and entertainment decreased by ₱5.94 million (57.8%).

Other Income (Loss) – net of other charges amounted to P20.76 million for the financial year 30 June 2021, a decrease of P216.39 million (110.6%) from P195.62 million in the same period in 2020. This decrease in income was mainly due to equity share in net loss of associates.

The Group's net income increased by P476.43 million (759.6%) to P539.16 million in financial year 2021 from P62.72 million in financial year 2020 under review.

Financial Position

Total assets of the Group decreased by P713.18 million (3.5%) to P19.74 billion as of 30 June 2021, from P20.45 billion as of 30 June 2020.

Trade and other receivables (net) increased by P833.54 million (73.4%) to P1.97 billion in 2021 compared to P1.14 billion in 2020, mainly due to increase in deposit placement with accrued interest.

Financial assets at fair value through profit or loss increased by P3.76 million (104.2%) to P7.37 million in 2021 compared to P3.61 million in 2020 due to conversions made during the year.

Inventories (net) decreased by P1.32 billion (27.5%) to P3.48 billion in 2021 compared to P4.81 billion in 2020.

Advances to associates increased by P64.84 million (3.2%) to P2.07 billion in 2021 compared to P2.01 billion in 2020 due to additional advances made and accrued interest during the year.

Prepayments and other current assets increased by P56.56 million (7.1%) to P855.94 million in 2021 compared to P799.37 million in 2020, mainly due to increase in VAT recoverable from H.R. Owen.

Financial assets at fair value through other comprehensive income decreased by P186.81 million (14.8%) to P1.07 billion in 2021 compared to P1.26 billion in 2020 due to disposals and fair value losses during the year.

Right of use assets (net) decreased by P97.31 million (3.2%) to P2.90 billion in 2021 compared to P3.00 billion in 2020. This is due to amortizations during the year.

Property and equipment (net) increased by P1.52 billion (71.3%) to P3.66 billion in 2021 compared to P2.14 billion in 2020, mainly due to additions made during the year.

Investment property increased by P10.85 million (9.6%) to P124.34 million in 2021 compared to P113.48 million in 2020, mainly due to translation adjustment of H.R. Owen property.

Investments in associates decreased by P152.17 million (11.5%) to P1.17 billion in 2021 compared to P1.32 billion in 2020 mainly due to impairment recognition and equity share in net losses.

Intangible assets increased by P127.92 million (9.3%) to P1.51 billion in 2021 compared to P1.38 billion in 2020, primarily due to the translation adjustment of H.R. Owen's intangible assets.

Deferred tax assets decreased by P.14 million (.2%) to P82.37 million in 2021 compared to P82.51 million in 2020.

Meanwhile, other non-current assets decreased by P943.46 million (99.2%) to P7.45 million in 2021 compared to P950.90 million in 2020 due to reclassification to capitalized asset.

Assets held for sale of P87.91 million pertain to the disposal of freehold land of H.R. Owen which has been agreed with potential buyer.

Total liabilities of the Group decreased by P1.66 billion (13.2%) to P10.87 billion as of 30 June 2021, from P12.53 billion as of 30 June 2020 mainly due to decrease in loans payable and borrowings.

Trade and other payables (current) increased by ₱126.30 million (6.7%) to ₱2.02 billion in 2021 compared to ₱1.89 billion in 2020, mainly due to an increase in trade and other payables.

Loans payable and borrowings (current) decreased by ₱2.19 billion (46.1%) to ₱2.56 billion in 2021 compared to ₱4.75 billion in 2020, mainly due to an decrease in vehicle stocking loans and as well as bank loans.

Lease Liabilities (current) decreased by P1.55 million (0.5%) to P.29 million in 2021 compared to P.29 million in 2020 mainly due to translation adjustment.

Contract Liabilities decreased ₱82.09 million (4%) to ₱1.98 billion in 2021 compared to ₱2.06 billion in 2020 due to an decrease of advance payments received from customers.

Advances from related parties decreased by P414.91 million (61.53%) to P259.39 million in 2021 compared to P674.30 million in 2020 due to reclassification to non-current portion.

Lease Liabilities (non-current) decreased by P96.97 million (3.5%) to P2.68 billion in 2021 compared to P2.78 billion in 2020 mainly due to translation adjustment.

Loans payable and borrowings (non-current) increased by P349.49 million (100.0%) to P349.49 million in 2021 compared to P0 in 2020.

Deferred tax liabilities increased by P84.96 million (218.0%) to P123.92 million in 2021 compared to P38.96 million in 2020.

Post-employment benefit obligation decreased by P19.20 million (73.0%) to P7.10 million in 2021 compared to P26.30 million in 2020.

Trade and other payables (non-current) decreased by ₽15.34 million (100%) to ₽0 million in 2021 compared to ₽15.34 million in 2020.

The total stockholders' equity of the Group increased by ₽945.77 million (11.9%) to ₽8.87 billion as of 30 June 2021, from ₽7.92 billion as of 30 June 2020 under review. The net increase in total equity resulted from high net income as well as translation adjustment during the year.

Key Performance Indicators

The top five key performance indicators (KPIs) of the Group are: (1) to ensure the prompt collection of receivables from the customers, (2) review the annual budget to monitor and explain any material variances above 10% in the overall operating results, (3) scrutinize and monitor all the controllable budgeted expenses and analyze any material variances above 10%, (4) review all capital expenditures in compliance with the approved budget, and (5) to manage the timely placements of surplus funds to ensure the highest possible bank interest income in view of the appropriate tolerable risks.

	30 Jun 2021	30 Jun 2020
Liquidity Ratio - Current ratio	1.27 : 1.00	1.07 : 1.00
Leverage Ratio - Debt to Equity	1:23 : 1.00	1.58 : 1.00
Activity Ratio - Annualized PPE Turnover	8.05 times	11.73 times
Profitability Ratios		
Return on Equity	6.08%	0.79%
Return on Assets	2.73%	0.31%

The Corporation uses the following computations in obtaining key indicators:

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

June 2020 Compared to June 2019

Results of Operations

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱25.06 billion for the year ended 30 June 2020, a decrease of ₱6.57 billion (20.8%) over total revenues of ₱31.64 billion in the previous financial year. The decrease was primarily due to a lower revenue contribution from H.R. Owen in the financial year under review upon conversion into Philippine Peso.

PHPI which operates Berjaya Makati Hotel in Makati City recorded increased in revenue of ₱130.98 million compared to ₱126.34 million in the previous financial year. The decrease of ₱4.64 million (3.7%) in revenue was mainly due to increase in room occupancy level compared to the previous financial year.

HR Owen recorded revenue of ₱24.93 billion in the financial year under review compared to ₱30.30 billion in the previous financial year, the decrease of ₱5.39 billion (29.7%), was mainly due to decrease in the number of new models sold across various franchises.

PGMC ceased to be a subsidiary of BPI on 3 July 2019 and was reclassified as an associated company after BPI's ownership over PGMC was reduced to 40%.

The Group's total cost and operating expenses for the year ended 30 June 2020 decreased by ₱6.17 billion (19.7%) to ₱25.10 billion from ₱31.27 billion for the same period in 2019. The decrease is attributed to the following: (1) cost of vehicles sold decreased by ₱4.0 billion (17.0%), (2)salaries and employee benefits decreased by ₱305.97 million (15.4%),(3) body shop repairs and parts decreased by ₱380.40 million (18.65%), (4) taxes and licenses decreased by ₱36.83 million (20.7%), (5) communication, light and water decreased by ₱18.23 million (18.2%), (6) professional fees decreased by ₱167.63 million (70.6%), (7) transportation and travel expenses decreased by ₱27.08 million (28.4%), (8) rental expense decreased by ₱343.33 million (90.9%), (9) representation and entertainment decreased by ₱37.64 million (78.5%), (10) food and beverage decreased by ₱1.67 million (14.6%), (11) maintenance of computer equipment decreased by ₱172.95 million (100%), (12) telecommunication decreased by ₱110.37 million (100%), (13) charitable contribution decreased by ₱7.49 million (100.0%), and (14) other general and administrative expenses decreased by ₱849.95 million (40.3%). These decreases were offset by the following increase of expenses: (1) depreciation expense increased by ₱291.85 million (123.3%).

Other Income – net of other charges amounted to ₱195.62 million for the financial year 30 June 2019, an increase of ₱ 174.72 million (835.9%) from ₱20.90 million in the same period in 2019. This increase in income was mainly due to gain on sale of investment property.

The Group's net income decreased by ₱50.67 million (44.7%) to ₱62.72 million in financial year 2020 from ₱113.39 million in financial year 2019 under review.

Financial Position

Total assets of the Group increased by ₱3.53 billion (20.9%) to ₱20.45 billion as of 30 June 2020, from ₱16.92 billion as of 30 June 2019.

Trade and other receivables (net) increased by ₱299.73 million (20.9%) to ₱1.43 billion in 2020 compared to ₱1.44 billion in 2019, mainly due to increase in trade receivables and advances to stockholders.

Financial assets at fair value through profit or loss decreases by ₱72.08 million (95.2%) to ₱3.61 million in 2020 compared to ₱75.69 million in 2019 due to conversions made during the year.

Inventories (net) decreased by ₱721.37 million (13.0%) to ₱4.81 billion in 2020 compared to ₱5.53 billion in 2019.

Advances to associates increased by ₱242.40 million (13.7%) to ₱2.01 billion in 2020 compared to ₱1.76 billion in 2019 due to additional advances made during the year.

Prepayments and other current assets increased by ₱347.20 million (56.7%) to ₱959.51 million in 2020 compared to ₱612.31 million in 2020, mainly due to increase in VAT recoverable from H.R. Owen.

Financial assets at fair value through other comprehensive income decreases by ₱342.50 million (21.4%) to ₱1.26 billion in 2020 compared to ₱1.60 billion in 2019 due to disposals and fair value losses during the year.

Right of use assets (net) increased by ₱3.00 billion (100%) to ₱3.00 billion in 2020 compared to ₱0 million in 2019. This is due to adoption of the new standard.

Property and equipment (net) increased by ₱491.86 million (29.9%) to ₱2.14 billion in 2020 compared to ₱1.64 billion in 2019, mainly due to additions made during the year.

Investment property decreased by ₱6.97 million (5.8%) to ₱113.48 million in 2020 compared to ₱120.46 million in 2019, mainly due to translation adjustment of H.R. Owen property.

Investments in associates increased by ₱497.68 million (60.4%) to ₱1.32 billion in 2020 compared to ₱824.17 million in 2019 mainly due to disposal of previously subsidiary company, PGMC, making it as part of investment in associates.

Intangible assets decreased by ₱88.58 million (6%) to ₱1.38 billion in 2020 compared to ₱1.47 billion in 2019, primarily due to the translation adjustment of H.R. Owen's intangible assets.

Deferred tax assets decreased by ₱32.93 million (100.0%) to ₱0 million in 2020 compared to ₱103.49 million in 2019.

Meanwhile, other non-current assets increased by ₱789.12 million (47934.4%) to ₱790.76 million in 2020 compared to ₱1.65 million in 2018 mainly due to advance payment for acquisition of property.

Total liabilities of the Group increased by ₱3.98 billion (46.6%) to ₱12.54 billion as of 30 June 2020, from ₱8.55 billion as of 30 June 2019 mainly due to increase in loans payable and borrowings and recognition of lease liability for the adoption of new standard..

Trade and other payables (current) decreased by ₱549.32 million (22.5%) to ₱1.89 billion in 2020 compared to ₱2.44 billion in 2019, mainly due to a decrease in trade payables and advances from customers.

Loans payable and borrowings (current) increased by ₱972.59 million (25.7%) to ₱4.75 billion in 2020 compared to ₱3.78 billion in 2019, mainly due to an increase in vehicle stocking loans and as well as bank loans.

Contract Liabilities increased ₱151.86 million (8%) to ₱2.06 billion in 2020 compared to ₱1.91 billion in 2019 due to an increase of advance payments received from customers.

Trade and other payables (non-current) decreased by ₱.94 million (5.8%) to ₱15.34 million in 2020 compared to ₱16.28 million in 2019, due to translation adjustment.

Loans payable and borrowings (non-current) decreased by ₱195.74 million (100.0%) to ₱0 in 2020 compared to ₱195.74 million in 2019 due to classification of this as current because its maturity is less than one year.

Deferred tax liabilities decreased by ₱14.70 million (27.4%) to ₱38.96 million in 2020 compared to ₱53.67 million in 2019.

Post-employment benefit obligation increased by ₱21.20 million (415.6%) to ₱26.30 million in 2020 compared to ₱5.10 million in 2019.

The total stockholders' equity of the Group decreased by ₱440.06 million (5.3%) to ₱7.92 billion as of 30 June 2020, from ₱8.36 billion as of 30 June 2019 under review. The net decrease in total equity resulted from low net income as well as translation adjustment during the year.

Key Performance Indicators

The top five key performance indicators (KPIs) of the Group are: (1) to ensure the prompt collection of receivables from the customers, (2) review the annual budget to monitor and explain any material variances above 10% in the overall operating results, (3) scrutinize and monitor all the controllable budgeted expenses and analyze any material variances above 10%, (4) review all capital expenditures in compliance with the approved budget, and (5) to manage the timely placements of surplus funds to ensure the highest possible bank interest income in view of the appropriate tolerable risks.

	30 Jun 2020	30 Jun 2019
Liquidity Ratio - Current ratio	1.07 : 1.00	1.29 : 1.00
Leverage Ratio - Debt to Equity	1:58 : 1.00	1.02 : 1.00
Activity Ratio - Annualized PPE Turnover	11.73 times	19.24 times
Profitability Ratios		
Return on Equity	0.79%	1.36%
Return on Assets	0.31%	0.67%

The Corporation uses the following computations in obtaining key indicators:

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

<u>2019 Compared to 2018</u>

<u>Results of Operations</u>

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₽32.46 billion for the year ended 30 June 2019, an increase of ₽1.6 billion (5.3%) over total revenues of ₽30.83 billion in the previous financial year. The increase was primarily due to a higher revenue contribution from H.R. Owen in the financial year under review upon conversion into Philippine Peso.

PGMC recorded revenue of ₱1.31 billion, a decrease of ₱329.42 million (20.1%) from ₱1.64 billion in the previous financial year mainly due to lower lottery ticket sales as well as the lower lease income rate applied for this financial year.

PHPI which operates Berjaya Makati Hotel in Makati City recorded increased in revenue of ₱130.37 million compared to ₱129.36 million in the previous financial year. The increase of ₱1.0 million (0.8%) in revenue was mainly due to slight increase in room occupancy level compared to the previous financial year.

HR Owen recorded revenue of ₱31.02 billion in the financial year under review compared to ₱29.05 billion in the previous financial year, the increase of ₱2.2 billion (7.7%), was mainly due to increase in the number of new models sold across various franchises.

The Group's total cost and operating expenses for the year ended 30 June 2019 increased by ₱1.53 billion (5.2%) to ₱31.19billion from ₱29.66billion for the same period in 2018. The increase is attributed to the following: (1) cost of vehicles sold increased by ₱1.74 billion (7.8%) (2) rental expense increased by ₱18.53million (5.2%), (3) maintenance of computer equipment increased by ₱22.21 million (16.7%), (4) communication, light and water increased by ₱6.82 million (6.9%), (5) representation and entertainment increased by ₱5.85 million (15.3%) and (6) other general and administrative expenses increased by ₱88.79 million (6.5%). These increases were offset by the following decreases of expenses: (1) body shop repairs and parts decreased by ₱155.90 million (6.6%), (2) salaries and employee benefits decreased by ₱63.31 million (3.3%), (3) depreciation expense decreased by ₱22.86million (8.5%), (4) professional fees decreased by ₱65.28million (21.3%), (5) taxes and licenses decreased by ₱5.38 million (3.0%), (6) telecommunication decreased by ₱24.57 million (19.2%), (7) transportation and travel expenses decreased by ₱7.33 million (8.8%), (8) charitable contribution decreased by ₱6.88 million (31.3%), and (9) food and beverage decreased by ₱1.43 million (10.8%).

Other Charges – net of other income amounted to ₱104.92 million for the financial year 30 June 2019, an increase of ₱46.18 million (78.6%) from ₱58.73 million in the same period in 2018. This increase in loss was mainly due to decrease in finance income as well as equity share in net loss on income of associated companies.

The Group's net income increased by ₱39.0 million (5.0%) to ₱835.86 million in financial year 2019 from ₱796.36 million in financial year 2018 under review.

<u>Financial Position</u>

Total assets of the Group increased by ₱103.28 million (0.6%) to ₱17.60 billion as of 30 June 2019, from ₱17.50 billion as of 30 June 2018.

Trade and other receivables (net) decreased by ₱1.09 million (41.74%) to ₱1.53 billion in 2019 compared to ₱2.62 billion in 2018, mainly due to decrease in deposits.

Financial assets at fair value through profit or loss of ₱63.57 million comprise of listed debt securities which are irredeemable convertible unsecured loan stocks. These securities were previously classified as Available-for-sale financial assets of ₱63.57 million prior to the adoption of PFRS 9.

Inventories (net) increased by ₱744.33 million (14.7%) to ₱5.81 billion in 2019 compared to ₱5.06 billion in 2018, mainly due to vehicle stocks for new model of H.R. Owen.

Advances to associates increased by ₱282.20 million (18.6%) to ₱1.80 billion in 2019 compared to ₱1.51 billion in 2018.

Prepayments and other current assets increased by ₱83.22 million (15.0%) to ₱639.06 million in 2019 compared to ₱555.84 million in 2018, mainly due to increase in prepaid expenses from H.R. Owen.

Financial assets at fair value through other comprehensive income of ₱1.63 million were previously classified as Available-for-sale financial assets of ₱1.12 million prior to the adoption of PFRS 9.

Property and equipment (net) decreased by ₱189.61 million (10.7%) to ₱1.58 billion in 2019 compared to ₱1.77 billion in 2018, mainly due to depreciation and amortization for the year.

Investment property decreased by ₱57.33 (12.5%) to ₱402.83 million in 2019 compared to ₱460.17 million in 2018, mainly due to translation adjustment.

Investments in associates decreased by ₱80.85 million (8.3%) to ₱897.59million in 2019 compared to ₱978.44million in 2018 mainly due to equity loss on income from associates.

Intangible assets increased by ₱97.82 million (4.9%) to ₱1.88 billion in 2019 compared to ₱1.98 billion in 2018, primarily due to the translation adjustment of H.R. Owen's intangible assets.

Deferred tax assets increased by ₱4.03 million (3.6%) to ₱117.58 million in 2019 compared to ₱113.54 million in 2018.

Meanwhile, other non-current assets increased by ₱0.85 million (26.3%) to ₱4.07 million in 2019 compared to ₱3.22 million in 2018.

Total liabilities of the Group decreased by ₱424.34 billion (4.7%) to ₱8.57 billion as of 30 April 2019, from ₱8.99 billion as of 30 April 2018 mainly due to decrease in loans payable and borrowings.

Trade and other payables (current) decreased by ₱152.53 million (3.8%) to ₱3.88 billion in 2019 compared to ₱4.03 billion in 2018, mainly due to a decrease in trade payables, advances from customers.

Loans payable and borrowings (current) decreased by ₱475.20 million (11.0%) to ₱3.82 billion in 2019 compared to ₱4.30 billion in 2018, mainly due to a decrease in vehicle stocking loans.

Contract Liabilities (current) which is recognized from advance payments received from customers in 2019 amounting to P445.85million.

Income Tax Payable decreased by ₱77.02 million (76.0%) to ₱24.38 million in 2019 compared to ₱101.40 million in 2018.

Trade and other payables (non-current) decreased by ₱1.04 million (5.8%) to ₱16.85 billion in 2019 compared to ₱17.89 billion in 2018, due to translation adjustment.

Loans payable and borrowings (non-current) decreased by ₱172.48 million (43.0%) to ₱228.19 million in 2019 compared to ₱400.67 million in 2018 due to settlement of bank loans.

Deferred tax liabilities decreased by ₱5.05 million (8.1%) to ₱57.20 million in 2019 compared to ₱62.24 million in 2018.

Post-employment benefit obligation increased by ₱7.73 million (33.1%) to ₱31.10 in 2019 compared to ₱23.36 in 2018.

The total stockholders' equity of the Group increased by ₱527.61 million (6.2%) to ₱9.03 billion as of 30 June 2019, from ₱8.50 billion as of 30 June 2018 under review. The net increase in total equity resulted from ₱835.86 net income for the period offset by the ₱228.76 fair value adjustment in effect of adoption of PFRS 9.

Key Performance Indicators

The top five key performance indicators (KPIs) of the Group are: (1) to ensure the prompt collection of receivables from the customers, (2) review the annual budget to monitor and explain any material variances above 10% in the overall operating results, (3) scrutinize and monitor all the controllable budgeted expenses and analyze any material variances above 10%, (4) review all capital expenditures in compliance with the approved budget, and (5) to manage the timely placements of surplus funds to ensure the highest possible bank interest income in view of the appropriate tolerable risks.

	30 Jun 2019	30 Jun 2018
Liquidity Ratio - Current ratio	1.35 : 1.00	1.30 : 1.00
Leverage Ratio - Debt to Equity	0.95 : 1.00	1.06 : 1.00
Activity Ratio - Annualized PPE Turnover	20.56 times	17.43 times
Profitability Ratios		
Return on Equity	9.26%	9.37%
Return on Assets	4.75%	4.55%

The Corporation uses the following computations in obtaining key indicators:

Key Performance Indicator	Formula
Current Ratio	Current Assets / Current Liabilities

Debt to Equity Ratio	Total Long Term Liabilities Stockholders' Equity
PPE Turnover	Revenues Property, Plant & Equipment (Net)
Return on Equity	Net Income Equity
Return on Assets	Net Income Total Assets

Information on Independent Accountant

For professional services rendered on the audit of the financial statements of the Corporation and its subsidiaries, Punongbayan & Araullo was paid the amounts of Php 175,000.00 for its audit on the Corporation, Php 200,000.00 for its audit on Perdana Hotel Philippines Inc. (PHPI), and Php 60,000.00 for Floridablanca Enviro Corporation (FEC) for the fiscal year end of 30 June 2021.

For professional services rendered on the audit of the financial statements of the Corporation and its subsidiaries, Punongbayan & Araullo was paid the amounts of Php198,000.00 for its audit on the Corporation, Php240,000.00 for its audit on Perdana Hotel Philippines Inc. (PHPI), and Php24,000.00 for Floridablanca Enviro Corporation (FEC) for the previous fiscal year end of 30 April 2020, and the amounts of Php 132,000.00 for its audit on the Corporation, Php 97,600.00 and Php 8,600.00 for its audit on PHPI and FEC for the new fiscal year end 30 June 2020. For financial year ending 2019, the amount of Php 165,000.00 was paid for its audit on the Corporation, Php 425,000.00 and Php190,000.00 for its audit on PGMC and PHPI. This same amount was paid for financial year ended 2018.

Punongbayan & Araullo (P&A), the independent auditors of Berjaya Philippines Inc., have affixed their signature on the financial statements of Berjaya Philippines Inc. P&A issued an unqualified opinion on the consolidated financial statements. The audits were conducted in accordance with the Philippine Standards on Auditing.

As part of the audit process, Punongbayan & Araullo made specific inquiries from the Management of the Corporation and its subsidiaries and requested Management's written confirmation concerning representations contained in the financial statements and the effectiveness of the internal control structure. The responses to the inquiries, the written representations, and the results of their audit tests comprised the evidential matter relied upon in forming an opinion on the financial statements.

The income tax return (ITR), other tax returns and the publicly held financial statements (PHFS) and the information contained therein were the responsibilities of the Corporation. Punongbayan & Araullo ascertained that the income and expenses agree with the Corporation's and its subsidiaries' books of accounts.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no changes in or disagreements with accountants on accounting and financial disclosure.

The partner at Punongbayan & Araullo assigned to the Issuer is changed or rotated in compliance with SRC Rule 68 (3) (b) (iv).

Discussion on Compliance with leading practice on Corporate Governance

The Corporation's evaluation system is headed by its Chief Financial Officer Mr. Tan Eng Hwa assisted by the Assistant Corporate Secretary Ms. Marie Lourdes Sia-Bernas in determining the level of compliance of the Board of Directors with its *Manual of Corporate Governance*.

The Corporation shall implement its Corporate Governance Rules in accordance with the Revised Code of Corporate Governance under SEC Memorandum Circular No. 06-2009. The Corporation submitted its Revised *Manual on Corporate Governance* on 31 July 2014, 18 January 2010, and 30 May 2017. The Revised Manual is available for inspection by shareholders at reasonable hours on business days.

The Corporation submitted its Integrated Annual Corporate Governance Report on 30 June 2021. The Integrated Annual Corporate Governance Report is available for inspection by shareholders at reasonable hours on business days.

There is no deviation from the corporation's *Revised Manual on Corporate Governance*.

Market Price of the Company's Shares of Stock

The shares of stock of Berjaya Philippines Inc. are traded on the Philippine Stock Exchange (PSE). The high and low sales prices for certain dates commencing 16 January 2020 to 29 October 2021 are as follows:

Date	High	Low	Close
16 Jan 2020	P 3.54	P 3.27	P 3.30
17 Feb 2020	P 2.75	P 2.63	P 2.65
10 Mar 2020	P 2.21	P 2.00	P 2.19
27 Apr 2020	P 2.79	P 2.43	P 2.50
27 May 2020	P 2.07	P 2.00	P 2.07
10 Jun 2020	P 2.36	P 2.25	P 2.27
30 Jun 2020	P 2.25	P 2.08	P 2.20
27 Jul 2020	P 2.19	P 2.13	P 2.18
10 Aug 2020	P 2.95	P 2.60	P 2.95
14 Sept 2020	P 3.33	P 3.00	P 3.33
21 Sept 2020	P 3.26	P 2.98	P 3.12

06 Oct 2020	P 5.20	P 1.50	P 2.71
09 Oct 2020	P 2.79	P 2.53	P 2.69
27 Jan 2021	P 6.15	P 1.50	P 4.52
19 Feb 2021	P 6.15	P 1.50	P 4.50
31 Mar 2021	P 6.15	P 2.00	P 4.60
23 Apr 2021	P 6.15	P 2.00	P 4.75
25 May 2021	P 4.80	P 4.65	P 4.80
25 Jun 2021	P 5.70	P5.21	P 5.60
30 Jul 2021	P 5.50	P 5.50	P 5.50
31 Aug 2021	P 5.50	P 5.30	P 5.49
20 Sep 2021	P 5.72	P 5.35	P 5.69
12 Oct 2021	P 5.74	P 5.53	P 5.70
21 Oct 2021	P 5.56	P 5.40	P 5.56
27 Oct 2021	P 5.47	P 5.35	P 5.35
29 Oct 2021	P 5.75	P 5.35	P 5.59

The price as of the last trading date for this report is Five Pesos and Thirty Five Centavos (P 5.59) on 29 October 2021.

There are no restrictions or limitations on Berjaya Philippines Inc.'s ability to pay dividends on common equity. There are no such likely restrictions or limitations foreseen in the future.

Upon the written request of any stockholder, the Company will provide without charge to the requesting stockholder, a copy of the Company's annual report on SEC Form 17-A.

ALL REQUESTS MUST BE ADDRESSED TO:

JOSE A. BERNAS, Esq.
The Corporate Secretary
Berjaya Philippines Inc.
c/o Bernas Law Offices
8/F RahaSulayman Building
108 Benavidez Street, Legaspi Village, Makati City
Metro Manila, 1229

BERJAYA PHILIPPINES INC.
For and on behalf of the Board:

WONG EE COLN
President

The following document has been received:

Receiving: Salvador Baculanta
Receipt Date and Time: October 25, 2021 11:20:08 AM

Company Information

SEC Registration No.: PW00000476
Company Name: BERJAYA PHILIPPINES INC.
Industry Classification: J66940
Company Type: Stock Corporation

Document Information

Document ID: OST1102520218164646
Document Type: AFS
Document Code: AFS
Period Covered: June 30, 2021
Submission Type: Consolidated
Remarks: None

COVER SHEET
for
AUDITED FINANCIAL FINANCIAL STATEMENTS

SEC Registration Number

PRE WAR 476

COMPANY NAME

BERJAYA PHILIPPINES INC.
AND SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town)Province)*

9TH FLOOR RUFINO PACIFIC TOWER
6784 AYALA AVENUE MAKATI CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
blaw@attglobal.net	811-0668	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
144	Any day in October	JUNE 30

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
TAN ENG HWA	tanenghwa@gmail.com		

Contact Person's Address

9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City

Note 1: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

BERJAYA

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Berjaya Philippines, Inc. and Subsidiaries** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended **June 30, 2021** in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the **Berjaya Philippines, Inc. and Subsidiaries** ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the **Berjaya Philippines, Inc. and Subsidiaries** or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the **Berjaya Philippines, Inc. and Subsidiaries** financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the **Berjaya Philippines, Inc. and Subsidiaries** in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Seow Swee Pin
Chairman of the Board

Wong Ee Coln
President

Tan Eng Hwa
Treasurer

BERJAYA PHILIPPINES INC.
9/F Rufino Pacific Tower 6784 Ayala Ave., Cor. V.A. Rufino St., Makati City
Tel. No.: (632) 8811-0668 * Fax No.: (632) 8811-0538

BERJAYA

AUG 10 2021

SUBSCRIBED AND SWORN TOBEFORE ME this ______ day of __________ 2021, by the following who exhibited to me their government issued identification cards during business hours.

Name	Tax Identification No.
Seow Swee Pin	304-215-270
Wong Ee Coln	486-058-206
Tan Eng Hwa	204-172-228

Doc No. 247
Page No. 50
Book No. 3
Series of 2021

RUBEN T.M. RAMIREZ
NOTARY PUBLIC
UNTIL DEC. 31, 2021
IBP NO. 142536/01-04-2021-CY 2021
ROLL NO. 28947 / MCLE 6 3-22-19
PTR NO. 8533046/01-04-2021/APPT. M-16

BERJAYA PHILIPPINES INC.
9/F Rufino Pacific Tower 6784 Ayala Ave., Cor. V.A. Rufino St., Makati City
Tel. No.: (632) 8811-0668 * Fax No.: (632) 8811-0538

COVER SHEET
for
AUDITED FINANCIAL FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

BERJAYA PHILIPPINES INC.
AND SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town)Province)*

9TH FLOOR RUFINO PACIFIC TOWER
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FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Berjaya Philippines Inc. and Subsidiaries

June 30, 2021, 2020 and 2019

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and Stockholders
Berjaya Philippines Inc. and Subsidiaries
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

Opinion

We have audited the consolidated financial statements of Berjaya Philippines Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at June 30, 2021 and 2020, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended June 30, 2021, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended June 30, 2021 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition on Sale of Vehicles

Description of the Matter

Revenue recognition relating to the sale of vehicles amounting to P25.7 billion was significant to our audit as it accounts for 87% of total revenues of the Group. The sale of vehicle involves significant amount of transactions which directly impact the profitability of the Group. The Group recognizes revenue from sale of vehicles when the buyer has obtained control of the vehicles.

We considered revenue recognition as a key audit matter due to the inherent risk of material misstatement on revenue as it involves significant volume of transactions, requires proper observation of cut-off procedures, and directly impacts the Group's profitability.

The Group's accounting policy on revenue recognition and details of sale of vehicles are presented in Notes 2 and 20, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition on sale of vehicles included, among others, the following:

- Testing the design and operating effectiveness of the Group's processes and controls over revenue recognition, approval and documentation, including the implemented information technology general and application controls over automated systems that record the revenue transaction;

- Evaluating the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15, *Revenue from Contracts with Customers*;

- Testing the recognition and measurement of revenue on a sample basis by examining supporting vehicle dealership agreements and deal files of recorded sale transactions;

- Testing the appropriateness of revenue cut-off; and,

- Performing substantive analytical review procedures over revenues such as, but not limited to, yearly and monthly analyses of sales per brand and location based on our expectations and following up variances from our expectations; and, verifying that the underlying data used in the analyses are valid.

(b) Existence and Valuation of Vehicle Inventories

Description of the Matter

The Group holds vehicle inventories amounting to P3.5 billion, net of allowance for inventory writedown, which represents 18% of the consolidated total assets. Under Philippine Accounting Standard (PAS) 2, *Inventories*, the Group is required to measure its inventories at the lower of cost or net realizable value. The net realizable value of vehicle inventories depends on certain factors such as brand, model and parts, among others. Due to the materiality of the amount of vehicle inventories and the complexity of the process of determining its net realizable value, we considered the existence and valuation of vehicle inventories as significant to our audit.

The Group's accounting policy and details of inventories are presented in Notes 2 and 9, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the existence and valuation of vehicle inventories included, among others, the following:

On existence of vehicle inventories:

- Observing physical inventory count procedures, obtaining relevant cut-off information and copy of count control documents, and verifying inventory movements during the intervening periods between the actual count date and reporting date to further test the quantities of inventory items as of the end of the reporting period;

- Performing substantive analytical review procedures over inventory-related ratios such as, but not limited to, inventory turnover and current period's components of inventories; and, verifying that the underlying data used in the analyses are valid; and,

- Reconciling the quantity recorded to the final inventory listing on a sample basis and identifying the necessary adjustments for any significant variances noted to test the quantities of inventory items as of the reporting date.

On valuation of vehicle inventories:

- Determining the method of inventory costing and evaluating appropriateness and consistency of application on the valuation of inventories at lower of cost and net realizable value;

- Testing the recorded unit cost of a sample of inventories by examining supporting documentation to ascertain the recorded price;

- Testing the key assumptions and estimates used on the expected net realizable values of inventories and verifying the provision made for slow moving, obsolete and damaged inventories;

- Obtaining fair value information using market comparable approach which reflects recent prices for similar inventories; and,

- Evaluating the appropriateness and sufficiency of the amount of allowance for inventory write-down.

(c) Impairment Assessment of Goodwill and Dealership Rights

Description of the Matter

Under PAS 36, *Impairment of Assets*, the Group is required to annually test the amount of goodwill and intangible assets with indefinite useful life for impairment. As at June 30, 2021, goodwill and dealership rights with indefinite useful life amounted to P1.5 billion or 8% of the total consolidated assets of the Group. This annual impairment test was significant to our audit because the amounts of goodwill and dealership rights are material to the consolidated financial statements. In addition, management's impairment assessment process includes significant judgment and high estimation uncertainty, specifically in determining the value-in-use (which uses certain discount rate and cash flows projections) of the identified cash-generating units over which the carrying value of goodwill and dealership rights were allocated. The assumptions used by management are generally affected by expected future market and economic conditions.

The Group's accounting policy on impairment assessment of goodwill and dealership rights is more fully described in Note 2 to the consolidated financial statements while the disclosures of the carrying amount of goodwill and dealership rights and the value-in-use of the cash-generating units to which the intangible assets were allocated are presented in Note 14.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to goodwill and dealership rights with indefinite useful life included, among others, the following:

- Evaluating the appropriateness and reasonableness of assumptions and methodology used in determining the value-in-use of cash-generating units attributable to goodwill and dealership rights, which include the discount rate, growth rate and cash flow projections, by comparing them to external and historical data, through engagement of the valuation specialists;

- Testing the calculations produced by the valuation model for mathematical accuracy and for appropriateness and reliability of inputs and amounts used; and,

- Performing sensitivity analysis on the calculation to determine whether a reasonably possible change in assumptions could cause the carrying amount of the cash-generating units to exceed the recoverable amount.

(d) Conduct of Audit Remotely

Description of the Matter

As disclosed in Note 1 of the consolidated financial statements, the Group has been significantly exposed to the risks brought about by COVID-19, which has rapidly spread worldwide and caused governments across the world to implement community quarantine and social distancing measures and restrictions. This prompted management and the audit team to conduct a significant portion of the audit remotely.

The current working arrangements are relevant and significant to our audit since it created an increased risk of material misstatement due to less in-person communication with the Group's management and personnel, and lack of access to the physical records and original documents. Given the changes in how the audit was performed, the audit necessitated exercising enhanced professional skepticism.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of performing a significant portion of the audit remotely included the following:

- Considering the nature of the engagement and the engagement team's knowledge of the entity and its environment when determining whether it is possible to perform a significant portion, if not all, of the engagement remotely;

- Intensifying the application of PSA requirements, especially in respect of providing proper supervision and review;

- Obtaining information through electronic means, which includes sending and receiving of confirmation electronically, obtaining calculation in electronic form to check the mathematical accuracy, scanning of hard-copy items for review and using real-time inspection technology such as video and screen-sharing;

- Determining the reliability of audit evidence provided electronically using enhanced professional skepticism and techniques designed to reinforce the skills of assistants in evaluating audit evidence obtained electronically;

- Performing inquiries through video conference calls in order to more effectively assess the facial expressions and body language of people being interviewed as well as to make the interaction more effective;

- Reviewing of workpapers of component auditors remotely through share screening and constant and regular communication to clarify certain matters;

- Examining critical hard copy documents (e.g., contracts, billing invoices, purchase invoices, and official receipts) physically in response to the risk in revenues and costs, which is considered to be significant; and,

- Adhering to and applying strictly the Firm's reinforced and enhanced quality control process.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended June 30, 2021, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended June 30, 2021 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.

- Obtain and understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audits resulting in this independent auditors' report is Romualdo V. Murcia III.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 8533234, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-4 (until Sept. 4, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-022-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

October 12, 2021

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020
(Amounts in Philippine Pesos)

	Notes		2021		2020
A S S E T S					
CURRENT ASSETS					
Cash and cash equivalents	7	**P**	**621,756,192**	P	1,453,881,090
Trade and other receivables - net	8		**1,969,558,715**		1,136,016,361
Financial assets at fair value through profit or loss	11		**7,369,362**		3,609,020
Inventories - net	9		**3,484,589,230**		4,809,388,692
Advances to associates - net	13, 24		**2,072,075,320**		2,007,231,967
Prepayments and other current assets	10		**855,934,869**		799,374,640
Total Current Assets			**9,011,283,688**		10,209,501,770
NON-CURRENT ASSETS					
Financial asset at fair value through other comprehensive income	11		**1,072,280,214**		1,259,093,353
Right of use assets - net	16		**2,900,387,786**		2,997,696,798
Property and equipment - net	12		**3,658,887,417**		2,136,567,037
Investment property	15		**124,337,020**		113,482,145
Investments in associates - net	13		**1,169,679,449**		1,321,850,365
Intangible assets - net	14		**1,506,718,561**		1,378,798,345
Deferred tax assets - net	26		**82,368,873**		82,506,046
Post-employment benefit asset	22		**115,920,210**		-
Other non-current assets	10		**7,448,245**		950,903,294
Total Non-current Assets			**10,638,027,775**		10,240,897,383
ASSETS HELD FOR SALE	17		**87,911,179**		-
TOTAL ASSETS		**P**	**19,737,222,642**	P	20,450,399,153
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	18	**P**	**2,020,592,820**	P	1,894,289,202
Loans payable and borrowings	19		**2,563,436,632**		4,753,375,352
Lease liabilities	16		**287,353,080**		288,904,856
Contract liabilities	20		**1,977,419,471**		2,059,508,257
Advances from related parties	24		**259,391,677**		674,301,470
Income tax payable			**301,343**		-
Total Current Liabilities			**7,108,495,023**		9,670,379,137
NON-CURRENT LIABILITIES					
Lease liabilities	16		**2,677,893,645**		2,774,865,185
Loans payable and borrowings	19		**349,487,840**		-
Advances from related parties	24		**600,000,000**		-
Deferred tax liabilities - net	26		**123,918,678**		38,962,082
Post-employment benefit obligation - net	22		**7,101,757**		26,301,737
Trade and other payables	18		**-**		15,335,425
Total Non-current Liabilities			**3,758,401,920**		2,855,464,429
Total Liabilities			**10,866,896,943**		12,525,843,566
EQUITY					
Attributable to owners of the Parent Company	25				
Capital stock			**4,427,009,132**		4,427,009,132
Treasury shares - at cost		**(**	**988,150,025)**	(	988,150,025)
Revaluation reserves		**(**	**423,529,497)**	(	556,831,361)
Translation adjustment		**(**	**29,549,557)**	(	334,720,753)
Other reserves		**(**	**684,443,103)**	(	684,443,103)
Retained earnings			**6,540,978,283**		6,043,882,496
			8,842,315,233		7,906,746,386
Attributable to non-controlling interest			**28,010,466**		17,809,201
Total Equity			**8,870,325,699**		7,924,555,587
TOTAL LIABILITIES AND EQUITY		**P**	**19,737,222,642**	P	20,450,399,153

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED JUNE 30, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
REVENUES				
Sale of vehicles	2, 20	P 25,453,149,442	P 21,686,865,086	P 26,668,087,951
Servicing and bodyshop	2, 20	3,904,753,927	3,243,817,302	3,647,810,153
Hotel operations	2, 20	111,556,284	130,982,234	126,339,649
Rental	2, 6, 20	-	-	1,193,805,905
		29,469,459,653	25,061,664,622	31,636,043,658
COSTS AND OPERATING EXPENSES				
Cost of vehicles sold	2, 9	22,401,636,462	19,563,635,501	23,562,257,764
Bodyshop repairs and parts	2	2,925,554,025	1,659,125,424	2,039,526,549
Salaries and employee benefits	22, 24	1,589,210,161	1,680,184,242	1,986,154,557
Advertising and promotions		631,938,418	933,086,173	1,161,784,565
Depreciation and amortization	12, 14, 16, 24	554,955,872	528,599,924	236,747,708
Professional fees	24	83,596,588	69,630,258	237,263,612
Communication, light and water		67,279,607	81,733,859	99,961,697
Taxes and licenses		44,941,428	141,462,866	178,292,615
Impairment losses on financial assets	8, 24	34,795,975	14,524,497	91,262,362
Transportation and travel		30,507,515	68,269,119	95,351,232
Rental	16	17,076,864	34,553,952	377,884,030
Food and beverages		7,704,982	9,803,636	11,475,097
Impairment losses on non-financial assets	13, 14	5,584,402	-	429,351,920
Representation and entertainment		4,342,680	10,284,907	47,924,982
Maintenance of computer equipment	24	-	-	172,953,692
Telecommunication		-	-	110,370,917
Charitable contributions		-	-	7,494,000
Others	21	311,809,584	310,639,037	425,316,275
		28,710,934,563	25,105,533,395	31,271,373,574
OPERATING PROFIT (LOSS)		758,525,090	(43,868,773)	364,670,084
OTHER INCOME (CHARGES)				
Finance costs and other charges	23	(260,561,502)	(300,568,573)	(247,894,998)
Equity share in net loss of associates	13	(169,245,023)	(17,841,270)	(49,081,427)
Finance income	23	158,788,365	113,437,172	153,814,435
Fair value gain on financial assets at fair value through profit or loss	11	3,760,342	19,072,704	21,966,802
Gain on sale of investment property	15, 17	-	105,982,624	-
Loss on disposal of share in Philippine Gaming Management Corporation	1	-	(5,079,744)	-
Others	21	246,493,407	280,618,843	141,612,022
		(20,764,411)	195,621,756	20,416,834
PROFIT BEFORE TAX		737,760,679	151,752,983	385,086,918
TAX EXPENSE	26	198,602,935	89,027,454	271,694,332
NET PROFIT		539,157,744	62,725,529	113,392,586
NET LOSS FROM DISCONTINUED OPERATIONS	17	-	-	51,792,864
NET PROFIT FROM CONTINUING OPERATIONS		539,157,744	62,725,529	165,185,450
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gain (loss) on remeasurement of post-employment benefit obligation - net of tax	22, 25, 26	104,303,156	(48,976,356)	(10,432,327)
Share in other comprehensive loss of associates - net of tax	13, 25, 26	(10,371,494)	(221,314)	-
Net unrealized fair value gains (losses) on financial assets at fair value through other comprehensive income - net of tax	11, 25	7,509,510	(268,328,878)	(130,229,915)
		101,441,172	(317,526,548)	(140,662,242)
Balance carried forward		P 101,441,172	(P 317,526,548)	(P 140,662,242)

	Notes	2021	2020	2019
Balance brought forward		P 101,441,172	(P 317,526,548)	(P 140,662,242)
Items that will be reclassified subsequently to profit or loss				
Translation adjustment	2	305,171,196	(185,262,776)	(258,246,430)
TOTAL COMPREHENSIVE INCOME (LOSS)		P 945,770,112	(P 440,063,795)	(P 285,516,086)
Net profit from continuing operations attibutable to:				
Owners of the Parent Company		P 528,956,479	P 54,033,165	P 160,547,686
Non-controlling interest		10,201,265	8,692,364	4,637,764
		P 539,157,744	P 62,725,529	P 165,185,450
Net loss from discontinued operations attibutable to -				
Owners of the Parent Company		P -	P -	(P 51,792,864)
Total comprehensive income (losses) attributable to:				
Owners of the Parent Company		P 935,568,847	(P 448,534,845)	(P 289,835,488)
Non-controlling interest		10,201,265	8,692,364	4,319,402
		P 945,770,112	(P 440,063,795)	(P 285,516,086)
Earnings (Losses) Per Share - Basic and Diluted	27			
From continuing operations		P 0.122	P 0.012	P 0.037
From discontinued operations		P -	P -	(P 0.012)

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED JUNE 30, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

		Attributable to Owners of the Parent Company										
							Retained Earnings					
	Notes	Capital Stock	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Translation Adjustment	Appropriated	Unappropriated	Total	Total Attributable to Parent Company	Non-controlling Interests	Total Equity
Balance at July 1, 2020		P 4,427,009,132	(P 988,150,025)	(P 556,831,361)	(P 684,443,103)	(P 334,720,753)	P 2,000,000,000	P 4,043,882,496	P 6,043,882,496	P 7,906,746,386	P 17,809,201	P 7,924,555,587
Total comprehensive income (loss)												
Net profit for the year		-	-	-	-	-	-	528,956,479	528,956,479	528,956,479	10,201,265	539,157,744
Actuarial gain on remeasurement of post-employment benefit obligation - net of tax	22, 25	-	-	104,303,156	-	-	-	-	-	104,303,156	-	104,303,156
Share in other comprehensive loss of associates - net of tax	13, 25	-	-	(10,371,494)	-	-	-	-	-	(10,371,494)	-	(10,371,494)
Net unrealized fair value losses on financial assets at fair value through other comprehensive income (FVOCI)	11, 25	-	-	7,509,510	-	-	-	-	-	7,509,510	-	7,509,510
Realized fair value changes on disposals of equity securities classified as financial assets at FVOCI	11, 25	-	-	31,860,692	-	-	-	(31,860,692)	(31,860,692)	-	-	-
Translation adjustment		-	-	-	-	305,171,196	-	-	-	305,171,196	-	305,171,196
		-	-	133,301,864	-	305,171,196	-	497,095,787	497,095,787	935,568,847	10,201,265	945,770,112
Balance at June 30, 2021	25	**P 4,427,009,132**	**(P 988,150,025)**	**(P 423,529,497)**	**(P 684,443,103)**	**(P 29,549,557)**	**P 2,000,000,000**	**P 4,540,978,283**	**P 6,540,978,283**	**P 8,842,315,233**	**P 28,010,466**	**P 8,870,325,699**
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 5,947,912,638	P 8,355,502,545	P 9,116,837	P 8,364,619,382
Transactions with owners												
Disposal of a subsidiary	1, 25	-	-	(1,513,643)	-	-	-	1,513,643	1,513,643	-	-	-
Reversal of appropriations during the year		-	-	-	-	-	(1,773,262,552)	1,773,262,552	-	-	-	-
Appropriations during the year		-	-	-	-	-	2,000,000,000	(2,000,000,000)	-	-	-	-
		-	-	(1,513,643)	-	-	226,737,448	(225,223,805)	1,513,643	-	-	-
Total comprehensive income (loss)												
Net profit for the year		-	-	-	-	-	-	54,033,165	54,033,165	54,033,165	8,692,364	62,725,529
Actuarial gain on remeasurement of post-employment benefit obligation - net of tax	22, 25	-	-	(48,976,356)	-	-	-	-	-	(48,976,356)	-	(48,976,356)
Share in other comprehensive loss of associates - net of tax	13, 25	-	-	(221,314)	-	-	-	-	-	(221,314)	-	(221,314)
Net unrealized fair value losses on financial assets at FVOCI	11, 25	-	-	(268,328,878)	-	-	-	-	-	(268,328,878)	-	(268,328,878)
Realized revaluation surplus	15, 25	-	-	(32,049,054)	-	-	-	32,049,054	32,049,054	-	-	-
Realized fair value changes on disposals of equity securities classified as financial assets at FVOCI	11, 25	-	-	(8,373,996)	-	-	-	8,373,996	8,373,996	-	-	-
Translation adjustment		-	-	-	-	(185,262,776)	-	-	-	(185,262,776)	-	(185,262,776)
		-	-	(357,949,598)	-	(185,262,776)	-	94,456,215	94,456,215	(448,756,159)	8,692,364	(440,063,795)
Balance at June 30, 2020	25	P 4,427,009,132	(P 988,150,025)	(P 556,831,361)	(P 684,443,103)	(P 334,720,753)	P 2,000,000,000	P 4,043,882,496	P 6,043,882,496	P 7,906,746,386	P 17,809,201	P 7,924,555,587

	Notes	Capital Stock	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings – Appropriated	Retained Earnings – Unappropriated	Retained Earnings – Total	Total Attributable to Parent Company	Non-controlling Interests	Total Equity
		Attributable to Owners of the Parent Company										
Balance at July 1, 2018		P 4,427,009,132	(P 988,150,025)	(P 74,674,485)	(P 677,544,362)	P 108,510,371	P 1,773,262,552	P 4,083,863,869	P 5,857,126,421	P 8,652,277,053	P 18,122,446	P 8,670,399,499
Total comprehensive income (loss)										-		
Net profit for the year		-	-	-	-	-	-	108,754,823	108,754,823	108,754,823	4,637,763	113,392,586
Effect of change in percentage ownership over a subsidiary		-	-	-	(6,898,741)	-	-	-	-	(6,898,741)	(13,325,010)	(20,223,751)
Actuarial gain on remeasurement of										-		
post-employment benefit obligation - net of tax	22, 25	-	-	(10,432,327)	-	-	-	-	-	(10,432,327)	(40,280)	(10,472,607)
Net unrealized fair value gains on financial assets at FVOCI	11, 25	-	-	(130,229,915)	-	-	-	-	-	(130,229,915)	-	(130,229,915)
Realized fair value changes on disposals of equity securities										-		
classified as financial assets at FVOCI	11, 25	-	-	17,968,606	-	-	-	(17,968,606)	(17,968,606)	-	-	-
Translation adjustment		-	-	-	-	(257,968,348)	-	-	-	(257,968,348)	(278,082)	(258,246,430)
		-	-	(122,693,636)	(6,898,741)	(257,968,348)	-	90,786,217	90,786,217	(296,774,508)	(9,005,609)	(285,516,086)
Balance at June 30, 2019	25	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 5,947,912,638	P 8,355,502,545	P 9,116,837	P 8,364,619,382

See Notes to Consolidated Financial Statements.

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021, 2020 AND 2019
(Amounts in Philippine Pesos)

	Notes	2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		P 737,760,679	P 151,752,983	P 385,086,918
Adjustments for:				
Depreciation and amortization	12, 14, 16	554,955,872	528,599,924	236,747,708
Interest expense	23	213,395,135	263,683,078	167,793,267
Equity share in net loss of associates	13	169,245,023	17,841,270	49,081,427
Interest income	23	(142,432,344)	(90,824,461)	(110,821,226)
Impairment losses on financial assets	8, 24	34,795,975	14,524,497	91,262,362
Dividend income	23	(16,356,021)	(22,612,711)	(42,993,209)
Unrealized foreign currency losses - net	23	7,731,291	2,203,365	24,101,759
Impairment losses on non-financial assets	13, 14	5,584,402	-	429,351,920
Net loss on disposal of property and equipment	12, 21	4,436,202	4,274,031	686,881
Gain on sale of an investment property	15, 17	-	(105,982,624)	-
Loss on disposal of share in Philippine Gaming Management Corporation (PGMC)	1	-	5,079,744	-
Operating income before working capital changes		1,569,116,214	768,539,096	1,230,297,807
Decrease (increase) in trade and other receivables		(882,470,131)	363,969,626	1,196,218,099
Decrease (increase) in inventories		1,486,807,313	736,134,503	(96,533,497)
Increase in financial assets at fair value through profit or loss		(3,760,342)	(19,072,704)	(21,966,802)
Decrease (increase) in prepayments and other current assets		(56,560,229)	(195,464,998)	5,340,757
Decrease (increase) in post-employment benefit asset		(115,920,210)	31,282,696	10,590,406
Decrease (increase) in other non-current assets		943,455,049	(949,257,050)	(1,644,795)
Increase (decrease) in trade and other payables		(1,835,287,127)	84,624,257	(2,626,222,098)
Increase (decrease) in contract liabilities		(82,088,786)	151,856,490	1,907,651,767
Increase (decrease) in post-employment benefit obligation		84,489,633	(30,680,908)	53,162
Cash generated from operations		1,107,781,384	941,931,008	1,603,784,806
Cash paid for income taxes		(113,207,823)	(89,027,454)	(267,604,691)
Net Cash From Operating Activities		994,573,561	852,903,554	1,336,180,115
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	12	(1,719,675,003)	(748,394,002)	(396,529,394)
Proceeds from sale of investments through other comprehensive income	11	220,326,405	202,553,766	35,599,277
Acquisition of additional investments in associates	13	(53,030,000)	(60,864,998)	(41,999,997)
Interest received		46,793,016	7,181,188	27,908,089
Cash dividends received	11, 13	36,356,021	22,612,711	113,692,783
Acquisition of financial assets	11	(26,003,756)	(37,223,071)	(621,782,190)
Additional advances granted to associates	24	(14,000,000)	(214,200,000)	(240,065,601)
Collections of advances to associates	24	10,000,000	47,000,000	9,000,000
Proceeds from disposal of property and equipment	12	681,582	473,849	126,102,846
Proceeds from disposal of investment property	15	-	374,568,387	-
Net Cash Used in Investing Activities		(1,498,551,735)	(406,292,170)	(988,074,187)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of lease liabilities	16	(367,916,872)	(247,456,313)	-
Proceeds from bank loans	19	349,487,840	516,586,000	80,000,000
Advances received from related parties	24	329,098,500	548,658,789	-
Repayment of bank loans	19	(274,194,400)	(371,187,962)	(165,900,561)
Interest paid	16, 19, 24	(212,383,337)	(261,404,517)	(167,548,615)
Advances paid to related parties	24	(144,406,553)	(217,219,243)	-
Net Cash Used in Financing Activities		(320,314,822)	(32,023,246)	(253,449,176)
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS		(7,831,902)	(7,940,038)	(37,186,210)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(832,124,898)	406,648,100	57,470,542
Balance carried forward		(P 832,124,898)	P 406,648,100	P 57,470,542

	Note	**2021**	2020	2019
Balance brought forward		**(P 832,124,898)**	P 406,648,100	P 57,470,542
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**1,453,881,090**	1,047,232,990	1,112,704,213
CASH AND CASH EQUIVALENTS OF ASSETS HELD FOR SALE	17	**-**	-	(122,941,765)
CASH AND CASH EQUIVALENTS AT END OF YEAR		**P 621,756,192**	P 1,453,881,090	P 1,047,232,990

Supplemental Information on Non-cash Financing and Investing Activities:

1 In 2021, the Group and its lessor have agreed for a certain lease modification that is not accounted for as a separate lease, which resulted in the remeasurement of both lease liability and corresponding right-of-use asset (see Note 16).

2 In 2020, the Parent Company disposed of significant ownership interest in PGMC, which resulted in the deconsolidation of PGMC. The deconsolidation resulted in the decrease in various account balances as contributed by PGMC, including receivables, inventories, property and equipment, intangible assets and various liabilities (see Notes 1, 13 and 17).

3 On July 1, 2019, the Group recognized right-of-use assets and lease liabilities amounting to P2,369,665,569 and 2,361,265,569, respectively, upon initial adoption of PFRS 16, *Leases*. Additions in right-of-use assets and lease liabilities amounted to P26,653,600 and P7,930,686, respectively, in 2021 and P939,182,253 and P939,182,253, respectively, in 2020 (see Note 16).

See Notes to Consolidated Financial Statements.

1 CORPORATE INFORMATION

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 (PSE) 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 Philippine Securities and Exchange Commission (SEC) on June 11, 2010.

The Parent Company is 74.20% owned by Berjaya Lottery Management (HK) Limited (BLML) as at June 30, 2021 and 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.

On May 15, 2019, the Parent Company's BOD approved the amendment of its by-laws for the change in the current reporting period from fiscal year beginning May 1 and ending April 30 to fiscal year beginning July 1 and ending June 30, and such amendment was approved by the SEC and Bureau of Internal Revenue (BIR) on July 25, 2019 and February 12, 2020, respectively.

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 Lot13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi 55100 Kuala Lumpur, Malaysia.

1.2. Subsidiaries and Associates

The Parent Company holds ownership interest in the following entities as at June 30:

Subsidiaries/Associates	Short Name	Explanatory Notes	Effective % of Ownership 2021	2020
Subsidiaries:				
Services:				
Perdana Hotel Philippines Inc.	PHPI	*(a)*	**100.00%**	100.00%
Floridablanca Enviro Corporation	FEC	*(b)*	**100.00%**	100.00%
Holding Company –				
eDoc Holdings Limited	eDoc Holdings	*(e)*	**100.00%**	100.00%
Motor Vehicle Dealership:				
H.R. Owen Plc	H.R. Owen	*(c)*	**100.00%**	100.00%
Broughtons of Cheltenham Limited		*(d)*	**100.00%**	100.00%
H.R. Owen Dealership Limited		*(d)*	**100.00%**	100.00%
Jack Barclay Limited		*(d)*	**100.00%**	100.00%
Holland Park Limited	Holland Park	*(d)*	**100.00%**	100.00%
Bodytechnics Limited	Bodytechnics	*(d)*	**100.00%**	100.00%
Upbrook Mews Limited	Upbrook Mews	*(d)*	**100.00%**	100.00%
H.R. Owen Insurance Services Limited	H.R.O. Insurance	*(d)*	**60.00%**	60.00%
Pangbourne 6939 Limited	Pangbourne	*(d)*	**100.00%**	100.00%
Hatfied 6939 Limited	Hatfied	*(d)*	**100.00%**	100.00%
Shepperton 6939 Limited	Shepperton	*(d)*	**100.00%**	100.00%
Associates:				
Berjaya Pizza Philippines Inc.	BPPI	*(g)*	**48.38%**	48.38%
Neptune Properties, Incorporated	NPI	*(h)*	**41.46%**	41.46%
Sanpiro Realty and Development Corporation	SRDC	*(h)*	**41.46%**	41.46%
Philippine Gaming Management Corporation	PGMC	*(f)*	**40.00%**	40.00%
Perdana Land Philippines Inc.	PLPI	*(i)*	**40.00%**	40.00%
Cosway Philippines Inc.	CPI	*(j)*	**40.00%**	40.00%
Berjaya Auto Asia, Inc.	BAAI	*(k)*	**30.00%**	30.00%
Bermaz Auto Philippines Inc.	BAPI	*(l)*	**28.28%**	28.28%
Chailease Berjaya Finance Corporation	CBFC	*(m)*	**25.00%**	25.00%
Ssangyong Berjaya Motor Philippines Inc.	SBMPI	*(n)*	**21.67%**	21.67%
VideoDoc Limited	Videodoc	*(o)*	**20.15%**	20.15%

(a) PHPI was incorporated in the Philippines on December 11, 2009 primarily to manage and/or operate hotels or other buildings, and to sell, lease or otherwise dispose of the same; to own, lease, and operate one or more hotels, and all adjuncts and accessories thereto. PHPI started its commercial operations on May 1, 2010. PHPI's registered office is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City while its principal place of business is located at 7835 Makati Avenue corner Eduque Street, Makati City.

(b) In April 2017, the Company made a 100% investment in FEC amounting to P249,993. FEC was incorporated on April 7, 2017 and is registered to engage in the business of protecting and cleaning the environment. In March 2019, SEC approved the increase in authorized capital stock of FEC to P160,000,000. Subsequently, the Company acquired 120,000,000 and 39,750,000 additional shares in 2020 and 2019, respectively, at P1 per share. In 2020 the Parent Company made equity advances amounting to P125,000,000 for the future subscription in the shares of FEC. Further, in 2021, the Parent Company made subscription to the shares of FEC and applied the equity advances. As of June 30, 2021 and 2020, total investment in FEC amounted to P284,999,993 and P159,999,993, respectively. As at June 30, 2021, FEC has not yet started commercial operations. The registered office address and principal place of business of FEC is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

(c) H.R. Owen operates a number of vehicle franchises in the prestige and specialist car market for both sales and aftersales, predominantly in the London area. H.R. Owen is an investment holding company that provides group services to its trading subsidiaries that operate H.R. Owen's motor vehicle dealerships and other allied subsidiaries as discussed under (e). On January 11, 2017 and February 14, 2018, the Group purchased H.R. Owen shares from certain stockholders which amounted to P956,231,975 and P28,737,634, respectively. The acquisitions resulted in the increase in ownership interest in H.R. Owen. On August 14, 2018, the Group acquired the remaining shares of H.R. Owen amounting to P20,264,039 resulting in 100% ownership interest. The effects of changes in equity are included in Other Reserves under equity attributable to owners of the Parent Company. As of both June 30, 2021 and 2020, total investment in H.R. Owen amounted to P3,007,325,437. The registered address of H.R. Owen is Melton Court, Old Brompton Road, London SW7 3TD.

(d) These are subsidiaries of H.R. Owen, which were incorporated and are currently operating in England and Wales. The subsidiaries of H.R. Owen that are engaged in luxury motor vehicle retail are Broughtons of Cheltenham Limited, H.R. Owen Dealership Limited and Jack Barclay Limited. Holland Park and Bodytechnics provide aftersales services. Upbrook Mews is engaged in operating leased properties. H.R.O. Insurance operates as an insurance broker. Pangbourne, Hatfield and Shepperton are primarily engaged in property holding.

(e) eDoc Holdings was incorporated on July 25, 2017 and is registered to engage as a holding company. The registered address of eDoc Holdings is Melton Court, Old Brompton Road, London, SW7 3TD.

(f) PGMC is involved principally in the business of leasing on-line lottery equipment and providing software support related to on-line lottery operation. PGMC was organized in April 1993 in the Philippines and started commercial operations in February 1995. The registered office and principal place of business of PGMC is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

On June 26, 2019, the BOD of PGMC announced a proposal to issue the remaining 5,000,000 common shares from the unsubscribed capital of PGMC. The BOD of the Parent Company expressed its intention not to exercise its preemptive rights on the issuance of new shares of PGMC and executed a waiver to that effect. Consequently, PGMC issued the remaining 5,000,000 unsubscribed shares to other stockholders on July 3, 2019.

On June 27, 2019, the BOD of the Parent Company authorized the sale of 1,000,000 common shares of PGMC amounting to P117,150,000. The estimated fair value less cost to sell of the Parent Company's investment is higher than the carrying amount; hence, no impairment was recognized.

The foregoing transactions reduced BPI's interest ownership over PGMC to 40% as of June 30, 2021 and 2020. Hence, the fair value of the remaining ownership shares in PGMC is presented as part of Investments in Associates – Net account in the consolidated statements of financial position (see Note 13).

The Group recognized a total loss of P5,079,744 in 2020 from the foregoing transactions which is presented as Loss on Disposal of Share in PGMC under Other Income (Charges) section of the 2020 consolidated statement of comprehensive income. There was no similar transaction in 2021.

(g) BPPI was organized as part of BPI's strategy to acquire an interest in a chain of restaurants. BPPI was incorporated on July 12, 2010 in the Philippines and started commercial operations on December 10, 2010. In 2016, BPI reclassified advances to BPPI to Investments in Associates account resulting to an increase in ownership over BPPI to 41.40%. In 2017, the Group made additional investment in BPPI amounting to P63,000,000, which resulted in an increase in its effective ownership interest over BPPI from 41.40% to 48.38%. BPPI's registered office, which is also its principal place of business, is located at Unit E2902D PSE Center, Exchange Road, Ortigas Complex, Pasig City.

(h) NPI was incorporated on March 8, 1996. NPI has a wholly owned subsidiary, SRDC, which was incorporated in the Philippines and is currently engaged in holding real properties for lease. The registered office of NPI, which is also its principal place of business, is at 9th Floor Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. SRDC's registered address, which is also its principal place of business, is located at Units 209-210, Atrium of Makati, Makati Avenue, Makati City.

(i) PLPI was incorporated in the Philippines and started its commercial operations on May 1, 2010 engaging in leasing real properties. BPI made additional investment amounting to P32,000,000 which maintained the 40% percentage ownership in March 2019. The registered office of PLPI, which is also its principal place of business, is located at 9th Floor, Rufino Pacific Tower, 6784, Ayala Avenue, Makati City.

(j) CPI was incorporated in the Philippines on September 28, 2012 and has not yet started its commercial operations as of June 30, 2021. The registered office and principal place of business of CPI is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

(k) In July 2019, BPI acquired 30% ownership interest in BAAI. BAAI was incorporated on November 20, 2017 and is primarily engaged in the business of dealing all types of new automobiles, trucks, and other motor vehicles and any parts, supplies or accessories used in connection therewith. BAAI started its commercial operations in May 2019. In 2021, the Group made additional investment in BAAI amounting to P3,030,000 (see Note 13). The registered office and principal place of business of BAAI is at 9th Floor, Rufino Pacific Tower, 6784 Ayala Ave. corner V. A. Rufino St., Makati City.

(l) BAPI was incorporated on August 10, 2012 and started commercial operations on January 1, 2013. BAPI is currently engaged in distribution of motor vehicles. In 2017, the Group's effective ownership interest over BAPI decreased to 25.48% due to issuance of capital stock of BAPI to other stockholders. In 2018, the Group made additional investment in BAPI amounting to P25,516,453 which resulted to the increase in its effective ownership interest over BAPI to 28.28%. BAPI's registered office and principal place of business is at the 9th Floor Rufino Pacific Tower, 6784 Ayala Avenue, Makati City.

(m) In April 2018, BPI acquired 25% ownership interest in CBFC amounting to P62,500,000. CBFC was incorporated in September 2017 to engage in offering of leasing, installment, factoring, corporate direct loan and other financing services. CBFC started commercial operations in November 2017. In May 2019 and 2021, CBFC increased its authorized capital stock from P250,000,000 to P450,000,000, and from P450,000,000 to P650,000,000, respectively. Consequently, BPI subscribed to 50,000,000 shares at P1 per share to retain its 25% ownership interest over CBFC both in 2019 and 2021 (see Note 13).

CBFC's registered office and principal place of business is located at 5/F 45 San Miguel Building, San Miguel Avenue, Ortigas Center, Pasig City, Metro Manila.

(n) SBMPI was incorporated on July 3, 2015 and started commercial operations on April 1, 2016. SBMPI is currently engaged in distribution of motor vehicles. In 2019, BPI subscribed to additional 10,000,000 shares at P1 per share, which resulted to the increase in its effective ownership interest from 20.00% to 21.67%. In 2020, SBMPI proposed to issue 50,000,000 common shares from its unsubscribed capital. BPI exercised its preemptive rights and paid for 10,835,000 shares of SBMPI at P1 per share, to retain its 21.67% interest over SBMPI as at June 30, 2021 and 2020. SBMPI's registered office and principal place of business is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avennue, Makati City.

(o) VideoDoc was incorporated in July 2014 to engage in the business of providing online health consultations and private care service to patients. VideoDoc's registered office and principal place of business is located at International House, 1-6 Yarmouth Place, London, England, W1J 7BU. VideoDoc was dissolved on October 16, 2020.

1.3. Impact of COVID-19 Pandemic on the Group's Business

The Group and other businesses in the world have been significantly exposed to the challenges brought about by the COVID-19 pandemic. The measures taken by the governments across the world, including the Philippines and United Kingdom (UK) where the Group has significant operations to contain the virus, have affected economic conditions and business operations of the Group.

The following are the impact of the COVID-19 pandemic to the Group's business:

- there was a decline in hotel revenues in 2021 by 15% compared to 2020;
- the hotel has a continuous operation despite the implementation of the community quarantine, and was used as a quarantine facility to accommodate guests particularly from shipping companies and overseas Filipino workers;
- with the new set up of the hotel, it was not allowed to accept guests for leisure stay purpose and to operate its leisure facilities, as these were temporarily prevented by the enhanced quarantine measures mandated by the Philippine Government;
- the construction of sanitary landfill of FEC was temporarily suspended. When protocols were relaxed, FEC was able to resume its development around August 2020, but a slower progress was noticed due to continuing restrictions;
- H.R. Owen, situated in UK, was able to continue its off-premise distribution to a certain degree, mainly on the pre-ordered units;
- BPPI's restaurants, being in the essential food business, has continue operations for take-out and delivery services at limited hours (and limited dining capacity in compliance to physical distancing);
- gaming related activities, including PGMC's lotto operations, were still heavily affected by the ongoing quarantine restrictions affecting a large part of Luzon, especially during the enhanced community quarantine when movement of people are restricted and non-essential transactions and travels are prohibited, causing the closure of lotto outlets; and,
- additional administrative expenses were incurred to ensure health and safety of its employees and customers such as the frequent disinfection of facilities and COVID-19 testing for its employees.

In response to this matter, the Group has taken the following actions:

- complied with the Philippine Government standards to qualify as quarantine hotel in the country;
- maximized the regular employees due to decrease in contractual staff;
- furloughed staff and implemented cost-saving measures such as reduction of expenses incurred for utilities, transportation and travel, rental and business meeting expenses to manage the Group's cash flows;
- benefited from a strong order book and encouraged by sales performance since the motor vehicle dealership sector has reopened;
- strengthened promotion of the brand in the market, focusing on take-out and tie-ups in delivery services;
- shifted temporarily to a remote environment and skeletal work arrangement afterwards, implementing safety protocols, such as providing accommodation to some employees to lessen the exposure to virus, and focusing on a business continuity plan and scenario planning to manage potential threats from another wave of COVID-19; and,
- managed to get the employees vaccinated for the COVID-19 virus.

Based on the above actions and measures taken by management to mitigate the adverse effect of the pandemic, it projects that the Group would continue to report positive results of operations and would remain liquid to meet current obligations as they fall due. Accordingly, management has determined that there is no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern.

1.4. Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the year ended June 30, 2021 (including the comparative consolidated financial statements as at June 30, 2020 and for the years ended June 30, 2020 and 2019) were authorized for issue by the BOD on October 12, 2021.

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 Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents all items of income and expenses and other comprehensive income in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency (see Note 2.17). Functional currency is the currency of the primary economic environment in which the Group operates.

2.2 Adoption of New and Amended PFRS

(a) Effective in Fiscal Year 2021 that are Relevant to the Group

The Group adopted for the first time the following pronouncements, which are mandatorily effective for annual periods beginning on or after January 1, 2020 and June 30, 2020, for its annual reporting period beginning July 1, 2020:

Conceptual Framework	:	Revised Conceptual Framework for Financial Reporting
PAS 1 and PAS 8 (Amendments)	:	Presentation of Financial Statements and Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
PFRS 3 (Amendments)	:	Business Combinations – Definition of a Business
PFRS 7 and PFRS 9 (Amendments)	:	Financial Instruments: Disclosures and Financial Instruments – Interest Rate Benchmark Reform
PFRS 16 (Amendments)	:	Leases – COVID-19 – Related Rent Concessions

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) *Revised Conceptual Framework for Financial Reporting.* The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. The application of the revised conceptual framework had no impact on the Group's consolidated financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements*, and PAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material.* The amendments provide a clearer definition of 'material' in PAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in PAS 8 has been accordingly replaced by reference to the new definition in PAS 1. In addition, amendments have also been made in other standards that contain definition of material or refer to the term 'material' to ensure consistency.

The application of these amendments had no impact on the Group's consolidated financial statements.

(iii) PFRS 3 (Amendments), *Business Combinations – Definition of a Business*. The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits. Also, the amendments will likely result in more acquisitions being accounted for as asset acquisitions. The application of these amendments had no impact on the Group's consolidated financial statements.

(iv) PFRS 7 (Amendments), *Financial Instruments: Disclosures*, and PFRS 9 (Amendments), *Financial Instruments – Interest Rate Benchmark Reform*. The amendments clarify that an entity would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform. The application of these amendments had no impact on the Group's consolidated financial statements.

(v) PFRS 16 (Amendments), *Leases – COVID-19-Related Rent Concessions*. The amendments permit lessees, as a practical expedient, not to assess whether particular rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and instead to account for those rent concessions as if they are not lease modifications. The application of these amendments had no impact on the Group's consolidated financial statements as the Group did not receive any rent concession from its lessor resulting from COVID-19 pandemic.

(b) Effective Subsequent to Fiscal Year 2021 but not Adopted Early

There are pronouncements effective for annual periods subsequent to fiscal year 2021, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have impact on the Group's consolidated financial statements:

(i) PFRS 3 (Amendments), *Business Combinations – Reference to the Conceptual Framework* (effective from January 1, 2022). The amendments update an outdated reference to the Conceptual Framework in PFRS 3 without significantly changing the requirements in the standard.

(ii) PAS 16 (Amendments), *Property, Plant and Equipment – Proceeds Before Intended Use* (effective from January 1, 2022). The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

(iii) PAS 37 (Amendments), *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract* (effective from January 1, 2022). The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

(iv) Annual Improvements to PFRS 2018-2020 Cycle. Among the improvements, the following amendments, which are effective from January 1, 2022, are relevant to the Group:

- PFRS 9 (Amendments), *Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities.* The improvements clarify the fees that a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

- Illustrative Examples Accompanying PFRS 16, *Leases – Lease Incentives.* The improvement merely removes potential for confusion regarding lease incentives.

(v) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

(vi) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its subsidiaries (see Note 1.2), after the elimination of intercompany transactions. All intercompany assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

The Parent Company accounts for its investments in subsidiaries and associates as presented below and in the succeeding pages.

(a) Investments in Subsidiaries

Subsidiaries are all entities (including structured entities, if any) over which the Group has control. The Group controls an entity when it is has the power over the investee, it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Group obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of the identifiable net assets acquired is recognized as goodwill (see Note 2.10). If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of the related goodwill (see Note 2.10).

(b) Investments in Associates

Associates are those entities over which the Parent Company is able to exert significant influence but not control and which are neither subsidiaries nor interests in a joint arrangement. Investments in associates are initially recognized at cost and subsequently accounted for using the equity method from the date on which the entity becomes an associate.

Acquired investment in associate is subject to the purchase method of accounting. The purchase method involves the recognition of the acquiree's identifiable assets and liabilities, including contingent liabilities, regardless of whether they were recorded in the financial statements prior to acquisition. Goodwill represents the excess of acquisition cost over the fair value of the Parent Company's share of the identifiable net assets over the acquire at the date of acquisition. Any goodwill or fair value adjustment attributable to the Parent Company's share in the associate is included in the amount recognized as Investments in Associates account.

All subsequent changes to the ownership interest in the equity of the associates are recognized in the Group's carrying amount of the investments. Changes resulting from the profit or loss generated by the associates are credited or charged against the Equity Share in Net Losses (or Income, if any) of Associates account in the consolidated statement of comprehensive income.

Impairment loss is provided when there is objective evidence that the investment in an associate will not be recovered (see Note 2.16).

Changes resulting from other comprehensive income of the associates or items recognized directly in the associates' equity are recognized in other comprehensive income or equity of the Group, as applicable. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has commitments, incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profit, the investor resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of losses that has previously not been recognized.

Distributions received from the associates are accounted for as a reduction of the carrying value of the investment.

(c) Transactions with Non-controlling Interests

The Group transactions with non-controlling interests that do not result to loss of control are accounted for as equity transaction – that is, as transaction with the owners of the Group with their capacity as owners. The difference between any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments to non-controlling interests result in gains and losses that are also recognized in equity.

2.4 Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument.

(a) Financial Assets

For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

Regular purchases and sales of financial assets are recognized on their trade date (i.e., the date that the Company commits to purchase or sell the asset).

(i) Classification, Measurement and Reclassification of Financial Assets

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described as follows:

a. Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the Group's business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold to collect"); and,

- the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Except for trade and other receivables that do not contain a significant financing component and are measured at the transaction price in accordance with PFRS 15, *Revenue from Contracts with Customers*, all financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less allowance for expected credit loss (ECL).

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash and Cash Equivalents, Trade and Other Receivables (except Deposit for future stock subscription), Advances to Associates and Refundable deposits under Prepayments and Other Current Assets and Other Non-current Assets account, which are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period, which are classified as non-current assets.

For purposes of cash flows reporting and presentation, cash and cash equivalents comprise accounts with original maturities of three months or less, including cash. These generally include cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

b. Financial Assets at Fair Value Through Other Comprehensive Income

The Group accounts for financial assets at fair value through other comprehensive income (FVOCI) if the assets meet the following conditions:

- they are held under a business model whose objective is to hold to collect the associated cash flows and sell (hold to collect and sell); and,

- the contractual terms of the financial assets give rise to cash flows that are SPPI on the principal amount outstanding.

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as fair value through profit or loss (FVTPL). The Group has designated certain equity instruments as at FVOCI on initial recognition.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for any disposal costs. Gains and losses arising from changes in fair value, including the foreign exchange component, are recognized in other comprehensive income, net of any effects arising from income taxes, and are reported as part of Revaluation Reserves account in equity.

When the asset is disposed of, the cumulative gain or loss previously recognized in the Revaluation Reserves account is not reclassified to profit or loss but is reclassified directly to Retained Earnings account, except for those debt securities classified as FVOCI wherein cumulative fair value gains or losses are recycled to profit or loss.

Any dividends earned on holding equity instruments are recognized in profit or loss as part of Dividend under Finance Income, when the Group's right to receive dividends is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and, the amount of the dividend can be measured reliably, unless the dividends clearly represent recovery of a part of the cost of the investment.

c. Financial Assets at Fair Value Through Profit or Loss

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVTPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVTPL. Also, equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include equity securities which are held for trading purposes and designated as at FVTPL.

Financial assets at FVTPL are initially measured at fair value. Subsequently, they are measured at fair value with gains or losses recognized in profit or loss as Fair Value Gains (Losses) on Financial Assets at FVTPL in the consolidated statement of comprehensive income.

Interest income on financial assets measured at amortized cost is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The Group calculates interest income by applying the effective interest rate to the gross carrying amount of the financial assets, except for those that are subsequently identified as credit-impaired and/or are purchased or originated credit-impaired assets.

For financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the net carrying amount of the financial assets (after deduction of the loss allowance). If the asset is no longer credit-impaired, the calculation of interest income reverts to gross basis. For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying a credit-adjusted effective interest rate to the amortized cost of the asset. The calculation of interest income does not revert to a gross basis even if the credit risk of the asset subsequently improves.

Interest income earned is recognized in the consolidated statement of comprehensive income as part of Finance Income.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(ii) Impairment of Financial Assets

At the end of the reporting period, the Group assesses and recognizes allowance for ECL on its financial assets measured at amortized cost and debt instruments measured at FVOCI. The measurement of ECL involves consideration of broader range of information that is available without undue cost or effort at the reporting date about past events, current conditions, and reasonable and supportable forecasts of future economic conditions (i.e., forward-looking information) that may affect the collectability of the future cash flows of the financial assets. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instruments evaluated based on a range of possible outcome.

The Group recognizes lifetime ECL for trade and other receivables. The ECL on these assets are estimated by applying the simplified approach using a provision matrix developed based on the Group's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

To calculate the ECL of related parties, the Group determines possible impairment based on the sufficiency of the related parties' highly liquid assets in order to repay the Group's receivables if demanded at the reporting date taking into consideration the historical defaults of the related parties.

For the other financial assets measured at amortized cost, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on the credit losses expected to result from default events that are possible within the next 12 months (12-month ECL) until there is a significant increase in credit risk since origination, at which point, the loss allowance will be based on lifetime ECL. When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

Measurement of the ECL is determined by a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. The key elements used in the calculation of ECL are as follows:

- *Probability of default* – It is an estimate of likelihood of a counterparty defaulting at its financial obligation over a given time horizon, either over the next 12 months or the remaining lifetime of the obligation.

- *Loss given default* – It is an estimate of loss arising in case where a default occurs at a given time. It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those that the Group would expect to receive, including the realization of any collateral or effect of any credit enhancement.

- *Exposure at default* – It represents the gross carrying amount of the financial instruments in the event of default which pertains to its amortized cost.

The Group recognizes an impairment loss in profit or loss for all financial instruments subjected to impairment assessment with a corresponding adjustment to their carrying amount through a loss allowance account, except for debt instruments measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in Revaluation Reserves account, and does not reduce the carrying amount of the financial asset in the consolidated statement of financial position.

(iii) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

(b) Financial Liabilities

Financial liabilities, which pertain to Trade and Other Payables (except for tax-related liabilities), Loans Payable and Borrowings and Advances from Related Parties, are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges incurred on a financial liability are recognized as an expense in profit or loss under the Finance Costs and Other Charges account in the consolidated statement of comprehensive income.

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, using effective interest method for maturities beyond one year, less settlement payments.

Loans payable and borrowings are raised for support of long-term funding of operations and vehicle stock financing. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss except for any capitalized borrowing cost, on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that these are not settled in the period in which they arise.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period (or in the normal operating cycle of the business, if longer), or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

(c) Offestting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.5 Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost is determined using specific identification for vehicles, first-in, first-out method for spare parts and accessories, and all other inventories. The cost of inventories include all costs directly attributable to acquisitions, such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities.

Vehicles on consignment from manufacturers are included in inventories when substantially all of the principal benefits and inherent risks rest with the Group. The corresponding consignment liability after deducting any deposits is included under Loans Payable and Borrowings, as manufacturers' vehicle stocking loans.

NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion, if any, and the estimated costs necessary to make the sale. NRV of spare parts inventory is the current replacement cost while the NRV of vehicles is fair value less estimated cost to sell.

2.6 Prepayments and Other Assets

Prepayments and other assets pertain to other resources controlled by the Group as a result of past events. They are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the entity and the asset has a cost or value that can be measured reliably.

Other recognized assets of similar nature, where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period (or in the normal operating cycle of the business, if longer), are classified as non-current assets.

2.7 Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Prior to the deconsolidation of PGMC, the computers and on-line lottery equipment are depreciated on a straight-line basis over the shorter of eight years or the remaining term of the lease agreement with Philippine Charity Sweepstakes Office (PCSO).

Leasehold improvements are amortized over the shorter of the lease term or estimated useful lives of the improvements.

Depreciation on all other classes of property and equipment, except for land which is not subject to depreciation, is computed using the straight-line basis over the estimated useful lives of the assets as follows:

Buildings	50 years
Workshop equipment	5 to 10 years
Office furniture, fixtures and equipment	5 years
Communication equipment	5 years
Hotel and kitchen equipment and utensils	5 years
Transportation equipment	3 to 5 years

Construction in progress represents properties under construction and is stated at cost. This includes costs of construction, applicable borrowing costs (see Note 2.20) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.16).

Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

The residual values, estimated useful lives and method of depreciation and amortization of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment loss, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period the item is derecognized.

2.8 Investment Property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. This account also includes property held for undetermined use.

Investment property is accounted for under the fair value model. It is revalued annually and is presented in the consolidated statement of financial position at its market value.

Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognized in profit or loss in the consolidated statement of comprehensive income.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

Expenditures incurred after the investment property have been put into operations, such as repairs and maintenance costs, are normally charged to profit or loss in the period in which the costs are incurred.

Transfers are made to investment properties when, and only when, there is a change in use evidenced by ending of owner occupation, commencement of an operating lease to another party or ending of construction or development.

When an owner-occupied property is transferred to investment property due to change in use, the property is revalued at the date of transfer. Any difference between the revalued amount and the carrying amount of the property is recognized in other comprehensive income and in equity under Revaluation Reserves account. When the property is disposed, the amount recognized under Revaluation Reserves is transferred directly to Retained Earnings.

2.9 Intangible Assets

Intangible assets include goodwill, dealership rights and customer relationship which are accounted for under the cost model. The costs of dealership rights and customer relationship were determined using a valuation approach based on estimated economic benefits of these assets over multiple time periods.

Goodwill and dealership rights have indefinite useful lives; hence, these are not amortized, but are reviewed for impairment at least annually (see Note 2.10 and 2.16). Customer relationship is amortized over the estimated useful life of 10 years.

When these assets are retired or otherwise disposed of, the cost and the related accumulated impairment in value are removed from the accounts. Any resulting gain or loss is credited to or charged against current operations.

2.10 Business Combination

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Note 2.16).

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect the new information obtained about facts and circumstances that existed as at the acquisition date and, if known, would have affected the measurement of the amounts recognized as at that date.

During the measurement period, the acquirer shall also recognize additional assets or liabilities if new information obtained about facts and circumstances that existed as of those assets and liabilities as at the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as at that date. The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as at the acquisition date or learns that more information is not obtainable. However, the measurement period shall not exceed one year from the acquisition date.

2.11 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker, which is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 5, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.12 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, probable inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.13 Equity

Capital stock represents the nominal value of shares that have been issued.

Treasury shares are shares reacquired by the Parent Company and are stated at the cost of reacquiring such shares. These are deducted from equity until the shares are cancelled, reissued or disposed of.

Revaluation reserves represent unrealized fair value gains and losses on financial assets at FVOCI, accumulated actuarial gains and losses arising from remeasurement of post-employment benefit obligation, revaluation surplus arising from transfers of owner-occupied properties to investment property measured at fair value, and share in other comprehensive income or loss of associates, net of tax.

Other reserves represent the gain or loss on change in the percentage of ownership interest of the Parent Company over its subsidiaries without losing control over the said subsidiaries.

Translation adjustments represent the adjustments resulting from the translation of foreign-currency denominated financial statements of a foreign subsidiaries into the Group's functional and presentation currency.

Retained earnings, the appropriated portion of which is not available for dividend declaration, represent all current and prior period results of operations as reported in the profit or loss section of the consolidated statement of comprehensive income, reduced by the amounts of dividends declared.

2.14 Revenue and Expense Recognition

Revenue comprises revenue from sales of goods and rendering of services measured by reference to the fair value of consideration received or receivable by the Group for goods sold and services rendered, excluding value-added tax (VAT).

To determine whether to recognize revenue, the Group follows a five-step process:

(1) identifying the contract with a customer;
(2) identifying the performance obligation;
(3) determining the transaction price;
(4) allocating the transaction price to the performance obligations; and,
(5) recognizing revenue when/as performance obligations are satisfied.

The Group determines whether a contract with customer exists by evaluating whether the following gating criteria are present:

(i) the parties to the contract have approved the contract either in writing, orally or in accordance with other customary business practices;
(ii) each party's rights regarding the goods or services to be transferred or performed can be identified;
(iii) the payment terms for the goods or services to be transferred or performed can be identified;
(iv) the contract has commercial substance (i.e., the risk, timing or amount of the future cash flows is expected to change as a result of the contract); and,
(v) collection of the consideration in exchange of the goods and services is probable.

Revenue is recognized only when (or as) the Group satisfies a performance obligation by transferring control of the promised goods or services to a customer. The transfer of control can occur over time or at a point in time.

A performance obligation is satisfied at a point in time unless it meets one of the following criteria, in which case it is satisfied over time:

(i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(ii) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; and,
(iii) the Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

In addition, the specific recognition criteria presented below must also be met before revenues are recognized.

(a) *Revenue from motor distribution and dealership operations* – Revenue from distributions and dealership operations is recognized as follows:

(i) *Sale of vehicles, parts and accessories* – The Group's performance obligation is to transfer ownership over the vehicles, parts and accessories. Revenue is recognized at a point in time upon transfer of control of the goods sold to customers.

(ii) *Servicing and bodyshop sales* – The Group's performance obligation is to render specific services on motor vehicles based on the requirements of manufacturers and customers. Revenue is recognized over time as services are performed on customer vehicles.

(b) *Revenue from hotel operations* – Revenue from hotel operations is categorized as follows:

(i) *Hotel accommodation* – The Group's performance obligation is to keep open the use of hotel facilities during the duration of the stay of guests. Revenues are recognized over time during the occupancy of hotel guests and ends when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

(ii) *Food, beverage and others* – The Group's performance obligation is to deliver consumer goods to customers. Revenues are recognized at point in time upon delivery to and receipt of consumer goods by the customer. Invoice for consumer goods transferred is due upon receipt by the customer.

Any amount received from customers on which the Group has not yet satisfied its performance obligations are recognized as Contract Liabilities in the consolidated statement of financial position until the performance obligations are satisfied.

Costs and expenses are recognized in profit or loss upon utilization of the goods or services or at the date these are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.20).

2.15 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

(i) *Accounting for Leases in Accordance with PFRS 16 (2021 and 2020)*

For any new contracts entered into, the Group considers whether a contract is, or contains, a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and,

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability in the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received). Subsequently, the Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist (see Note 2.16).

On the other hand, the Group measures the lease liability at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments include fixed payments (including in-substance fixed) less lease incentives receivable, if any, variable lease payments based on an index or rate, amounts expected to be payable under a residual value guarantee, and payments arising from options (either renewal or termination) reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented separately from property and equipment and other liabilities, respectively.

(ii) Accounting for Leases in Accordance with PAS 17 (2019)

Leases which transfer to the Group substantially all risks and benefits incidental to ownership of the leased item are classified as finance leases and are recognized as assets and liabilities in the consolidated statement of financial position at amounts equal to the fair value of the leased property at the inception of the lease or, if lower, at the present value of minimum lease payments. Lease payments are apportioned between the finance costs and reduction of the lease liability to achieve a constant rate of interest on the remaining balance of the liability.

Finance costs are recognized in profit or loss. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as repairs and maintenance and insurance, are expensed as incurred.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(b) *Group as Lessor*

Lease which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating lease. In 2019, lease income from operating lease is recognized in profit or loss equivalent to a certain percentage of the gross receipts from all PCSO's ticket sales subject to an annual minimum fee as prescribed in the Equipment Lease Agreement (ELA) with PCSO.

2.16 Impairment of Non-financial Assets

The Group's property and equipment, right-of-use assets, investments in associates, intangible assets with finite lives, and other non-financial assets are subject to impairment testing when there is indication of impairment. Goodwill and dealership rights are tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level. Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use.

In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets, except goodwill and dealership rights, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

2.17 Foreign Currency Transactions and Translation

(a) *Transactions and Balances*

Except for H.R. Owen and eDoc Holdings which use the British Pounds (GBP) as their functional currency, the accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized under Other Income (Charges) section in the consolidated statement of comprehensive income.

(b) *Translation of Financial Statements of Foreign Subsidiaries*

The operating results and financial position of H.R. Owen and eDoc Holdings, which are measured in GBP, their functional currency, are translated to Philippine pesos, the Group's reporting currency, as follows:

(i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;

(ii) Income and expenses for each profit or loss account are translated at the monthly average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and,

(iii) All resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in H.R. Owen and eDoc Holdings are recognized as Translation Adjustment in the consolidated statement of comprehensive income, which is allocated between the Parent Company's shareholders and non-controlling interest as necessary. When a foreign operation is partially disposed of or sold, such exchange differences are recognized in the consolidated statement of comprehensive income as part of gains or loss on sale.

Goodwill arising on the acquisition of a foreign entity is treated as asset of the foreign entity and translated at closing rate on each of the reporting date.

The translation of the financial statements into Philippine pesos should not be construed as a representation that the GBP amounts could be converted into Philippine peso amounts at the translation rates or at any other rates of exchange.

2.18 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the Group's post-employment plans. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

Transactions amounting to 10% or more of the total assets based on the latest audited consolidated financial statements that were entered into with related parties are considered material under SEC Memorandum Circular No. 10, Series of 2019, *Rules on Material Related Party Transactions for Publicly-listed Companies*.

All individual material related party transactions shall be approved by the BOD. For aggregate related party transactions within a 12-month period that breaches the materiality threshold, the same board approval would be required for the transaction(s) that meets and exceeds the materiality threshold covering the same related party.

Directors and officers with personal interest in the transaction should abstain from participating in discussions and voting on the same. In case they refuse to abstain, their attendance shall not be counted for the purposes of assessing the quorum and their votes shall not be counted for purposes of determining approval.

2.19 Employee Benefits

The Group provides post-employment benefits to employees through defined benefit plans, as well as various defined benefit contribution plans, and other employee benefits which are recognized as follows:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies.

The Group's defined benefit post-employment plan covers all regular full-time employees. PGMC's pension plan prior to deconsolidation is tax-qualified, noncontributory and administered by a trustee while H.R. Owen's pension plan operates on a pre-funded basis and is also administered by a trustee. PHPI, on the other hand, has an unfunded and non-contributory post-employment plan.

The liability recognized in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of zero coupon government bonds [such as using the reference rates published by Bloomberg using its valuation technology, Bloomberg Valuation (BVAL), in the Philippines], that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability. BVAL provides evaluated prices that are based on market observations from contributed sources.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance Costs and Other Charges or Finance Income account in the consolidated statement of comprehensive income. Past service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

Past service costs are recognized immediately in profit or loss in the period of a plan amendment and curtailment.

(b) Post-employment Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities or assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in the Trade and Other Payables account of the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

(d) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

2.20 Borrowing Costs

For financial reporting purposes, borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of the cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

For income tax purposes, interest and other borrowing costs are charged to expense when incurred.

2.21 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or current tax liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carry forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred income tax asset can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. For purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted, that is, when the investment property is depreciable and is held within the business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same entity and the same taxation authority.

2.22 Non-current Assets Held for Sale

Non-current assets classified as held for sale include land that the Group intends to sell within one year from the date of reclassification as held for sale (see Note 17).

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. In the event that the sale of the asset is extended beyond one year, the extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset.

Non-current asset held for sale is measured at the lower of its carrying amount, immediately prior to their classification as held for sale, and its fair value less costs to sell. The Group shall recognize an impairment loss for any initial or subsequent write-down of the asset at fair value less cost to sell. Gain from any subsequent increase in fair value less cost to sell of an asset is recognized to the extent of the cumulative impairment loss previously recognized. Assets classified as held for sale are not subject to depreciation.

If the Group has classified an asset as held for sale, but the criteria for it to be recognized as held for sale are no longer satisfied, the Group shall cease to classify the asset as held for sale.

The gain or loss arising from the sale or remeasurement of an asset held for sale is recognized in profit or loss in the consolidated statement of comprehensive income.

2.23 Earnings Per Share

Basic earnings per share (EPS) is computed by dividing net profit attributable to equity holders of the Parent Company by the weighted average number of shares issued and outstanding, adjusted retroactively for any stock dividend, stock split or reverse stock split declared during the current period.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares (see Note 27).

2.24 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the judgments presented in the succeeding pages, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) Determination of Transaction Price and Amounts Allocated to Performance Obligations

The transaction price for a contract is allocated amongst the material right and other performance obligations identified in the contract based on their stand-alone selling prices, which are all observable. The transaction price for a contract excludes any amounts collected on behalf of third parties [e.g., VAT].

In the normal course of business, the Group receives advanced payments from customers for purchase of motor vehicles. The timing difference between when the Group receives payment and when the performance obligation is satisfied may extend beyond twelve months. The Group evaluates if this indicates a significant financing component when determining the transaction price. In making its evaluation, the Group considers the intention of customers when making the advanced payment.

Based on the evaluation of the Group, customers pay in advance as a form of a security to ensure an allocation of limited motor vehicle models to be released in the future; hence, the transaction price does not contain a financing component.

The determination of the transaction price on other revenue sources is straightforward as contracts do not contain any variable consideration or significant financing components.

(b) Determination of the Timing of Satisfaction of Performance Obligation

The Group applies judgment in determining the timing of satisfaction of performance obligations in its contracts with customers. In making its evaluation, the Group considers the rights and obligations of the parties to the contracts.

The Group determined that it satisfies its performance obligations in relation to room accommodation over time as customers receive the benefits simultaneous as the Group performs. Further, servicing and bodyshop obligations are also satisfied over time as the services are performed on assets controlled by customers.

On the other hand, the Group determined that it satisfies its performance obligations in relation to sale of vehicles, parts, accessories, food and beverages at a point in time when the customers receive the goods.

(c) Determination of ECL on Trade and Other Receivbales and Advances to Associates

The Group uses a provision matrix and liquidity analysis approach to calculate ECL for trade and other receivables and advances to associates, respectively. The provision rates are based on days past due (age buckets). The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's trade receivables and advances to associates are disclosed in Note 4.2.

(d) *Evaluation of Business Model Applied in Managing Financial Instruments*

The Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models are applied at the level of a portfolio of financial instruments (i.e., group of financial instruments that are managed together by the Group) and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to taking into consideration the objectives of each business model established by the Group (e.g., held-for-trading, generating accrual income, direct matching to a specific liability) as those relate to the Group's investment and trading strategies.

(e) *Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model*

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria. In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion.

The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, PFRS 9 emphasizes that if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessary inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

(f) Determination of Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option. Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

For lease of land and building, the factors that are normally the most relevant are (a) if there are significant penalties should the Group pre-terminate the contract, and (b) if any leasehold improvements are expected to have a significant remaining value, the Group is reasonably certain to extend and not to terminate the lease contract. Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

The Group included the renewal period as part of the lease term for leases of land and building due to the significance of these assets to its operations. These leases have non-cancellable lease period (i.e., 1 to 20 years).

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

(g) Amortization of Leasehold Improvement

The Group constructed an improvement over the leased premises under an operating lease agreement with the lessor. Critical judgment was exercised by management in determining the amortization period of the improvement. The policy adopted by the Group is discussed in Note 2.7.

(h) Determining Control, Joint Control or Significant Influence

Judgment is exercised in determining whether the Group has control, joint control or significant influence over an entity. In assessing each interest over an entity, the Group considers voting rights, representation on the BOD or equivalent governing body of the investee, participation in policy-making process and all other facts and circumstances, including terms of any contractual arrangement.

(i) Distinction Between Investment Property and Owner-managed Property

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied property generates cash flows that are attributable not only to the property but also to other assets used in the production or supply process. The details of the Group's investment property are disclosed in Note 15.

(j) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and contingencies are discussed in Note 2.12 and relevant disclosures of commitments and contingencies are presented in Note 30.

(k) Distinction Between Principal and Agent

The Group is acting as a principal when it controls the service before transfer to the customer while it acts as an agent when (a) another party is primarily responsible for fulfilling the contract, (b) the entity does not have discretion in establishing prices for the other party's services and, therefore, the benefit the entity can receive from those services is limited, and (c) the entity's consideration is in the form of a service income.

Management assessed that the Group is acting as an agent for the 100% of the service charge received from customers from its hotel operations as it is required under Article 96 of the Labor Code of the Philippines to distribute such amount to its employees.

(l) Classification of Non-current Assets as Held for Sale

The Group classifies an asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal group) and its sale must be highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active program to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except when delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group). The actions required to complete the plan should also indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Based on management's assessment, the disposal of freehold land is expected to be completed before the end of the next fiscal year; hence, the property is classified as Assets Held for Sale in the 2021 consolidated statement of financial position (see Note 17).

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of Allowance for ECL on Trade and Other Receivables and Advances to Associates

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is further detailed in Note 4.2.

The Group evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Group's relationship with the counterparties, the counterparties' current credit status, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

The carrying value of the Group's trade and other receivables and its analysis of allowance for impairment and the carrying value of advances to associates are shown in Notes 8 and 13, respectively.

(b) Fair Value Measurement of Financial Instruments

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ if the Group utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect comprehensive income. For investments where fair value is not reliably determinable either through reference of similar instruments or valuation techniques, these are carried at cost.

The carrying value of the Group's financial instruments and the amount of fair value changes therein are disclosed in Note 11.

(c) Estimation of Useful Lives of Property and Equipment, Righ-of-use Assets and Customer Relationship

The Group estimates the useful lives of property and equipment, right-of-use assets and customer relationship based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, right-of-use assets and customer relationship are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Based on management's assessment as at June 30, 2021 and 2020, there is no change in estimated useful lives of property and equipment, customer relationship and right-of-use assets during those years (see Notes 12, 14 and 16).

On the other hand, management assessed that the acquired dealership rights resulting from the acquisition of H.R. Owen have indefinite useful lives as management has the intention and capacity to renew the dealership agreements with manufacturers indefinitely and that the Group will benefit from the use of such dealership rights over the foreseeable future (see Note 14). Further, these agreements were in effect for a long period (i.e., 70 to 80 years ago for Bentley dealership agreements and prior to 1990 for Ferrari and Lamborghini dealership agreements) and that there has been no compelling challenge not to maintain the agreements historically.

The carrying amounts of property and equipment, customer relationship and righ-of-use assets are analyzed in Notes 12, 14 and 16, respectively.

Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(d) Determination of Appropriate Discount Rate in Measuring Lease Liabilities

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(e) Fair Value Measurement of Investment Property

The Group's investment property is carried at fair value at the end of the reporting period. The fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date. Such amount is influenced by different factors including the location and specific characteristics of the property (e.g., size, features, and capacity), quantity of comparable properties available in the market, and economic condition and behavior of the buying parties. A significant change in these elements may affect prices and the value of the assets.

The Group engages a valuation expert annually to assess the fair value of the investment properties (see Note 29.4). The details of the Group's investment property are disclosed in Note 15.

(f) *Valuation of Financial Assets Other than Trade and Other Receivables and Advances to Associates*

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases when active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument.

The carrying values of financial instruments and the amounts of fair value changes recognized on those assets are disclosed in Note 11.

(g) *Determination of Net Realizable Value of Inventories*

In determining the NRV of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The Group's inventories are affected by certain factors which may cause inventory obsolescence. Moreover, future realization of the carrying amounts of inventories as presented in Note 9 is affected by price changes in the luxury vehicle market segment in which the Group operates. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Group's inventories within the next reporting period.

The amount of allowance for inventory writedown made by management are based on, among others, age and status of inventories and the Group's past experience. The NRV of inventories and analysis of allowance for inventory writedown are presented in Note 9.

(h) *Estimation of Impairment of Non-financial Assets*

The Group follows the guidance of PAS 36, *Impairment of Assets*, on determining when non-financial assets, including goodwill and dealership rights with indefinite life, are impaired. In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.16).

Though management believes that the assumptions used in the estimation of the recoverable amount are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment losses recognized on investments in associates and intangible assets are disclosed in Notes 13 and 14, respectively. For other non-financial assets, there were no impairment losses required to be recognized in 2021, 2020 and 2019 based on management's assessment.

(i) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Management assessed that the deferred tax assets recognized as at June 30, 2021 and 2020 will be fully utilized in the coming years. The carrying amount of deferred tax assets as at those dates is disclosed in Note 26.

(j) Valuation of Post-employment Defined Benefit Obligations

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover. A significant change in any of these actuarial assumptions generally affect the recognized expense, other comprehensive income or losses and the carrying amount of post-employment defined benefit obligation.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit obligation are presented in Note 22.2.

4 RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The Group's financial assets and financial liabilities by category are summarized in Note 28. 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.

4.1 Market Risk

The Group is exposed to market risk through its use of financial instruments and specifically to interest rate risk, foreign currency 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 and long-term financing. As at June 30, 2021 and 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 (see Notes 7 and 19).

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 cash and cash equivalents and receivables, which are primarily denominated in United States Dollars (USD), GBP, Malaysian Ringgit (MYR) and European Union Euro (EUR). There were no foreign currency-denominated financial liabilities as at June 30, 2021 and 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:

	2021	2020
Php - GBP	**P 545,979,170**	P 1,359,890,732
Php - USD	**44,891,193**	2,395,018
Php - MYR	**2,128,380**	1,531,186
Php - EUR	**299,038**	290,111

The table presented below 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% 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.

	2021		2020	
	Reasonably possible change in rate	**Effect in profit before tax**	Reasonably possible change in rate	Effect in profit before tax
PhP - GBP	**16.19%**	**P 88,396,677**	34.10%	P 463,722,740
PhP - USD	**4.75%**	**2,131,302**	8.28%	198,307
PhP - MYR	**7.26%**	**154,558**	11.19%	171,340
PhP - EUR	**12.85%**	**38,418**	16.05%	46,563
		P 90,720,955		P 464,138,950

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. 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 observed volatility rates of the fair values of the Group's financial assets held at fair value and their impact on the Group's other comprehensive income (loss) as at June 30, 2021 and 2020 are summarized below.

	Observed Volatility Rates		Impact of Increase on Equity		Impact of Decrease on Equity	
	Increase	Decrease	Before tax	After tax	Before tax	After tax
June 30, 2021						
Equity securities:						
Listed in Malaysia	+40.26%	-40.26%	P 264,985,372	P198,739,029	(P 264,985,372)	(P 198,739,029)
Listed in England	+36.37%	-36.37%	148,575,792	111,431,844	(148,575,792)	(111,431,844)
			P 413,561,164	**P310,170,873**	**(P 413,561,164)**	**(P 310,170,873)**
June 30, 2020						
Equity securities:						
Listed in Malaysia	+26.21%	-26.21%	P 225,048,236	P157,533,765	(P 225,048,236)	(P 157,533,765)
Listed in England	+108.39%	-108.39%	411,334,834	287,934,384	(411,334,834)	(287,934,384)
			P 636,383,070	P445,468,149	(P 636,383,070)	(P 445,468,149)

These volatility rates have been determined based on the average volatility in quoted market price, using standard deviation, in the previous 12 months, estimated at 95.00% level of confidence.

4.2 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 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 incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

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 in the succeeding page.

	Notes	2021	2020
Cash and cash equivalents	7	**P 621,756,192**	P 1,453,881,090
Trade and other receivables – net	8	**1,894,269,594**	1,125,395,175
Advances to associates – net	13	**2,072,075,320**	2,007,231,967
Refundable deposits	10	**72,349,253**	72,381,246
		P 4,660,450,359	P 4,658,889,478

Other non-current assets pertain to refundable security deposits paid in accordance with the various lease agreements entered into by the Group.

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 local 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

The Group's trade receivables as at June 30, 2021 and 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.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

In respect to trade receivables from the customers of H.R. Owen and other receivables, 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 mainly 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.

The loss allowance provided by the Group is summarized below as at June 30, 2021 and 2020 based on age is as follows:

		Current		Not more 30 days		More than 30 days but not more than 90 days		Total
June 30, 2021								
Expected loss rate		-		10%		35%		
Gross carrying amount	P	1,752,530,936	P	82,026,170	P	59,712,488	P	1,894,269,594
Loss allowance		-		8,415,752		20,668,560		29,084,311
June 30, 2020								
Expected loss rate		-		22%		76%		
Gross carrying amount	P	1,041,624,200	P	35,277,466	P	48,493,509	P	1,125,395,175
Loss allowance		-		7,884,011		36,855,067		44,739,078

(c) Advances to associates

ECL for advances to associates are measured and recognized using the liquidity approach. Management determines possible impairment based on the counterparties' ability to repay the receivables upon demand at the reporting date taking into consideration the historical defaults from the counterparties and the existence of guarantee provided by another stockholder of the advances extended to an associate. The ability is determined by assessing the available liquid assets to settle the payables at the reporting date.

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. Further, the Group does not consider any credit risks, except for certain receivables wherein an allowance for ECL has been provided as of June 30, 2021 and 2020 (see Notes 13 and 24.1), since the Group has committed to financially support these related parties as part of its long-term corporate strategy.

(d) Prepayments and Other Current Assets and Other Non-current Assets

The refundable deposits of the Group presented as part of Prepayments and Other Current Assets account and Other Non-Current Assets account in the consolidated statements of financial position pertain to security deposits made to various lessors and utility companies which are reputable power and water distribution companies with sound financial condition; hence, management has assessed the credit risk in these deposits to be considered negligible.

4.3 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 June 30, 2021 and 2020, the Group has undrawn floating rate borrowing facilities of P4,980,201,720 and P4,298,375,352, respectively, represented by revolving credit facility and used and demonstrator vehicle stocking loans, all of which would be repayable on demand. Further, the Parent Company has undrawn loan facility of P116,000,000 from local commercial banks as at June 30, 2021 and 2020.

The table below summarizes the maturity profile of the Group's financial liabilities as at June 30 reflecting the gross cash flows, which may differ to the carrying values of the liabilities at the end of reporting periods.

		2021		
		Current	**Non-current**	
	Notes	**Within One Year**	**More than 1 to 5 Years**	**More than 5 Years**
Trade and other payables	18	P 1,226,184,236	P -	P -
Loans payable and borrowings	19	2,666,299,742	107,277,376	336,778,916
Advances from related parties	24.3	273,581,096	600,000,000	-
		P 4,166,065,074	**P 707,277,376**	**P 336,778,916**

		2020		
		Current	Non-current	
	Notes	Within One Year	More than 1 to 5 Years	More than 5 Years
Trade and other payables	18	P 1,817,229,749	P 15,335,425	P -
Loans payable and borrowings	19	4,896,617,870	-	-
Advances from related parties	24.3	677,721,084	-	-
		P 7,391,568,703	P 15,335,425	P -

5 SEGMENT REPORTING

5.1 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, management generally follows the Group's four service lines. The Group is engaged in the business of Services, Investments, Motor Vehicle Dealership and Leasing. Presented below and in the succeeding page is the basis of the Group in reporting its strategic decision-making activities.

(a) The Services segment mainly pertains to the hotel operations of PHPI.

(b) The Investments segment relates to investing activities particularly holding financial assets at FVTPL and FVOCI, and investments in subsidiaries and associates.

(c) The Motor Vehicle Dealership segment mainly pertains to the luxury motor vehicle retailers and provision of aftersales services of H.R. Owen.

(d) The Leasing segment mainly pertains to the lease of on-line lottery equipment by the Group to PCSO prior to deconsolidation of PGMC (2019).

The segment results also include the equity share in net income and losses of associates operating in the same industry.

5.2 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, right-of-use assets 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, lease, taxes currently payable and accrued liabilities.

5.3 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 businesses are organized and managed separately according to the nature of segment accounting policies which are the same as the policies described in Note 2.

5.4 Analysis of Segment Information

The tables below and in the succeeding pages present revenue and profit information regarding business segments for the years ended June 30, 2021, 2020 and 2019, and certain assets and liabilities information regarding industry segments as at the end of each reporting period.

	2021			
	Services	Investments	Motor Vehicle Dealership	Total
Revenues and income:				
Revenue from externals customers	P 111,556,284	P -	P 29,357,903,369	P29,469,459,653
Interest income	79,624	98,714,130	43,638,590	142,432,344
Other income	2,326,829	20,116,363	244,166,578	266,609,770
Inter-segment	-	20,000,000	-	20,000,000
Total revenues and income	**P 113,962,737**	**P 138,830,493**	**P 29,645,708,537**	**P29,898,501,767**
Expenses:				
Costs and operating expenses before depreciation	P 91,412,190	P 21,852,393	P 27,997,897,508	P 28,111,162,091
Depreciation and amortization	25,899,445	-	529,056,427	554,955,872
Interest expense	8,359,873	35,779,738	216,421,891	260,561,502
Equity share in net loss of associates	120,840,037	-	48,404,986	169,245,023
Other expenses (income)	(417,648)	40,380,377	4,853,871	44,816,600
Inter-segment	-	43,734,996	1,570,783	45,305,779
Total expenses	**P 246,093,897**	**P 141,747,504**	**P 28,798,205,466**	**P29,186,046,867**
Profit (loss) before tax	**(P 132,131,160)**	**(P 2,917,011)**	**P 847,503,071**	**P 712,454,900**

	2021			
	Services	**Investments**	**Motor Vehicle Dealership**	**Total**
Net profit (loss)	**(P 133,176,712)**	**(P 20,457,469)**	**P 667,486,146**	**P 513,851,965**
Segment assets	**P 1,458,485,160**	**P 9,099,566,190**	**P 12,645,411,112**	**P23,203,462,462**
Segment liabilities	**P 1,216,781,460**	**P 1,528,152,379**	**P 9,466,851,134**	**P 12,211,784,973**
Other segment item – Capital expenditures	**P 140,154,211**	**P -**	**P 1,579,520,792**	**P 1,719,675,003**

	2020			
	Services	Investments	Motor Vehicle Dealership	Total
Revenues and income:				
Revenue from externals customers	P 130,982,234	P -	P 24,930,682,388	P25,061,664,622
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	-	52,030,000	-	52,030,000
Total revenues and income	P 136,013,925	P 182,868,782	P 25,313,923,258	P25,632,805,965
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	1,381,005	5,749,624	39,119,293	46,249,922
Inter-segment	-	57,109,744	-	57,109,744
Total expenses	P 174,442,105	P 127,478,359	P 25,184,212,262	P 25,486,132,726
Profit (loss) before tax	(P 38,428,180)	P 55,390,423	P 129,710,996	P 146,673,239
Net profit (loss)	(P 40,553,754)	(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	P23,860,539,661
Segment liabilities	P 1,527,114,216	P 1,375,586,198	P 11,098,227,565	P14,000,927,979
Other segment item – Capital expenditures	P 479,494,864	P -	P 268,899,138	P 748,394,002

	2019				
	Leasing	Services	Investments	Motor Vehicle Dealership	Total
Revenues and income:					
Revenue from external customers	P 1,193,805,905	P 126,339,649	P -	P 30,315,898,104	P 31,636,043,658
Interest income	1,875,583	4,955,958	97,205,886	6,783,799	110,821,226
Other income	22,254,952	9,666,707	64,960,011	110,175,793	207,057,463
Inter-segment	-	-	411,999,574	873,262	412,872,836
Total revenues and income	P 1,217,936,440	P 140,962,314	P 574,165,471	P 30,433,730,958	P 32,366,795,183
Expenses:					
Costs and operating expenses before depreciation	P 727,078,353	P 129,768,730	P 37,247,612	P 29,620,670,255	P 30,514,764,950
Depreciation and amortization	21,704,930	21,281,779	2,084,335	191,676,664	236,747,708
Interest expense	2,045,064	709,089	16,377,123	148,513,034	167,644,310
Equity share in net loss (income) of associates	33,492,328	35,617,192	-	(20,028,093)	49,081,427
Other expenses (income)	360,110,253	(88,964)	184,582,415	55,993,330	600,597,034
Inter-segment	-	1,300,000	-	-	1,300,000
Total expenses	P 1,144,430,928	P 188,587,826	P 240,291,485	P 29,996,825,190	P 31,570,135,429
Profit (loss) before tax	P 73,505,512	(P 47,625,512)	P 333,873,986	P 436,905,768	P 796,659,754
Net profit (loss)	(P 85,285,192)	(P 48,160,411)	P 306,097,783	P 352,313,241	P 524,965,421
Segment assets	P 726,127,235	P 896,371,955	P 8,862,875,555	P 10,245,210,228	P 20,730,584,973
Segment liabilities	P 149,335,036	P 1,056,455,914	P 878,963,098	P 8,027,887,931	P 10,112,641,979
Other segment item – Capital expenditures	P 657,893	P 38,818,562	P -	P 357,052,939	P 396,529,394

Currently, the Group's operation has two geographical segments: London, England for the motor dealership segment, except equity share in net income or loss of associates, and Philippines for all other segments.

5.5 Reconciliations

Presented below and in the succeeding page is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements.

	2021	2020	2019
Revenues and income			
Total segment income	**P 29,898,501,767**	P 25,632,805,965	P 32,366,795,183
Income from discontinued operations	**-**	-	(1,217,936,440)
Elimination of intersegment income	**(20,000,000)**	(52,030,000)	(412,872,836)
Revenue and income from continuing operations as reported in profit or loss	**P 29,878,501,767**	P 25,580,775,965	P 30,735,985,907

	2021	2020	2019
Profit or loss			
Segment profit before tax	**P 712,454,900**	P 146,673,239	P 796,659,754
Profit before tax from discontinued operations	**-**	-	(73,505,512)
Elimination of intersegment income	**(20,000,000)**	(52,030,000)	(412,872,836)
Elimination of intersegment expenses	**45,305,779**	57,109,744	1,300,000
Profit from continuing operation before tax as reported in profit or loss	**P 737,760,679**	P 151,752,983	P 311,581,406

	2021	2020
Assets		
Segment assets	**P 23,203,462,462**	P 23,860,539,661
Elimination of intercompany accounts	**(3,466,239,820)**	(3,410,140,508)
Total assets from continuing operations as reported in the consolidated statements of financial position	**P 19,737,222,642**	P 20,450,399,153
Liabilities		
Segment liabilities	**P 12,211,784,973**	P 14,000,927,979
Elimination of intercompany accounts	**(1,344,888,030)**	(1,475,084,413)
Total liabilities from continuing operations as reported in the consolidated statements of finanacial position	**P 10,866,896,943**	P 12,525,843,566

6 CONTRACTS WITH PCSO

PGMC is a party to the ELA with PCSO covering the lease of PGMC's on-line lottery equipment [see Notes 1.2(f) and 12] to PCSO under certain conditions. Under the ELA, PGMC is entitled to fees equal to a certain percentage of the gross receipts from all PCSO on-line lottery operations (the ticket sales) within a specified territory subject to an annual minimum fee as prescribed in the ELA. PGMC's revenues are derived from the ELA with PCSO.

In addition, PGMC has an agreement with PCSO whereby PGMC agreed to provide maintenance and repair services on the equipment under the ELA. This agreement runs concurrently with the ELA. Any extension or termination of the ELA by PCSO will have a similar effect on this agreement.

On August 13, 2015, a Supplemental and Status Quo Agreement was signed by PGMC and PCSO, and thereby, the term of ELA is extended for another three years.

On August 7, 2018, the PCSO granted the extension of the ELA for one year effective until August 22, 2019.

In August 2019, the PCSO granted the extension of the ELA on a month-to-month basis until August 22, 2020, which was then extended until August 22, 2021. In July 2021, this contract was further extended for another year ending August 22, 2022.

Fees, maintenance and repair services, telecommunication, and integration services revenues recognized by PGMC from the foregoing ELA and the related agreements amounted to P1,193,805,905 in 2019, and is presented as Rental under Revenues section in the 2019 consolidated statement of comprehensive income. In 2021 and 2020, the Group's equity share in net profit of PGMC after classifying PGMC as an associate amounted to P23,902,040 and P2,112,548, respectively, and is presented as part of Equity Share in Net Losses of Associates under Other Income (Charges) section in the consolidated statements of comprehensinve income (see Note 13).

7 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2021	2020
Cash on hand and in banks	**P 621,756,192**	P 1,423,210,240
Short-term placements	**-**	30,670,850
	P 621,756,192	P 1,453,881,090

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 0.26% to 0.78% and 1.50% to 2.25% in 2020 and 2019, respectively
(see Note 23.1).

8 TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	**2021**	2020
Deposits	24.14	**P1,105,559,684**	P -
Trade receivables		**585,794,634**	719,352,119
Manufacturer's bonuses		**230,991,516**	411,496,013
Deposit for future stock subscriptions	24.2	**8,000,000**	3,030,000
Payments for future acquisition of investments	24.4	**2,128,380**	1,531,186
Due from a related party	24.9	**1,008,071**	-
Advances to officers and employees	24.12	**62,845**	397,822
Other receivables		**65,097,896**	44,948,299
		1,998,643,026	1,180,755,439
Allowance for impairment		**(29,084,311)**	(44,739,078)
		P1,969,558,715	P1,136,016,361

Trade receivables are usually due within 30 to 60 days and do not bear any interest. Manufacturer's bonuses mainly pertain to incentives received by H.R. Owen from its car manufacturer for the sale of vehicles and related parts including meeting certain volume requirements.

Deposits represent amounts provided to a foreign asset management firm engaged in the business of general trading and financing services, inclusive of accrued interest (see Note 24.14).

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 (see Note 24.4).

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

All of the Group's trade and other receivables have been assessed for impairment. Certain receivables were found to be impaired; hence, adequate amounts of allowance for impairment have been recognized accordingly.

A reconciliation of the allowance for impairment at the beginning and end of fiscal years 2021 and 2020 is shown below.

	2021	2020
Balance at beginning of year	**P 44,739,078**	P 42,989,414
Reversal during the year	**(19,207,998)**	-
Translation adjustment	**3,553,231**	(2,682,923)
Impairment loss during the year	**-**	4,432,587
Balance at end of year	**P 29,084,311**	P 44,739,078

The impairment loss amounting to P4,432,587 and P4,337,070 in 2020 and 2019 (nil in 2021), respectively, is presented as part of Impairment Losses on Financial Assets under Costs and Operating Expenses section in the consolidated statements of comprehensive income.

9 INVENTORIES

The composition of this account is shown below.

	2021	2020
At cost:		
Vehicles	**P2,554,568,866**	P2,986,533,244
Parts and components	**25,551,459**	-
Hotel supplies	**4,864,892**	4,447,183
Work in progress	**-**	42,403,493
	2,584,985,217	3,033,383,920
At net realizable value:		
Vehicles	**802,183,136**	1,786,345,509
Parts and components	**252,199,162**	241,880,137
	1,054,382,298	2,028,225,646
Allowance for inventory writedown	**(154,778,285)**	(252,220,874)
	899,604,013	1,776,004,772
	P3,484,589,230	P4,809,388,692

Certain vehicles and parts and components 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.

	2021	2020
Balance at beginning of year	**P 252,220,874**	P 218,276,621
Write-off during the year	**(447,408,754)**	-
Additional allowance during the year	**317,364,524**	48,712,529
Translation adjustment – net	**32,601,641**	(14,768,276)
Balance at end of year	**P 154,778,285**	P 252,220,874

The additional allowance in 2021, 2020 and 2019 is presented as part of Cost of vehicles sold under Costs and Operating Expenses section in the consolidated statements of comprehensive income.

10 PREPAYMENTS AND OTHER ASSETS

The details of this account are as follows:

	Notes	**2021**	2020
Current:			
Prepaid expenses	24.12	**P 348,552,834**	P 309,328,221
VAT recoverable		**262,660,476**	65,620,468
Input VAT		**90,894,783**	79,703,347
Refundable deposits		**71,577,798**	71,609,791
Prepaid taxes		**41,796,998**	81,246,452
Advances to suppliers		**34,083,674**	189,657,585
Creditable withholding tax		**6,368,306**	244,892
Other current assets		**-**	1,963,884
		855,934,869	799,374,640
Non-current:			
Deferred input VAT		**6,676,790**	24,293,631
Refundable deposits		**771,455**	771,455
Advance payment for land acquistion	30.5	**-**	765,698,629
Advances to contractors		**-**	160,139,579
		7,448,245	950,903,294
		P 863,383,114	P 1,750,277,934

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 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 (see Note 30.5). As of June 30, 2020, the Group and the third party agent have executed a contract conditional on planning permission. In 2021, due to consummation of purchase transaction, the advance payment, including advances to contractors, were applied to land acquisition and construction in progress (see Note 12).

11 INVESTMENT SECURITIES

11.1 Financial Assets at Fair Value through Profit or Loss

As of June 30, 2021 and 2020, the remaining balance of financial assets at FVTPL pertains to warrants held by the Group.

The Group's financial assets at FVTPL in 2019 comprise of listed debt securities, which earn fixed annual interest, and warrants. The debt securities are non-redeemable, convertible and unsecured loan stocks which entitle the holder to convert it into common stocks of the issuer within a fixed conversion period or at maturity date. Unless previously converted, all outstanding debt securities are mandatorily converted into common stock on the day falling immediately after the maturity date.

Upon maturity in March 2020, the Group fully converted its debt securities amounting to P91,155,831 into common stock at the rate of ten loan stock into four ordinary shares. Consequently, the investment on common shares was accounted for as financial assets at FVOCI as these are not held for trading (see Note 11.2). The Group realized a gain on said conversion amounting to P27,583,652 and is presented as part of Fair Value Gain on Financial Assets at FVTPL under Other Income (Charges) section in the 2020 consolidated statement of comprehensive income. There was no similar transaction in 2021 and 2019.

In 2021 and 2019, the Group recognized an unrealized fair value gain on the securities amounting to P3,760,342 and P21,966,802, respectively, and fair value loss amounting to P8,510,948 in 2020, and is presented as part of Fair Value Gain on Financial Assets at FVTPL under Other Income (Charges) section in the consolidated statements of comprehensive income. The fair value of these securities have been determined directly by reference to quoted bid prices in active markets (see Note 29.2).

The total interest earned amounted to P1,308,941 and P1,416,643 in 2020 and 2019 (nil in 2021), respectively, and is presented as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.1).

11.2 Financial Assets at Fair Value through Other Comprehensive Income

This account consists of the following financial assets as at June 30:

	2021	2020
Equity securities:		
Quoted	**P1,066,701,837**	P1,234,459,451
Unquoted	**5,578,377**	24,633,902
	P1,072,280,214	P1,259,093,353

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 (see Note 29.2).

In 2021, 2020 and 2019, the Group disposed of certain equity securities classified as FVOCI at a selling price of P220,326,405, P202,553,766 and P35,599,277, respectively. Accordingly, cumulative fair value losses amounting to P31,860,692 and P17,968,606 in 2021 and 2019, respectively, and cumulative fair value gains amounting to P8,373,996 in 2020 were transferred directly to retained earnings.

The movements of financial assets at FVOCI are as follows:

	Notes	2021	2020
Balance at beginning of year		**P1,259,093,353**	P1,601,597,095
Disposals during the year		**(220,326,405)**	(202,553,766)
Additions during the year	11.1	**26,003,756**	37,223,071
Fair value gains (losses) – net	25.4	**7,509,510**	(268,328,878)
Conversion of debt instrument previously classified as FVTPL	11.1	**-**	91,155,831
Balance at end of year		**P1,072,280,214**	P 1,259,093,353

Dividend income from these equity securities amounted to P16,356,021, P22,612,711 and P42,993,209 in 2021, 2020, and 2019, respectively, and are presented as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.1).

12 PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of fiscal years 2021, 2020 and 2019 are shown below.

	Computers and On-line Lottery Equipment	Buildings	Transportation Equipment	Workshop Equipnment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils	Communication Equipment	Leasehold improvements	Land	Construction in Progress	Total
June 30, 2021											
Cost	P -	P 918,005,975	P 37,606,404	P 717,521,907	P 11,937,901	P 13,811,977	P -	P 1,362,291,202	P 670,353,688	P 1,347,533,829	P 5,079,062,883
Accumulated depreciation and amortization	-	(160,895,999)	(31,224,017)	(451,760,154)	(10,534,790)	(12,150,520)	-	(753,609,986)	-	-	(1,420,175,466)
Net carrying amount	**P -**	**P 757,109,976**	**P 6,382,387**	**P 265,761,753**	**P 1,403,111**	**P 1,661,457**	**P -**	**P 608,681,216**	**P 670,353,688**	**P 1,347,533,829**	**P 3,658,887,417**
June 30, 2020											
Cost	P -	P 720,291,386	P 31,290,852	P 573,450,195	P 11,767,608	P 13,528,690	P -	P 1,285,643,641	P 249,043,122	P 497,184,286	P 3,382,199,780
Accumulated depreciation and amortization	-	(143,918,533)	(25,952,542)	(379,251,274)	(9,942,498)	(11,773,117)	-	(674,794,779)	-	-	(1,245,632,743)
Net carrying amount	P -	P 576,372,853	P 5,338,310	P 194,198,921	P 1,825,110	P 1,755,573	P -	P 610,848,862	P 249,043,122	P 497,184,286	P 2,136,567,037
June 30, 2019											
Cost	P -	P 720,291,386	P 24,345,382	P 565,840,923	P 10,942,875	P 13,102,167	P -	P 1,134,804,647	P 179,703,864	P 176,517,419	P 2,825,548,663
Accumulated depreciation and amortization	-	(129,467,267)	(21,178,584)	(361,216,141)	(9,362,020)	(11,427,017)	-	(648,191,650)	-	-	(1,180,842,679)
Net carrying amount	P -	P 590,824,119	P 3,166,798	P 204,624,782	P 1,580,855	P 1,675,150	P -	P 486,612,997	P 179,703,864	P 176,517,419	P 1,644,705,984

The reconciliation of the carrying amounts of property and equipment at the beginning and end of fiscal years 2021, 2020 and 2019 is shown below.

	Computers and On-line Lottery Equipment	Buildings	Transportation Equipment	Workshop Equipnment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils	Communication Equipment	Leasehold improvements	Land	Construction in Progress	Total
Balance at July 1, 2020 net of accumulated depreciation and amortization	P -	P 576,372,853	P 5,338,310	P 194,198,921	P 1,825,110	P 1,755,573	P -	P 610,848,862	P 249,043,122	P 497,184,286	P 2,136,567,037
Additions	-	171,923,820	5,321,730	114,921,525	170,293	283,287	-	75,157,935	501,546,870	850,349,543	1,719,675,003
Disposals	-	-	(2,000)	(3,116,204)	-	-	-	(1,999,580)	-	-	(5,117,784)
Depreciation and amortization charges for the year	-	(16,977,466)	(4,370,819)	(72,658,906)	(592,292)	(377,403)	-	(104,306,076)	-	-	(199,282,962)
Tansfer	-	-	-	15,781,449	-	-	-	(15,781,449)	(87,911,179)	-	(87,911,179)
Translation adjustment	-	25,790,769	95,166	16,634,968	-	-	-	44,761,524	7,674,875	-	94,957,302
Balance at June 30, 2021 net of accumulated depreciation and amortization	P **-**	**P** **757,109,976**	**P** **6,382,387**	**P** **265,761,753**	**P** **1,403,111**	**P** **1,661,457**	P **-**	**P** **608,681,216**	**P** **670,353,688**	**P** **1,347,533,829**	**P** **3,658,887,417**
Balance at July 1, 2019 net of accumulated depreciation and amortization	P -	P 590,824,119	P 3,166,798	P 204,624,782	P 1,580,855	P 1,675,150	P -	P 486,612,997	P 179,703,864	P 176,517,419	P 1,644,705,984
Additions	-	-	9,437,191	71,700,473	824,730	542,416	-	120,223,167	79,744,201	465,921,824	748,394,002
Disposals	-	-	(381,929)	(4,339,165)	-	(26,786)	-	-	-	-	(4,747,880)
Reclassifications	-	-	-	-	-	-	-	136,844,622	-	(136,844,622)	-
Depreciation and amortization charges for the year	-	(14,451,266)	(6,623,606)	(72,633,114)	(580,475)	(435,207)	-	(104,844,813)	-	-	(199,568,481)
Translation adjustment	-	-	(260,144)	(5,154,055)	-	-	-	(27,987,111)	(10,404,943)	(8,410,335)	(52,216,588)
Balance at June 30, 2020 net of accumulated depreciation and amortization	P -	P 576,372,853	P 5,338,310	P 194,198,921	P 1,825,110	P 1,755,573	P -	P 610,848,862	P 249,043,122	P 497,184,286	P 2,136,567,037
Balance at July 1, 2018 net of accumulated depreciation and amortization	P 32,585,618	P 605,275,384	P 24,511,737	P 292,944,057	P 7,208,656	P 1,515,853	P 97,453	P 647,311,485	P 91,570,849	P -	P 1,703,021,092
Additions	-	-	1,050,178	44,132,710	1,243,667	547,111	-	77,791,181	94,535,938	176,517,419	395,818,204
Disposals	(7,000)	-	-	(39,635,120)	-	(15,000)	-	(87,132,607)	-	-	(126,789,727)
Reclassified to assets of disposal group (see Note 17)	(19,845,410)	-	(7,201,774)	-	(3,826,482)	-	(49,167)	(287,410)	-	-	(31,210,243)
Depreciation and amortization charges for the year	(12,733,208)	(14,451,265)	(14,707,860)	(76,015,461)	(3,044,986)	(372,814)	(48,286)	(111,352,133)	-	-	(232,726,013)
Translation adjustment	-	-	(485,483)	(16,801,404)	-	-	-	(39,717,519)	(6,402,923)	-	(63,407,329)
Balance at June 30, 2019 net of accumulated depreciation and amortization	P -	P 590,824,119	P 3,166,798	P 204,624,782	P 1,580,855	P 1,675,150	P -	P 486,612,997	P 179,703,864	P 176,517,419	P 1,644,705,984

Workshop equipment includes fixtures and fittings utilized for bodyshop works.

In 2020 and 2019, the construction in progress pertains to construction costs of sanitary landfill project of FEC. In 2021, additional construction in progress for the sanitary landfill project of FEC and franchised retail motor dealer operating sites of HR Owen were incurred (see Note 30.5).

The Group recognized P4,436,224, P4,274,031 and P686,881 loss in 2021, 2020 and 2019, respectively, on the disposal of certain property and equipment, and are presented as part of Other Operating Expenses under Costs and Operating Expenses section in the consolidated statements of comprehensive income (see Note 21.2).

The cost of fully depreciated assets still being used in operations as at June 30, 2021 and 2020, amounted to P675,441,118 and P1,392,794,696, respectively.

Depreciation and amortization expense of the Group includes the expenses of PGMC amounting to P21,704,930 for the year ended June 30, 2019, which were presented as part of Net Profit from Discontinued Operations in the 2019 consolidated statement of comprehensive income (see Note 17).

The Group obtained loans from local banks in 2018 and 2017 which are partly secured by the Group's hotel building, including all the improvements thereof. In 2021, the Group paid such loans in full (see Note 19.1).

13 INVESTMENTS IN AND ADVANCES TO ASSOCIATES

13.1 Breakdown of Carrying Values

The components of the carrying values (amounts in thousands of pesos) of investments in associates are shown in the succeeding page. These investments are accounted for under the equity method in the consolidated financial statements of the Group.

	Notes	PLPI	BPPI	BAPI	PGMC	CPI	SBMPI	NPI	BAAI	CBFC	VideoDoc	Total
June 30, 2021												
Investment:												
Acquisition costs:												
Beginning balance		P 40,000	P 180,400	P 203,896	P 454,880	P 400	P 43,335	P 82,283	P 30	P 112,500	P 120,373	P 1,238,097
Additional investment	1.2	-	-	-	-	-	-	-	3,030	50,000	-	53,030
		40,000	180,400	203,896	454,880	400	43,335	82,283	3,060	162,500	120,373	1,291,127
Deduction of interest in associate in prior years		-	-	(149,988)	-	-	-	-	-	-	-	(149,988)
Dividends:												
Dividends received in current year		-	-	-	(20,000)	-	-	-	-	-	-	(20,000)
Dividends received in prior years		-	-	(70,700)	-	-	-	-	-	-	-	(70,700)
		-	-	(70,700)	(20,000)	-	-	-	-	-	-	(90,700)
Accumulated equity share in comprehensive income (loss):												
Share in comprehensive income (losses) in prior years		140,206	(180,400)	468,262	2,113	(400)	(29,544)	37,648	(30)	(13,041)	(58,058)	366,756
Share in net profit (losses) during the year		(7,784)	-	(40,776)	23,902	-	(8,207)	(80,485)	577	(56,472)	-	(169,245)
Share in other comprehensive losses during the year		-	-	(9,014)	(1,298)	-	-	(60)	-	-	-	(10,372)
		132,422	(180,400)	418,472	24,717	(400)	(37,751)	(42,897)	547	(69,513)	(58,058)	187,139
Total investments in associates		172,422	-	401,680	459,597	-	5,584	39,386	3,607	92,987	62,315	1,237,578
Allowance for impairment		-	-	-	-	-	(5,584)	-	-	-	(62,315)	(67,899)
Total investments in associates - net		172,422	-	401,680	459,597	-	-	39,386	3,607	92,987	-	1,169,679
Advances	24.1	438,593	532,859	-	-	3,023	-	1,142,488	-	-	-	2,116,963
Allowance for impairment	24.1	-	(44,888)	-	-	-	-	-	-	-	-	(44,888)
Advances - net	24.1	438,593	487,971	-	-	3,023	-	1,142,488	-	-	-	2,072,075
		P 611,015	**P 487,971**	**P 401,680**	**P 459,597**	**P 3,023**	**-**	**P 1,181,874**	**P 3,607**	**P 92,987**	**P -**	**P 3,241,754**

	Notes	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 -	P 400	P 32,500	P 82,283	P -	P 62,500	P 124,203	P 726,182
Reclassification	1.2	-	-	-	454,880	-	-	-	-		-	454,880
Additional investment	1.2	-	-	-	-	-	10,835	-	30	50,000	-	60,865
Translation adjustment		-	-	-	-	-	-	-	-	-	(3,830)	(3,830)
		40,000	180,400	203,896	454,880	400	43,335	82,283	30	112,500	120,373	1,238,097
Deduction of interest in associate in prior years		-	-	(149,988)	-	-	-	-	-	-	-	(149,988)
Dividends received in prior year		-	-	(70,700)	-	-	-	-	-	-	-	(70,700)
Accumulated equity share in comprehensive income (loss):												
Share in comprehensive income (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 losses during the year		-	-	(221)	-	-	-	-	-	-	-	(221)
		140,206	(180,400)	468,262	2,113	(400)	(29,544)	37,648	(30)	(13,041)	(58,058)	366,756
Total investment in associates		180,206	-	451,470	456,993	-	13,791	119,931	-	99,459	62,315	1,384,165
Allowance for impairment		-	-	-	-	-	-	-	-	-	(62,315)	(62,315)
Total investments in associates - net		180,206	-	451,470	456,993	-	13,791	119,931	-	99,459	-	1,321,850
Advances	24.1	409,844	505,752	-	-	3,023	-	1,098,705	-	-	81,892	2,099,216
Allowance for impairment	24.1	-	(10,092)	-	-	-	-	-	-	-	(81,892)	(91,984)
Advances - net	24.1	409,844	495,660	-	-	3,023	-	1,098,705	-	-	-	2,007,232
		P 590,050	**P 495,660**	**P 451,470**	**P 456,993**	**P 3,023**	**P 13,791**	**P 1,218,636**	**P -**	**P 99,459**	**P -**	**P 3,329,082**

In 2021 and 2019, the Group recognized impairment loss on its investments to SBMPI and VideoDoc amounting to P5,584,402 and P66,145,283, respectively, which are presented as part of Impairment Losses on Non-financial Assets under Costs and Operating Expenses section in the consolidated statements of comprehensive income. There was no similar transaction in 2020.

In 2019, the Group recognized impairment loss on its advances to VideoDoc amounting to P86,925,292. In 2021 and 2020, the Group recognized impairment losses on its advances to BPPI and CPI with total amount of P34,795,975 and P10,091,910, respectively. These are presented as part of Impairment Losses on Financial Assets under Costs and Operating Expenses section in the consolidated statements of comprehensive income.

In 2014, the Group ceased to recognize further equity share in net losses of BPPI and CPI, and carried the related investments at nil in the consolidated statements of financial position as a result of the accumulated share in net losses recognized to the extent of the original cost of the investments [see Note 2.3(b)]. The unrecognized share in net losses over BPPI and CPI amounted to P10,108,277 and nil, respectively, in 2021 and P25,898,550 and 64,350, respectively, in 2020. The share in net profit over CPI amounting to P91,742 in 2021 was not recognized as it was offset against the cumulative unrecognized share in net losses over CPI in prior years. There was no additional investment in 2021 and 2020. The cumulative unrecognized share in net losses over BPPI and CPI amounted to P124,109,496 and P1,043,403, respectively, as of June 30, 2021 and P114,001,219 and P1,135,145, respectively, as of June 30, 2020.

In 2020, the Group discontinued to recognize further losses of BAAI and carried the related investment at nil in the 2020 consolidated statement of financial position since its share of losses of BAAI exceeds the original cost of the investment [see Note 2.3(b)]. The unrecognized share in net losses over BAAI amounted to P465,519 as of June 30, 2020. In 2021, the Group recognized additional investment in BAAI amounting to P3,030,000. Accordingly, the unrecognized share in net losses from prior year was applied to the carrying amount of the investment.

The reconciliation of the Group's equity share in its significant associates to the carrying amount of the Group's investments in associates is presented below.

	2021				
	PLPI	**BPPI**	**BAPI**	**PGMC**	**NPI**
Total equity (capital deficiency)	P 394,706,865	(P 525,237,416)	P 1,373,457,902	P 713,852,591	P 9,027,298
Percentage of ownership	40.00%	48.38%	28.28%	40.00%	41.46%
Equity share	157,882,746	(254,109,862)	388,413,895	285,541,036	3,742,718
Deemed goodwill	-	-	67,883,993	27,438,898	65,430,532
Unrecogized share in losses	-	124,109,496	-	-	-
Other reconciling items	14,538,667	130,000,366	(54,617,461)	146,616,222	(29,785,320)
Carrying amount at June 30, 2021	**P 172,421,413**	**P -**	**P 401,680,427**	**P 459,596,156**	**P 39,387,930**

	2020				
	PLPI	BPPI	BAPI	PGMC	NPI
Total equity (capital deficiency)	P 414,167,886	(P 503,200,112)	P 1,521,229,633	P 1,073,884,124	P 175,363,464
Percentage of ownership	40.00%	48.38%	28.28%	40.00%	41.46%
Equity share	165,667,154	(243,448,214)	430,203,740	429,553,650	72,705,692
Deemed goodwill	-	-	67,883,993	27,438,898	65,430,532
Unrecogized share in losses	-	114,001,219	-	-	-
Other reconciling items	14,538,667	129,446,995	(46,617,461)	-	(18,204,092)
Carrying amount at June 30, 2020	P 180,205,821	P -	P 451,470,272	P 456,992,548	P 119,932,132

Other reconciling items include cumulative adjustments on equity share arising from changes in the percentage of ownership.

13.2 Summarized Financial Information

Significant financial information as at and for the years ended June 30 is presented as follows:

2021

	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity (Capital Deficiency)	Revenues	Net Profit (Loss)	Other Comprehensive Loss	Total Comprehensive Income (Losses)
BAPI	P 1,560,632,036	P 801,754,896	P 467,111,670	P 521,817,360	P 1,373,457,902	P 2,198,118,679	(P 123,979,668)	(P 31,872,374)	(P 155,852,042)
PGMC	232,110,786	626,614,010	105,348,670	39,793,535	713,582,591	641,154,187	59,755,101	(3,246,080)	56,509,021
NPI	189,663,286	1,081,893,848	1,151,151,428	138,948,258	(18,542,552)	11,696,374	(194,126,028)	(143,636)	(194,269,664)
CBCF	985,836,005	44,351,912	605,019,576	93,000,000	332,168,341	216,447,287	(225,892,072)	-	(225,892,072)
PLPI	27,404,653	985,152,000	503,088,675	114,761,113	394,706,865	8,308,027	(19,461,021)	-	(19,461,021)
BPPI	67,188,784	57,567,983	645,764,897	4,229,286	(525,237,416)	237,648,768	(20,893,503)	-	(20,893,503)
SBMPI	159,321,061	141,088,056	241,389,085	44,274,287	14,745,745	96,816,046	(37,865,297)	-	(37,865,297)
BAAI	130,929,614	5,109,204	63,649,087	-	72,389,731	87,041,023	3,474,202	-	3,474,202
CPI	420,000	-	3,028,496	-	(2,608,496)	300,385	229,356	-	229,356
	P 3,353,506,225	**P 3,743,531,909**	**P 3,785,551,584**	**P 956,823,839**	**P 2,354,662,711**	**P 3,497,530,776**	**(P 558,758,930)**	**(P 35,262,090)**	**(P 594,021,020)**

2020

	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity (Capital Deficiency)	Revenues	Net Profit (Loss)	Other Comprehensive Loss	Total Comprehensive Income (Losses)
BAPI	P 2,345,891,444	P 851,901,616	P 1,176,803,430	P 499,759,997	P 1,521,229,633	P 2,955,185,653	P 62,737,328	(P 782,582)	P 61,954,746
PGMC	1,159,300,847	44,168,379	82,221,717	47,363,385	1,073,884,124	613,798,629	5,281,371	-	5,281,371
NPI	280,390,424	1,005,132,561	1,109,912,742	246,779	175,363,464	11,396,151	(42,274,633)	-	(42,274,633)
CBCF	1,449,580,490	55,629,313	962,040,279	203,000,000	340,169,524	259,121,662	(8,073,318)	-	(8,073,318)
PLPI	19,196,631	978,944,000	432,585,515	151,387,230	414,167,886	7,668,232	(13,494,070)	-	(13,494,070)
BPPI	72,231,698	79,070,053	647,727,371	6,774,492	(503,200,112)	245,743,646	(53,103,285)	-	(53,103,285)
SBMPI	286,450,874	128,665,545	317,915,241	44,590,135	52,611,043	112,314,472	(58,712,113)	-	(58,712,113)
BAAI	61,530,183	4,222,494	68,705,296	-	(2,952,619)	49,420,569	(1,286,165)	-	(1,286,165)
CPI	203,644	-	3,041,496	-	(2,837,852)	434	(160,876)	-	(160,876)
	P 5,674,776,235	P 3,147,733,961	P 4,800,953,087	P 953,122,018	P 3,068,435,091	P 4,254,649,448	(P 109,085,761)	(P 782,582)	(P 109,868,343)

14 INTANGIBLE ASSETS

The compositions of this account as at June 30 are shown below.

	2021	2020
Goodwill - net	**P 793,763,435**	P 724,466,247
Dealership rights	**695,443,030**	634,729,438
Customer relationship - net	**17,512,096**	19,602,660
	P 1,506,718,561	P 1,378,798,345

The reconciliation of the carrying amounts of intangible assets at the beginning and end of fiscal years 2021 and 2020 is shown below.

	Goodwill	Dealership Rights	Customer Relationship	Total
Balance at July 1, 2020	P 724,466,247	P 634,729,438	P 19,602,660	P 1,378,798,345
Amortization	-	-	(3,862,443)	(3,862,443)
Translation adjustment	69,297,188	60,713,592	1,771,879	131,782,659
Balance at June 30, 2021	**P 793,763,435**	**P 695,443,030**	**P 17,512,096**	**P 1,506,718,561**
Balance at July 1, 2019	P 768,991,248	P 673,739,279	P 24,649,272	P 1,467,379,799
Amortization	-	-	(3,784,900)	(3,784,900)
Translation adjustment	(44,525,001)	(39,009,841)	(1,261,712)	(84,796,554)
Balance at June 30, 2020	P 724,466,247	P 634,729,438	P 19,602,660	P 1,378,798,345
Balance at July 1, 2018	P 1,186,914,293	P 751,371,535	P 30,633,085	P 1,968,918,913
Impairment loss (see Note 17)	(360,110,253)	-	-	(360,110,253)
Amortization	-	-	(4,021,695)	(4,021,695)
Translation adjustment	(57,812,792)	(77,632,256)	(1,962,118)	(137,407,166)
Balance at June 30, 2019	P 768,991,248	P 673,739,279	P 24,649,272	P 1,467,379,799

Goodwill primarily relates to growth expectations arising from operational efficiencies and synergies that will be achieved by combining the resources, skills and expertise of the components of HR owen.

Dealership rights were determined as separately identifiable intangible assets acquired separately from the net assets of H.R. Owen. The dealership rights pertain to agreements with various luxury car manufacturers which authorized H.R. Owen to sell new and used cars as well as provide after-sale services across England.

Goodwill and dealership rights have indefinite useful lives, thus, not subject to amortization but would require an annual test for impairment. Goodwill and dealership rights are subsequently carried at cost less accumulated impairment losses.

In 2019, the Group recognized an impairment loss on goodwill amounting to P360,110,253 presented as part of Impairment Losses on Non-financial Assets under Costs and Operating Expenses section in the 2019 consolidated statement of comprehensive (see Note 17.1).

The Group monitors goodwill and dealership rights with indefinite useful lives on the cash-generating units to which these assets were allocated. An analysis of the value-in-use and the amount of intangible assets allocated to such groups of cash-generating units is presented in the succeeding page (amounts in millions of pesos).

	2021				2020			
	Allocated Intangible Assets	**Value in Use**	**Terminal Growth Rate**	**Discount Rate**	Allocated Intangible Assets	Value in Use	Terminal Growth Rate	Discount Rate
Goodwill:								
Bentley	**P 569.8**	**P 1,620.7**	**1.00%**	**9.33%**	P 520.1	P 1,479.3	1.00%	11.84%
Bodytechnics	**119.3**	**127.5**	**1.00%**	**9.33%**	108.9	116.4	1.00%	11.84%
Aston Martin	**52.2**	**199.8**	**1.00%**	**9.33%**	47.6	182.4	1.00%	11.84%
Ferrari	**35.1**	**1,214.2**	**1.00%**	**9.33%**	32.0	1,108..3	1.00%	11.84%
Lamborghini	**17.4**	**3,245.1**	**1.00%**	**9.33%**	15.9	2,962.0	1.00%	11.84%
Dealership rights:								
Bentley	**304.8**	**1,620.7**	**1.00%**	**9.33%**	278.2	1,479.3	1.00%	11.84%
Ferrari	**254.3**	**1,214.2**	**1.00%**	**9.33%**	232.1	1,108.3	1.00%	11.84%
Lamborghini	**136.3**	**3,245.1**	**1.00%**	**9.33%**	124.4	2,962.0	1.00%	11.84%

The value-in-use of each group of cash-generating unit was determined using five-year cash flow projections and extrapolating cash flows beyond the projection period using a steady terminal growth rate. The discount rates and growth rates are the key assumptions used by management in determining the value-in-use of the cash-generating units. Based on management's analysis, no impairment is required to be recognized on goodwill and dealership rights with indefinite useful lives. Management has also determined that a reasonably possible change in the key assumptions used would not cause the carrying value of the cash-generating units to exceed their respective value-in-use.

Customer relationship pertains to the association of Bodytechnics with its insurers and franchised garages. Customer relationship is amortized over the estimated useful life of 10 years. No impairment loss was recognized at end of the periods presented based on management's assessment.

15 INVESTMENT PROPERTY

In 2017, the Group acquired certain residential property amounting to P132,720,106 (2,218,235GBP), which is classified by the Group as investment property. In 2019, the fair value of the investment property declined by P10,225,687 (148,385GBP), which is presented as part of Other operating expenses (see Note 21.2). The fair value of investment property as of June 30, 2021 and 2020 is P124,337,020 and P113,482,145, respectively, which is both equivalent to 1,850,000GBP.

In 2018, the Group ceased to occupy and leased out a property with a carrying amount of P256,346,568 (equivalent to 3,581,690GBP) that have been previously classified as Buildings under Property and Equipment account. The property was revalued to fair value of P295,232,025 (equivalent to 4,125,000GBP) at the date of transfer. In 2019, the Group reclassified the property at carrying amount presented as part of Assets Held for Disposals (see Note 17.2).

In 2020, the Group sold the said reclassified property at a sales price of P374,568,387 (5,800,000 GBP). The Group recognized a gain of P105,982,624 (1,675,000 GBP), which is presented as Gain on Sale of Investment Property in the 2020 consolidated statement of comprehensive income.

The Group earned rental income from investment property amounting to P11,266,427 in 2019 (nil in 2021 and 2020), which is presented as Rent income as part of Others under Other Income (Charges) section in the 2019 consolidated statement of comprehensive income (see Note 21.1). Real estate taxes on investment property amounting to P1,174,537 were recognized as direct operating expenses in 2019 (nil in 2021 and 2020).

16 LEASES

The Group has a lease for a certain land and building. The lease is reflected separately on the consolidated statements of financial position as Right-of-use Asset and Lease Liability. The amortization expense relating to right-of-use assets is presented as part of Depreciation and amortization under Costs and Operating Expenses section in the consolidated statements 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 statements 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 as at June 30, 2021 and 2020 and the movements during those periods are shown below.

	Land	Building	Total
Balance at July 1, 2020	P 114,175,669	P2,883,521,129	P 2,997,696,798
Translation adjustment	-	266,487,947	266,487,947
Additions	-	26,653,600	26,653,600
Remeasurement	(20,016,443)	-	(20,016,443)
Amortization	(2,562,868)	(349,247,599)	(351,810,467)
Disposals	-	(18,623,649)	(18,623,649)
Balance at June 30, 2021	**P 91,596,358**	**P2,808,791,428**	**P 2,900,387,786**
Balance at July 1, 2019	P -	P -	P -
Effect of PFRS 16 adoption	117,054,047	2,252,611,522	2,369,665,569
Additions	-	939,182,253	939,182,253
Translation adjustment	-	14,095,519	14,095,519
Amortization	(2,878,378)	(322,368,165)	(325,246,543)
Balance at June 30, 2020	P 114,175,669	P2,883,521,129	P 2,997,696,798

Lease liabilities are presented in the consolidated statements of financial position as at June 30 as follows:

	2021	2020
Current	**P 287,353,080**	P 288,904,856
Non-current	**2,677,893,645**	2,774,865,185
	P2,965,246,725	P3,063,770,041

In 2021, the Group and its lessor have agreed for a certain lease modification that is not accounted for as a separate lease, which resulted in the remeasurement of both lease liability (see Note 24.10) and corresponding right-of-use asset. No gain or loss was recognized arising from this lease modification.

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities at June 30, 2021 and 2020 is as follows:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total
June 30, 2021							
Lease payments	P 377,405,319	P 403,104,687	P 367,223,410	P 264,464,460	P 299,108,434	P2,040,521,177	P3,751,827,487
Finance charges	(90,052,239)	(80,125,838)	(67,823,743)	(54,385,654)	(70,388,523)	(423,804,765)	(786,580,762)
Net present value	**P 287,353,080**	**P 322,978,849**	**P 299,399,667**	**P 210,078,806**	**P 228,719,911**	**P1,616,716,412**	**P2,965,246,725**
June 30, 2020							
Lease payments	P 379,412,927	P 384,287,525	P 382,791,697	P 335,897,776	P 242,109,892	P2,112,502,132	P3,837,001,949
Finance charges	(90,508,071)	(81,558,468)	(76,587,092)	(67,823,743)	(50,344,086)	(406,410,448)	(773,231,908)
Net present value	P 288,904,856	P 302,729,057	P 306,204,605	P 268,074,033	P 191,765,806	P1,706,091,684	P3,063,770,041

The movements in the lease liabilities recognized in the consolidated statements of financial position are as follows:

	2021	2020
Balance at beginning of year	**P3,063,770,041**	P -
Effect of adoption of PFRS 16	**-**	2,361,265,569
Additions during the year	**7,930,686**	939,182,253
Translation adjustment	**378,862,023**	10,778,532
Interest expense	**97,382,705**	90,196,110
Remeasurement	**(20,016,443)**	-
Interest paid	**(97,382,705)**	(90,196,110)
Repayment of lease liabilities	**(465,299,582)**	(247,456,313)
Balance at end of year	**P2,965,246,725**	P3,063,770,041

Interest expense incurred on the lease liabilities is presented as part of Interest expense under Finance Costs and Other Charges account under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23).

The Group has elected not to recognize lease liabilities for short-term leases or for leases of low value assets; instead, expenses relating to these leases amounting to P17,076,845 and P34,553,952 in 2021 and 2020, respectively, are presented as Rental under Costs and Operating Expenses section in the consolidated statements of comprehensive income.

The future minimum rental payable of the Group arising from these leases amounted to P4,517,077 as of June 30, 2021.

17 ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

17.1 Planned Disposal of PGMC

On June 26, 2019, the BOD of PGMC announced a proposal to issue the remaining 5,000,000 common shares from the unsubscribed capital of PGMC.

On June 27, 2019, the BOD of the Parent Company expressed its intention not to exercise its preemptive rights on the issuance of new shares of PGMC and executed a waiver to that effect. Further, the BOD also authorized the sale of 1,000,000 common shares of PGMC for a total consideration of P117,500,000 which was executed on July 1, 2019. The Parent Company's decision to waive it preemptive rights and sell portion of its ownership over PGMC resulted on the reduction of its effective interest over PGMC to 40%. As a result, the assets and liabilities of PGMC are presented as part of Assets Held for Sale and Liabilities of Disposal Group, respectively, and its results of operations as part of Net Profit from Discontinued Operations in the 2019 consolidated statement of comprehensive income.

The compositions of assets and liabilities of PGMC included as part of assets and liabilities of disposal group as of June 30, 2019 are as follows:

Assets held for sale	
Cash and cash equivalents	P 122,941,765
Trade and other receivables	128,532,456
Prepayments and other current assets	88,747,075
Property and equipment	31,210,244
Investment property	268,585,763
Deferred tax assets	13,827,333
	P 653,844,636
Liabilities of disposal group	
Trade and other payables	P 48,165,912
Income tax payable	7,502,217
Provision for losses	63,985,202
Post-employment benefit obligation	29,681,705
	P 149,335,036

An analysis of the results of discontinued operations pertaining to the results of operations of PGMC in 2019 as presented in the 2019 consolidated statement of comprehensive income is presented below.

	Note	
Total revenues		P 1,217,936,440
Total expenses		(750,828,347)
Pre-tax profit		467,108,093
Tax expense		(158,790,704)
Net profit		308,317,389
Impairment loss	14	(360,110,253)
Net loss from discontinued operations		(P 51,792,864)

The net cash flows of discontinued operations in 2019 are as follows:

Net cash from:	
Operating activities	P 383,935,476
Investing activities	2,153,236
	P 386,088,712

17.2 Planned Disposal of Properties

In 2021, the Group's management authorized the sale of freehold land classified as part of Land under Property and Equipment with a carrying value of P87,911,179 (see Note 12). The property was therefore reclassified as Assets Held for Sale as of June 30, 2021. The directors have considered the fair value of the land and conclude that the valuation is appropriate; hence, no gain or loss on revaluation was recognized.

On May 24, 2019, the Group's management authorized the sale of one of its investment properties with a carrying value of P268,585,763. The property was therefore reclassified as part of Assets Held for Sale as of June 30, 2019. No gain or loss on revaluation was recognized as the fair value less cost to sell of the property approximates the fair value from the previous valuation made in 2018. On July 1, 2019, the property was sold for approximately P377,647,860, resulting in a gain amounting to P105,982,624 (see Note 15).

18 TRADE AND OTHER PAYABLES

This account consists of the following:

	Notes	**2021**	2020
Current:			
Trade payables	24.6, 24.12	**P 925,763,665**	P 1,132,852,314
Accrued expenses		**727,875,278**	359,147,900
Deferred output VAT		**52,538,094**	41,777,853
Withholding taxes payable		**40,055,755**	35,281,601
Advances from a director	24.12	**16,802,300**	-
Due to a related party	24.8	**4,957,904**	3,241,664
Other payables		**252,599,824**	321,987,870
		2,020,592,820	1,894,289,202
Non-current –			
Advances from a director	24.12	**-**	15,335,425
		P2,020,592,820	P 1,909,624,627

Accrued expenses include unpaid salaries and wages, commissions, utilities, supplies, and other operating expenses of the Group.

Other payables include dividend payable, service charge distributable, VAT payable, retention payables, and other non-trade payables.

19 LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	Note	2021	2020
Current:			
Vehicle stocking loans	19.2	**P2,229,436,632**	P 4,175,691,952
Bank loans	19.1	**334,000,000**	577,683,400
		2,563,436,632	4,753,375,352
Non-current –			
Bank loans	19.1	**349,487,840**	-
		P2,912,924,472	P 4,753,375,352

19.1 Bank Loans

In 2018, the Parent Company obtained a secured loan amounting to P450,000,000 from a local bank with a term of three years and an annual interest rate of 4.00% for the repayment of the loan obtained in 2017. The principal and interest are payable in equal monthly amortization, subject to repricing. Starting in February 2019, the interest rate was increased to 6.50%. The loan is secured by a real estate mortgage over parcels of land owned by PLPI and a building owned by PHPI (see Note 12) amounting to P978,944,000 and P561,921,588, respectively, as of June 30, 2020. The outstanding balance of such loan amounted to P125,000,000 as of June 30, 2020 and was fully paid in 2021. Interest expense on this loan amounted P3,807,731, P11,551,079 and P19,227,945 in 2021, 2020 and 2019, respectively, and is presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2).

In 2021 and 2020, the Parent Company obtained various unsecured short-term loans totalling to P20,000,000 and P260,000,000 from local banks for its working capital requirements. The loans are interest-bearing and with maturity of less than one year from June 30, 2021. The interest rates on these local borrowings range from 5.76% to 6.00% in 2021 and 2020. Interest expense on these loans amounted to P21,002,128 and P12,293,284 in 2021 and 2020, respectively, and is presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2). The outstanding balance of loans payable amounted to P334,000,000 and P330,000,000 as at June 30, 2021 and 2020, respectively.

In 2017, H.R. Owen obtained a secured loan amounting to 2,500,000GBP (or equivalent to P157,311,240) from a financial institution with a term of five years and an annual interest rate of 3.25%. In 2020, the remaining balance of the loan was fully settled. Interest expense on this loan amounted to P284,756 and P9,907,830 in 2020 and 2019, respectively, and is presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2).

In 2020, H.R. Owen obtained unsecured short-term loans from a financial institution totalling to P256,586,000 with an annual interest rate of 2.25%. Outstanding balance of the loans amounted to P122,683,400 as at June 30, 2020 (nil in 2021). Interest expense on these loans amounted to P3,184,810 and P4,718,500 in 2021 and 2020, respectively, and is presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2).

In 2021, H.R. Owen obtained unsecured long-term loans from a financial institution amounting to P349,487,480 payable in quarterly installments beginning January 1, 2023 for 20 years with an annual interest rate of 3%. No accrued interest recognized during the year as the loan was acquired at period-end.

19.2 Vehicle Stocking Loans

Manufacturers' vehicle stocking loans and other loans amounting to P1,523,902,697 and P3,400,804,766 as at June 30, 2021 and 2020, respectively, are all at variable, floating commercial rates of interest. These are secured at any time by fixed and floating charges on stocks of new and demonstrator cars and commercial vehicles held amounting to P780,520,791 (11,613,303GBP) and P889,847,606 (14,506,406GBP) as of June 30, 2021 and 2020, respectively. Other third party vehicle stocking loans amounting to P705,533,935 and P774,887,186 as of June 30, 2021 and 2020, respectively, are secured by fixed and floating charges on stocks of used cars.

Interest expense incurred related to H.R. Owen's vehicle stocking loans amounted to P83,924,212 P141,536,529 and P137,034,259 in 2021, 2020 and 2019, respectively, and are presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2).

19.3 Reconciliation of Liabilities Arising from Loans Payable

Presented below is the reconciliation of the Group's liabilities arising from bank loans, which include both cash and non-cash changes.

	2021	2020
Balance at beginning of year	**P 577,683,400**	P 439,706,522
Cash flows from financing activities:		
Additional borrowings	**369,487,840**	516,586,000
Repayment of borrowings	**(275,418,400)**	(371,187,962)
Non-cash financing activity –		
Translation adjustments	**11,735,000**	(7,421,160)
Balance at end of year	**P 683,487,840**	P 577,683,400

20 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue recognized from contracts with customers in 2021, 2020 and 2019 from each business segment is as follows:

	2021	2020	2019
Motor vehicle dealership			
Sale of vehicle	**P 25,453,149,442**	P 21,686,865,086	P 26,668,087,951
Sale of spare parts and accessories	**2,115,636,919**	1,802,275,132	2,003,246,777
Services and bodyshop	**1,789,117,008**	1,441,542,170	1,644,563,376
	29,357,903,369	24,930,682,388	30,315,898,104
Hotel Operations			
Room accommodation	**85,465,104**	100,467,590	91,424,650
Food and beverages	**22,834,322**	27,024,264	31,751,962
Others	**3,256,858**	3,490,380	3,163,037
	111,556,284	130,982,234	126,339,649
Rental	**-**	-	1,193,805,905
	P 29,469,459,653	P 25,061,664,622	P 31,636,043,658

The amount of contract liabilities recognized from advance payments received from customers as at June 30 is analyzed as follows:

	2021	2020
Balance at beginning of year	**P2,059,508,257**	P 1,907,651,767
Additions during the year	**1,845,913,645**	2,153,677,619
Amount recognized as revenue	**(2,117,739,333)**	(1,879,373,202)
Translation adjustments	**189,736,902**	(122,447,927)
Balance at end of year	**P 1,977,419,471**	P 2,059,508,257

The transaction price allocated to unsatisfied performance obligations recognized as contract liabilities as at June 30, 2021 and 2020, is expected to be recognized as revenue within one year from the end of the reporting period.

21 OTHER INCOME AND EXPENSES

21.1 Other Income

Other income consists of the following:

	Note	**2021**	2020	2019
Manufacturer's support		**P 72,006,770**	P 24,054,938	P -
Government grant		**61,887,266**	132,578,884	-
Service fee		**52,560,425**	67,110,623	90,507,425
Rent income	15	**35,592,423**	30,491,846	11,266,427
Management fees		**18,722,284**	18,346,412	-
Excess of 7% standard input VAT over actual input VAT related to revenues with the PCSO		**-**	-	21,769,521
Miscellaneous		**5,724,239**	8,036,140	18,068,649
		P 246,493,407	P 280,618,843	P 141,612,022

The Group and its manufacturer entered into an agreement wherein the latter will provide financial support over a three-year period from January 1, 2020 to September 30, 2022. This agreement is designed to support the Group's positioning of the new flagship showroom with the global window offered by London, Mayfair's unique location.

As part of the UK government's response to the COVID-19 pandemic, the Group received financial aid in a form of a grant to support the salaries of its employees amounting to P61,887,234 and P132,578,884 in 2021 and 2020, respectively.

Service fee relates to income earned on providing aftersales services on behalf of a third party for a period of three years which commenced in July 2018.

In 2021 and 2020, the Group entered into short-term operating lease agreements with no future commitments for certain vehicles which generated a rental income amounting to P35,592,429 and P30,491,846, respectively. There was no similar transaction in 2019.

Management fees pertain to the amount charged by the Group from outsourcing its employees.

Income from excess of 7% standard input VAT over actual input VAT consists of the excess of 7% standard input VAT over actual input VAT on purchases related to revenues with the PCSO.

Miscellaneous income include unutilized service charge income attributable to the management.

21.2 Other Operating Expenses

Other operating expenses account is composed of the following:

	Notes	**2021**	2020	2019
Insurance		**P 93,922,293**	P 55,065,247	P 101,216,024
Stationery and office supplies		**81,054,583**	104,962,584	116,218,883
Repairs		**57,522,239**	57,253,687	94,409,187
Cleaning and maintenance		**43,715,484**	41,860,180	30,779,955
Security services		**6,312,038**	13,421,416	15,496,965
Hotel supplies		**4,705,068**	5,371,693	5,379,905
Outside services		**4,509,711**	13,679,402	27,042,080
Net loss on disposal of property and equipment	12	**4,436,202**	4,274,031	686,881
Commissions		**2,314,392**	1,999,194	4,058,776
Laundry		**916,100**	2,680,959	3,366,085
Membership fees, dues and subscription		**288,200**	218,719	9,262,279
Sponsorships		**-**	300,000	150,000
Fair value changes of investment property	15	**-**	-	10,225,687
Miscellaneous expenses		**12,113,274**	9,551,925	7,023,568
		P 311,809,584	P 310,639,037	P 425,316,275

Miscellaneous expenses include gas and oil, store supplies consumable and vehicle storage.

22 EMPLOYEE BENEFITS

22.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

	2021	2020	2019
Short-term employee benefits:			
Salaries	**P 1,399,752,055**	P 1,451,271,032	P 1,677,826,400
Social security cost	**135,953,939**	179,526,799	198,753,084
Bonuses	**2,827,649**	2,992,078	11,562,414
Health benefits	**351,695**	1,165,994	1,063,064
Fringe benefits	**-**	-	23,343,095
Compensated absences	**-**	-	1,438,563
Others	**4,962,155**	5,636,306	8,497,341
	1,543,847,493	1,604,592,209	1,922,483,961
Post-employment benefits:			
Defined contribution plan	**31,346,511**	33,723,195	37,823,361
Defined benefit plan	**14,016,157**	5,868,838	25,847,235
	45,362,668	39,592,033	63,670,596
	P 1,589,210,161	P 1,680,184,242	P 1,986,154,557

22.2 Post-employment Defined Benefit Obligation

(a) Characteristics of Defined Benefit Plan

Prior to deconsolidation, PGMC maintains a tax-qualified, non-contributory post-employment plan covering all regular full-time employees. PHPI, on the other hand, has an unfunded, non-contributory post-employment defined benefit plan covering all regular full-time employees; while H.R. Owen's retirement benefit plan administered by a trustee operates on a pre-funded basis.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from independent actuaries in 2021 and 2020.

The amounts relating to the Group's post-employment benefit obligation (asset) recognized in the consolidated statements of financial position are as follows:

	2021	2020
Present value of the obligation	**P 945,321,690**	P 872,150,413
Fair value of plan assets	**(1,054,140,143)**	(845,848,676)
	(P 108,818,453)	P 26,301,737

	H.R. Owen	**PHPI**	**Total**
June 30, 2021			
Present value of the obligation	P938,219,933	P 7,101,757	P 945,321,690
Fair value of plan assets	(1,054,140,143)	-	(1,054,140,143)
Post-employment benefit obligation (asset)	**(P115,920,210)**	**P 7,101,757**	**(P108,818,453)**
June 30, 2020			
Present value of the obligation	P864,966,185	P 7,184,228	P 872,150,413
Fair value of plan assets	(845,848,676)	-	(845,848,676)
Post-employment benefit obligation	P 19,117,509	P 7,184,228	P 26,301,737

These are presented in the consolidated statements of financial position at the net amounts for each defined benefit plan.

The movements in present value of the post-employment defined benefit obligation recognized in the books are as follows:

	2021	2020
Balance at beginning of year	**P 872,150,413**	P 947,705,221
Translation adjustment	**83,525,394**	(52,685,152)
Current and and interest costs	**30,739,120**	26,139,175
Benefits paid	**(29,604,243)**	(21,772,599)
Actuarial loss	**(11,488,994)**	24,368,595
Disposal of a subsidiary	**-**	(51,604,827)
Balance at end of year	**P 945,321,690**	P 872,150,413

The movements in the fair value of plan assets are presented below.

	2021	2020
Balance at beginning of year	**P 845,848,676**	P 945,855,996
Actuarial gain (loss)	**127,581,880**	(36,531,191)
Translation adjustment	**81,290,386**	(54,407,390)
Benefits paid by the plan	**(29,604,243)**	(21,696,596)
Employer’s contribution	**14,697,108**	13,711,257
Interest income	**14,326,336**	20,839,722
Disposal of a subsidiary	**-**	(21,923,122)
Balance at end of year	**P1,054,140,143**	P 845,848,676

The plan assets consist of the following:

	2021	2020
Cash in banks	**P 2,972,663**	P 3,233,260
Equity securities:		
UK equities	**428,834,214**	327,108,664
Other foreign equities	**312,336,678**	229,471,571
Debt securities:		
Corporate bonds	**203,567,392**	182,911,319
Index-linked bonds	**106,429,196**	103,123,862
	P 1,054,140,143	P 845,848,676

Cash in banks includes deposit to a trustees' bank. The fair values of the above plan asssets are determined based on quoted market prices in active markets with the exception of the trustees' bank account balance, and are classified as Level 1 of the fair value hierarchy (see Note 29).

The plan assets do not comprise any of the Group's own financial instruments or any of its assets occupied and/or used in its operations.

The components of amounts recognized in profit or loss and other comprehensive income or loss in respect of defined benefit post-employment plan are as follows:

	2021	2020	2019
Reported in consolidated profit or loss:			
Expenses	**P 5,075,561**	P 5,073,540	P 6,037,518
Current service costs	**904,575**	795,298	3,526,705
Net interest costs (income)	**613,543**	(569,385)	244,652
Past service cost and settlement (gain) loss	**9,819,105**	-	16,283,012
	P 16,412,784	P 5,299,453	P 26,091,887
Reported in consolidated other comprehensive income or loss:			
Remeasurement gains (losses) arising from changes in:			
Financial assumptions	**P 9,022,959**	(P 101,459,686)	P 2,062,293
Demographic assumptions	**1,791,192**	39,221,576	(63,755,488)
Experience adjustments	**674,843**	38,161,653	(894,838)
Return on plan assets	**127,581,880**	(36,531,191)	50,267,244
Tax effect	**(34,767,718)**	11,631,292	1,888,462
	P 104,303,156	(P 48,976,356)	(P 10,432,327)

Current service cost including past service cost and settlement gain is allocated and presented as part of Salaries and Employee Benefits under Costs and Operating Expenses section in the consolidated statements of comprehensive income. The net interest cost (income) is included as part of Finance Costs and Other Charges (Finance Income) under Other Income (Charges) section in the consolidated statements of comprehensive income (see Notes 23.1 and 23.2).

Settlement gain on the exercise of enhance transfer value is presented as part of Salaries and Employee Benefits under Costs and Operating Expenses section in the consolidated statements of comprehensive income (see Note 22.1).

Amounts recognized in other comprehensive income or loss were included within items that will not be reclassified subsequently to profit or loss.

In determining the amounts of the defined post-employment benefit obligation, the discount rate used by the Group ranges from 1.90% to 4.5% in 2021, 1.60% to 4.10% in 2020, and 2.30% to 6.09% in 2019.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, majority of the plan asset has been invested in equity and debt securities.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding page.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as at June 30:

	Maximum Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
2021			
Salary rate	**+/- 1.00%**	**P 851,825**	**(P 743,879)**
Discount rate	**+/- 1.00%**	**(730,702)**	**857,316**
Turn-over rate	**+/-10.00%**	**(152,347)**	**152,347**
2020			
Salary rate	+/- 1.00%	P 875,305	(P 755,501)
Discount rate	+/- 1.00%	(744,630)	886,504
Turn-over rate	+/-10.00%	(175,946)	175,946

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

Prior to deconsolidation of PGMC, through its BOD, envisions that the investment positions shall be managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This aims to match the plan assets to the retirement obligations by investing in equities and maintaining cash and cash equivalents that match the benefit payments as they fall due and in the appropriate currency.

There are no asset-liability matching strategies currently being used by H.R. Owen's retirement plan.

(iii) Funding Arrangements and Expected Contributions

The undiscounted expected benefit payment from the plan is expected to be paid more than 15 years from the reporting date. The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years.

The best estimate of contribution to be paid by H.R. Owen to the plan for the fiscal year 2022 is P13,307,422.

22.3 Post-employment Defined Contribution Plan

H.R. Owen operates a small number of defined contribution pension schemes which are administered by trustees. The contributions recognized in respect of defined contribution plans are expensed as they fall due.

In 2021, 2020 and 2019, post-employment benefit expense for the defined contribution plans amounted to P31,346,511, P33,723,195, and P37,823,361, respectively, and is presented as part of Salaries and Employee Benefits under Costs and Operating Expenses section in the consolidated statements of comprehensive income (see Note 22.1).

23 FINANCE INCOME AND FINANCE COSTS

The components of this account follow:

23.1 Finance Income

	Notes	2021	2020	2019
Interest income	7, 11.1, 24.1	**P142,432,344**	P 90,824,461	P 110,821,226
Dividend income	11.2	**16,356,021**	22,612,711	42,993,209
		P158,788,365	P113,437,172	P 153,814,435

23.2 Finance Costs and Other Charges

	Notes	2021	2020	2019
Interest expense	16, 19, 22, 24.3, 24.12, 24.15	**P 213,395,135**	P263,683,078	P 167,793,267
Foreign currency losses – net		**7,731,291**	2,203,365	24,101,769
Bank charges		**39,435,076**	34,682,130	55,999,962
		P260,561,502	P300,568,573	P 247,894,998

24 RELATED PARTY TRANSACTIONS

The significant transactions of the Group with related parties are described below.

Related Party Category	Notes	Amount of Transactions 2021	2020	2019	Outstanding Balance Receivable (Payable) 2021	2020
Parent Company –						
Cash advances obtained	24.3	**P 179,496,760**	P 56,993,562	P -	**(P 236,490,322)**	(P 56,993,562)
Associates:						
Cash advances granted	13.1, 24.1	**64,843,353**	242,402,751	237,438,898	**2,072,075,320**	2,007,231,967
Cash advances obtained	24.3	**5,593,447**	276,439,546	-	**(622,901,355)**	(617,307,908)
Advances for stock subscription	8, 24.2	**8,000,000**	46,970,000	50,000,000	**-**	3,030,000
Related party under common ownership:						
Advances	24.1	**1,008,138**	-	-	**1,008,138**	-
Payments for future acquisition of investment securities	8, 24.4	**(597,194)**	462,460	(11,838,081)	**2,128,380**	1,531,186
Purchase of spare parts and accessories	18, 24.6	**-**	(91,787)	34,563,168	**-**	-
Software support services	24.7	**-**	-	21,163,699	**-**	-
Rental	24.10	**-**	-	6,562,500	**-**	-
Amortization of right-of-use asset	24.10	**2,562,868**	2,878,377	-	**-**	-
Share in allocated expenses	18, 24.8	**1,716,240**	3,111,441	1,050,473	**(4,957,904)**	3,241,664
Advance rental	10, 24.10	**-**	(12,000,000)	-	**-**	-
Right-of-use asset	16, 24.10	**26,179,312**	114,630,550	-	**91,596,358**	114,630,550
Lease Liabilities	16, 24.10	**(23,902,584)**	107,994,340	-	**(84,091,756)**	(107,994,340)
Vehicle services	24.9	**-**	(29,756,763)	7,670,050	**-**	-
Loan received	24.15	**-**	-	358,114,350	**-**	-
Directors, officers and employees:						
Key management compensation	24.11	**98,900,980**	87,610,195	100,263,258	**-**	-
Advances	8, 24.12	**334,977**	(3,303,408)	(4,171,961)	**62,845**	397,822
Sale of vehicles	24.12	**87,523,368**	125,674,668	229,612,036	**-**	-
Loan obtained	24.12	**1,466,875**	(942,500)	(1,223,775)	**(16,802,300)**	(15,335,425)
Deposits for future purchase	24.12	**11,262,514**	(3,228,214)	27,565,168	**(42,600,148)**	(31,337,634)
Payment to purchase a vehicle	24.12	**33,604,600**	92,012,550	-	**134,418,400**	92,012,550
Entity owned by a key management personnel –						
Management services	24.5	**-**	-	48,681,000	**-**	-
Others –						
Deposits	24.14	**(1,105,559,684)**	(155,425,274)	(604,448,243)	**1,105,559,684**	-

Unless otherwise stated, advances granted to related parties are unsecured, noninterest-bearing and are payable in cash upon demand. These advances have been reviewed for impairment. Based on management's assessment, an impairment loss amounting to P34,795,975, P10,091,910 and P86,925,292 is required to be recognized in 2021, 2020 and 2019, respectively, which is presented as part of Impairment Losses on Financial Assets under Costs and Operating Expenses section in the consolidated statements of comprehensive income.

24.1 Advances to Related Parties

The Group grants advances to its associates for working capital purposes. These advances are unsecured and due on demand. The loan granted to BPPI, NPI and VideoDoc are interest-bearing. The balances of these advances, presented as Advances to Associates account in the consolidated statements of financial position as at June 30, are shown below.

	2021	2020
NPI	**P1,142,488,420**	P1,098,705,360
PLPI	**438,592,760**	409,843,560
BPPI	**532,858,529**	505,751,461
CPI	**3,023,496**	3,023,496
VideoDoc	**-**	81,892,274
	2,116,963,205	2,099,216,151
Allowance for impairment	**(44,887,885)**	(91,984,184)
	P2,072,075,320	P2,007,231,967

The Group recognized an impairment loss on its advances to BPPI and CPI with a total amount of P34,795,975 and P10,091,910 in 2021 and 2020, respectively, and P86,925,292 on its advances to VideoDoc in 2019, which are recorded as part of Impairment Losses on Financial Assets under Costs and Operating Expenses section in the consolidated statements of comprehensive income (see Note 13). In 2021, the advances to VideoDoc and corresponding allowance for impairment were written off. Movement in the allowance for impairment includes translation adjustment amounting to P5,033,018 in 2020 (nil in 2021).

Since 2013, the Parent Company has an outstanding unsecured loan to NPI, an associate beginning in 2017, amounting to P790,677,694. The loan is payable in cash to the Parent Company on demand subject to interest based on current bank rate. In 2018, additional loan was advanced to NPI amounting to P86,980,200. In 2020, additional loan of P125,000,000, which bears an annual interest rate of 6.00%, was granted by the Parent Company to NPI. Further, the Company made collections of P4,000,000, P45,000,000 and P1,000,000 in 2021, 2020 and 2019, respectively. Interest income amounting to P49,260,885, P43,635,886 and P46,005,878 in 2021, 2020 and 2019, respectively, is recognized as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.1). The total uncollected interest income net of withholding tax amounting to P290,223,658 and P246,440,598 as of June 30, 2021 and 2020, respectively, is recorded as part of Advances to Associates in the consolidated statements of financial position (see Note 13.1).

In 2009, the Parent Company granted advances to PLPI as a result of the execution of a MOA, which is part of the Group's strategy to acquire an interest in the operation of a hotel located in Makati City. The said advances granted was fully collected in 2019. In 2018, additional cash advances, which bear an annual interest rate of 6.00%, were granted by the Group to PLPI amounting to P336,806,800 for the acquisitions of parcels of land. In 2021 and 2020, additional advances amounting to P14,000,000 and P4,000,000, respectively, were granted by the Parent Company to PLPI. Collections of P5,000,000, P1,000,000 and P7,000,000 were made from PLPI in 2021, 2020 and 2019, respectively.

Interest income on advances to PLPI amounting to P20,360,000, P19,560,000 and P19,560,000 in 2021, 2020 and 2019, respectively, is recorded as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.1).

The total uncollected interest income net of withholding tax amounting to P94,592,760 and P79,935,439 as of June 30, 2021 and 2020, respectively, is recorded as part of Advances to Associates in the consolidated statements of financial position (see Note 13.1).

The Parent Company made additional advances to CPI amounting to P200,000 in 2020 (nil in 2021) for its pre-operating activities. No collections were made on these advances in both years.

In 2011, the Parent Company provided P100,000,000 loan to BPPI, bearing an annual interest rate of 7.00% payable in cash within two years from the borrowing date. The loan is secured by a guaranty from a major stockholder of BPPI. In 2013, the Parent Company extended the term of this loan for an additional three years. The loan was further extended for another three years in 2016 bearing the same terms with the original loan except that the Parent Company now has the discretion to recall the loan any time prior to maturity; hence, the loan is presented under current assets in the consolidated statements of financial position. The extended loan is secured by a guaranty from a major stockholder of BPPI. The loan remains outstanding as at June 30, 2021 and 2020. Interest income amounting to P7,000,000 each in 2021, 2020 and 2019 is recognized as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.1). Total uncollected interest income net of withholding tax amounting to P73,946,667 and P67,156,667 as of June 30, 2021 and 2020, respectively, is recorded as part of the Advances to Associates in the consolidated statements of financial position (see Note 13.1).

Since 2017, the Parent Company has granted cash advances to BPPI with a total amount of P313,948,000, wherein P85,000,000 and P162,948,000 were granted in 2020 and 2019 (nil in 2021), respectively. The advances bear an annual interest rate of 7.00% and are secured by a guaranty from the other stockholders of BPPI. Out of the total amount, P56,000,000 is payable in cash upon demand while the remaining advances are convertible into equity or payable in cash upon demand. The Parent Company made collections from BPPI amounting to P1,000,000 each in 2021, 2020 and 2019. Outstanding balance of such advances amounted to P313,948,000 as at June 30, 2021 and 2020. Interest income amounting to P21,976,360, P17,484,693 and P10,108,864 in 2021, 2020 and 2019, respectively, is recognized as part of Finance Income under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.1). Total uncollected interest income net of withholding tax amounting to P45,963,862 and P24,646,793 as of June 30, 2021 and 2020, respectively, is recognized as part of Advances to Associates in the consolidated statements of financial position (see Note 13.1).

In 2018, the Group also provided 150,000GBP (equivalent to P10,735,710) unsecured loan to VideoDoc, bearing an annual interest rate of 8.00% payable on each interest payment date from the borrowing date. In 2019, the Group granted a series of additional advances totaling to 1,110,000GBP (equivalent to P77,017,601). No collections were recognized in 2021 and 2020. The outstanding balance was written off in 2021. Interest income amounting to P4,565,337 in 2019 (nil in 2021 and 2020) was recognized as part of Finance Income under Other Income (Charges) section in the 2019 consolidated statement of comprehensive income (see Note 23.1).

The movements of Advances to Associates account recognized in the books are as follows:

	Note	**2021**	2020
Balance at beginning of year		**P2,007,231,967**	P 1,764,829,216
Interest earned during the year	23.1	**95,639,328**	85,294,661
Additions during the year:			
PLPI		**14,000,000**	4,000,000
NPI		**-**	125,000,000
BPPI		**-**	85,000,000
CPI		**-**	200,000
		2,116,871,295	2,064,323,877
Collections during the year		**(10,000,000)**	(47,000,000)
Impairment loss	13	**(34,795,975)**	(10,091,910)
Balance at end of year	13	**P2,072,075,320**	P 2,007,231,967

24.2 Advances for Stock Subscription

In 2019, the Parent Company made a deposit for future stock subscriptions to CBFC amounting to P50,000,000, which was reclassified as part of Investments in Associates account in 2020 upon issuance of shares of CBFC (see Note 13).

On April 13, 2021, March 9, 2021 and June 23, 2020, the Parent Company made advance payment for stock subscription to BAAI amounting to P4,000,000, P4,000,000 and P3,030,000, respectively, which is presented as part of Trade and Other Receivables account in the consolidated statements of financial position (see Note 8). Further, in 2021, the Company made additional investment to BAAI and applied the advance payment made in 2020 amounting to P3,030,000.

24.3 Advances from Related Parties

The balance of this account as of June 30 is broken down as follows:

	2021	2020
PGMC	**P 622,901,355**	P 617,307,908
BLML	**236,490,322**	56,993,562
	P 859,391,677	P 674,301,470

Advances from related parties are presented in the consolidated statements of financial position as follows:

	2021	2020
Current	**P 259,391,677**	P 674,301,470
Non-current	**600,000,000**	-
	P 859,391,677	P 674,301,470

The Parent Company obtained noninterest-bearing advances from PGMC amounting to P150,000,000 and P493,658,789 in 2021 and 2020, respectively, for working capital requirements. In 2021 and 2020, total payments made amounted to P144,406,553 and P217,219,243, respectively. Prior to the deconsolidation of PGMC, the outstanding balance of the advances obtained amounted to P340,868,362 [see Note 24.17(b)].

The Parent Company obtained advances from BLML, intermediate parent company, amounting to P179,098,500 and P55,000,000 in 2021 and 2020, respectively, for working capital requirements and other purposes. The advances bear an annual interest of 6.00% and payable upon demand. Interest expense amounting to P3,300,000 and P2,847,945 in 2021 and 2020, respectively, is presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2). Total unpaid interest expense net of withholding tax amounting to P398,260 and P1,993,562 as of June 30, 2021 and 2020, respectively, is recognized as part of Advances from Related Rarties in the consolidated statements of financial position.

The advances are unsecured and generally payable upon demand in cash or through offsetting arrangements. Further, these advances are presented as Advances from Related Parties under Current and Non-current Liabilities sections in the consolidated statements of financial position.

The movements of advances from BLML and PGMC recognized in the statements of financial position are as follows:

	2021	2020
BLML		
Balance at beginning of year	**P 56,993,562**	P -
Additional borrowings	**179,098,500**	55,000,000
Unpaid interest	**398,260**	1,993,562
Balance at end of year	**P 236,490,322**	P 56,993,562
PGMC		
Balance at beginning of year	**P 617,307,908**	P -
Additional borrowings	**150,000,000**	493,658,789
Disposal of a subsidiary	**-**	340,868,362
Repayment of borrowings	**(144,406,553)**	(217,219,243)
Balance at end of year	**P 622,901,355**	P 617,307,908

24.4 Payments for Future Acquisition of Investments

The Group deposited funds to IPSSB on client trust basis for future acquisition of investment securities. IPSSB is principally engaged in the business of stock brokerage. Outstanding payments to IPSSB as at June 30, 2021 and 2020 amounted to P2,128,380 and P1,531,186, respectively, and are presented as Payments for future acquisition of investments under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 8). These advance payments are noninterest-bearing and collectible in cash upon demand of the Group.

24.5 Management Service Agreement

Prior to the deconsolidation of PGMC, total management fees paid to an entity owned by a key management personnel of the Group based on Management Services Agreement amounted to P48,681,000 in 2019 and are shown as part of Professional Fees under Costs and Operating Expenses section in the 2019 consolidated statement of comprehensive income.

24.6 Purchase of Spare Parts and Accessories

Prior to the deconsolidation of PGMC, the Group made purchases of imported spare parts and accessories of on-line lottery equipment from International Lottery Totalizator System (ILTS).

24.7 Software Support Services

Prior to the deconsolidation of PGMC, the Group entered into a Software Support Services Agreement (Software Agreement) with Sports Toto Malaysia Sdn. Bhd. (STMSB), a related party under common ownership, for the maintenance of the Group's on-line lottery equipment. The Software Agreement is automatically renewed annually unless terminated by either party. In 2019, the Group recognized royalty expenses arising from the transaction amounting to P21,163,699 and are presented as part of Maintenance of Computer Equipment under Costs and Operating Expenses section in the 2019 consolidated statement of comprehensive income.

24.8 Due to a Related Party

Berjaya Resorts Management Services Sdn Bhd (Berjaya Resorts), a related party under common ownership, allocates costs and expenses to the Group related to advertising and promotion, among others. The outstanding allocated expenses are presented as part of Due to a related party under Trade and Other Payables account in the consolidated statements of financial position (see Note 18). The payable arising from this transaction is unsecured, noninterest-bearing and payable in cash upon demand.

The details of the Group's transactions with Berjaya Resorts are presented below.

	2021	2020
Balance at beginning of year	**P 3,241,664**	P 130,223
Expenses incurred during the year	**3,401,486**	3,111,441
Payments made during the year	**(1,685,246)**	-
Balance at end of year	**P 4,957,904**	P 3,241,664

24.9 Due from Other Related Parties

In 2021, H.R. Owen granted cash advances to STMSB amounting to 60,000GBP, of which 45,000GBP were paid in the same year. The outstanding balance equivalent to P1,008,138 is presented as Due from a related party under Trade and Other Receivables account in the 2021 consolidated statement of financial position (see Note 8).

In 2019, H.R. Owen recognized an income amounting to 153,085 GBP (or equivalent to P10,475,040) which is presented as part of Servicing and bodyshop under Revenues section in the 2019 consolidated statement of comprehensive income. There was no similar transaction in 2021 and 2020.

24.10 Lease Agreement with PLPI

In 2012, the Group and PLPI amended its existing lease agreement making the lease term good for one year for an annual rental of P6,000,000 but renewable annually, at the option of the lessee, for a maximum of 25 years. On July 1, 2018, the lease was amended, making the annual rental to P6,615,000, with all other terms being retained.

The outstanding advance rental to PLPI amounting to P12,000,000 was reclassified as part of Right-of-use Assets account in the consolidated statements of financial position upon adoption of PFRS 16 (see Note 16).

The lease requires an annual rental of P7,640,328, renewable annually. In 2021, the Company and PLPI have agreed to increase the annual rental to P8,404,358. Such lease modification caused the remeasurement of the outstanding lease liability and right-of-use asset (see Note 16).

Amortization of the right-of-use asset amounting to P2,562,868 and P2,878,378 in 2021 and 2020, respectively, is presented as part of Depreciation and Amortization under Costs and Operating Expenses section in the consolidated statements of comprehensive income. Prior to the adoption of PFRS 16, the Group recognized rent expense on this lease agreement amounting to P6,562,500 in 2019 and is presented as part of Rental account under Costs and Operating Expenses section in the 2019 consolidated statement of comprehensive income.

24.11 Key Management Personnel Compensation

The details of key management personnel compensation (from vice-president and up), which are presented as part of Salaries and Employee Benefits under Costs and Operating Expenses section in the consolidated statements of comprehensive income (see Note 22.1), are as follows:

	2021	2020	2019
Short-term benefits	**P 94,056,888**	P 82,650,076	P 95,637,628
Post-employment benefits	**4,844,092**	4,960,119	4,625,630
	P 98,900,980	P 87,610,195	P 100,263,258

Director emoluments in 2021, 2020 and 2019 amounted to P3,200,000, P3,400,000 and P4,350,000, respectively, and are presented as part of Professional Fees under Costs and Operating Expenses section in the consolidated statements of comprehensive income. There were no outstanding payable relating to this compensation as at June 30, 2021 and 2020.

24.12 Transactions with Officers and Employees

In the normal course of business, the Group grants interest-bearing advances to its officers and employees. The outstanding advances to officers and employees amounted to P62,845 and P397,822 as at June 30, 2021 and 2020, respectively, and are presented as Advances to officers and employees under Trade and Other Receivables account in the consolidated statements of financial position (see Note 8).

In 2018, the Group obtained a five-year, interest-bearing loan from a director of a subsidiary amounting to 250,000GBP (equivalent to P17,892,850). The loan, which is payable in cash upon maturity on May 4, 2022, bears interest at a rate of 1% above Bank of England base rate per annum. The outstanding balance of the loan amounting to P16,802,300 and P15,335,425 as of June 30, 2021 and 2020, respectively, is presented as Advances from a director under Trade and Other Payables account in the consolidated statements of financial position (see Note 18). Interest expense incurred related to the said loan amounted to P180,006, P240,549 and P284,021 in 2021, 2020 and 2019, respectively, and are presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the consolidated statements of comprehensive income (see Note 23.2).

In the normal course of business, the Group sold vehicles on cash basis amounting to P87,523,368, P125,674,668 and P229,612,036 to directors in 2021, 2020 and 2019, respectively. There was no outstanding balance arising from this transaction as at June 30, 2021 and 2020. Furthermore, total deposits of P42,600,148 and P31,337,634 in 2021 and 2020, respectively, are held by the Group from the directors for future vehicle purchases and is included as part of Trade and Other Payables in the consolidated statements of financial position (see Note 18).

In 2020, the Group committed to purchase a vehicle from a director for a total of P256,586,000 (4,000,000GBP) and paid partial payments of P30,670,850 (500,000GBP) and P100,813,800 (1,500,000GBP) in 2021 and 2020, respectively. The total amount paid is presented as part of Prepaid expenses under the Prepayments and Other Assets account in the consolidated statements of financial position (see Note 10).

24.13 Loan Guarantee

The loans of BPPI from a certain financial institution amounting to P37,000,000 and P49,000,000 as at June 30, 2021 and 2020, respectively, are secured by the Parent Company (see Note 30.3).

24.14 Deposits

In 2021 and 2018, H.R. Owen has placements amounting to P1,061,905,360 and P776,434674, respectively, with a foreign asset management firm of which its director has an interest. The deposit placements bear an interest of 6% per annum. The outstanding placements amounting to P1,105,559,684, inclusive of accrued interest, as of June 30, 2021 is presented as Deposits under Trade and Other Receivables account in the 2021 consolidated statement of financial position (see Note 8). In 2020, the deposits placed in 2018 were fully redeemed by the Group in 2020.

24.15 Loan

A loan of P358,114,350 (5,500,000GBP) was received from a related party by virtue of common control in 2019. The loan was used for working capital of H.R. Owen. This was settled in full, with accrued interest payable of 9% per annum. The interest expense amounting to P4,361,474 is presented as part of Finance Costs and Other Charges under Other Income (Charges) section in the 2019 consolidated statement of comprehensive income (see Note 23.2). The interest was fully settled in 2019. No similar transaction was entered in 2021 and 2020.

24.16 Retirement Plan

The details of the contributions of the Parent Company and benefits paid out by the plan is presented in Note 22.2.

The retirement plan neither provides any guarantee or surety for any obligation of the Group nor its investments covered by any restrictions or liens.

24.17 Related Party Transactions that are Eliminated in the Consolidated Financial Statements

The following are the related party transactions (amounts and balances) that are eliminated in the consolidated financial statements:

(a) Advances to Subsidiaries

In 2009, the Parent Company granted advances to PHPI as a result of the execution of a MOA, which is part of the Group's strategy to acquire an interest in the operation of a hotel located in Makati City. The outstanding balance as at June 30, 2021 and 2020 amounted to P594,020,377 and P609,020,377, respectively.

In 2019, the Parent Company granted cash advances to FEC amounting to P200,000,000 to fund FEC's projects. In 2020, noninterest-bearing loans amounting to P159,979,095 were granted to FEC. Further, additional advances amounting to P110,000,000 were granted in 2021. No collections were made in 2021 and 2020.

In 2019, the Parent Company acquired the sole share in eDoc Holdings from H.R. Owen for a consideration of 1GBP. Consequently, H.R. Owen transferred to the Parent Company the advances it previously granted to eDoc Holdings resulting to a recording of advances to eDoc Holdings and advances from H.R. Owen amounting to P192,717,682 and P175,893,031, in 2021 and 2020, respectively.

(b) Advances from a Subsidiary

In 2020, H.R. Owen granted additional advances to the Company amounting to P29,147,513. In 2021, payments made amounted to P135,340,000. There was no repayment made in 2020.

(c) Dividends from a Subsidiary

Prior to the deconsolidation of PGMC, the Parent Company received dividend income amounting to P340,000,000 in 2019 from PGMC.

25 EQUITY

25.1 Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Group sets the amount of capital in proportion to its overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. Further, it is also the Group's goal to maintain a debt – equity structure of not higher than 2.50 : 1.00 (see Note 19.1).

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position and also evaluates its capital in terms of debt-to-equity ratio as shown below.

	2021	2020
Total liabilities	**P10,866,896,943**	P12,525,843,566
Total equity	**8,870,325,699**	7,924,555,587
Debt-to-equity ratio	**1.23 : 1.00**	1.58 : 1.00

25.2 Capital Stock

As at June 30, 2021 and 2020, the Parent Company has 6,000,000,000 authorized shares with P1 par value, of which 4,427,009,132 shares are issued and outstanding.

As at June 30, 2021 and 2020, there are 144 and 142 holders, respectively, of the Parent Company's total outstanding shares. In November 1948, the Parent Company listed 953,984,448 shares in the PSE. An additional 3,473,024,684 shares were listed in July 2016. The Parent Company's listed shares are bid at P5.50 per share and P2.20 per share as at June 30, 2021 and 2020, respectively.

The Parent Company has 127 and 126 stockholders owning 100 or more shares each of the Parent Company's capital stock, as at June 30, 2021 and 2020, respectively.

25.3 Treasury Shares

The Parent Company's treasury shares represent the cost of 85,728,277 shares bought back by the Parent Company prior to 2014.

The Parent Company's retained earnings is restricted for dividend declaration to the extent of the cost of treasury shares (see Note 25.5).

25.4 Revaluation Reserves

The movements of Revaluation Reserves follow:

	Notes	2021	2020	2019
Fair value changes on financial assets at FVOCI				
Balance at beginning of year		**(P 526,355,062)**	(P 249,652,188)	(P 137,390,879)
Net unrealized fair value losses on financial assets at FVOCI	11.2	**7,509,510**	(268,328,878)	(130,229,915)
Share in OCI of associate	13	**(9,215,205)**	-	-
Transfer to retained earnings – Recycling of accumulated fair value loss on disposed equity securities at FVOCI	11.2	**31,860,692**	(8,373,996)	17,968,606
Balance at end of year		**(496,200,065)**	(526,355,062)	(249,652,188)
Measurement of post-employment benefits				
Balance at beginning of year		**(30,476,299)**	20,235,014	30,667,341
Net actuarial gain (loss) on remeasurement of post-employment benefit obligation – net of tax	22.2	**104,303,156**	(48,976,356)	(10,432,327)
Share in OCI of associate	13	**(1,156,289)**	(221,314)	-
Disposal of a subsidiary	1.2(f)	**-**	(1,513,643)	-
Balance at end of year		**72,670,568**	(30,476,299)	20,235,014
Revaluation surplus				
Balance at beginning of year		**-**	32,049,054	32,049,054
Transfer to retained earnings – Recycling of accumulated fair value gain on disposed investment property	15	**-**	(32,049,054)	-
Balance at end of year		**-**	-	32,049,054
		(P 423,529,497)	(P 556,831,361)	(P 197,368,120)

25.5 Retained Earnings

In 2020 and 2015, the BOD of the Parent Company approved the appropriation of retained earnings amounting to P2,000,000,000 and P1,150,000,000, respectively, for future investments, expansion and various expenditures which are expected to be carried out within the next two to five years in line with the Group's growth plans. Consequently, the appropriation previously made totalling P1,773,262,552 was fully utilized in 2020 and related appropriation was reversed accordingly. As of June 30, 2021 and 2020, the outstanding balance of appropriated retained earnings amounted to P2,000,000,000.

There was no cash dividend declaration in 2021, 2020 and 2019.

26 CURRENT AND DEFERRED TAXES

The components of tax expense relating to profit or loss and other comprehensive income or loss follow:

	2021	2020	2019
Reported in profit or loss:			
Current tax expense:			
Regular corporate income tax (RCIT) at 25% and 19% in 2021, 30% and 19% in 2020 and 2019	**P156,920,914**	P 46,941,190	P 272,914,128
Tax benefit from application of unrecognized minimum corporate income tax (MCIT)	**(241,961)**	(1,678,673)	-
Final tax on passive income at 20%, 15% and 7.5%	**24,987**	17,647,380	433,461
MCIT at 1% in 2021 and 2% in 2020 and 2019		-	891,609
	156,703,940	62,909,897	274,239,198
Deferred tax loss (income) relating to the origination, reversal of temporary differences, and unused tax losses	**30,768,449**	26,117,557	(2,544,866)
Deferred tax income due to change in tax rate	**11,130,546**	-	-
	P198,602,935	P 89,027,454	P271,694,332
Reported in other comprehensive income or loss:			
Deferred tax income (loss) relating to origination and reversal of temporary differences	**(P 34,817,762)**	(P 16,395,657)	P 3,101,688
Deferred tax income due to change in tax rate	**50,043**	-	-
	(P 34,767,719)	(P 16,395,657)	P 3,101,688

The reconciliation of tax on pretax income computed at the applicable statutory rates to tax expense reported in profit or loss follows:

	2021	2020	2019
Tax on pretax income at 25% in 2021 and 30% in 2020 and 2019	**P 184,440,170**	P 45,525,895	P239,545,512
Adjustments for:			
Income subjected to lower income tax rates	**(53,762,756)**	(130,161)	(5,975,274)
Application of optional standard deduction (OSD)	**16,877,484**	24,305,069	16,351,867
Tax effects of:			
Non-deductible expenses	**48,425,540**	24,878,318	10,029,885
Adjustments to current tax for prior years	**(19,310,907)**	(17,380,109)	-
Non-taxable income	**(6,119,696)**	(10,128,494)	(4,874,421)
Fixed-asset differences	**12,609,236**	9,621,975	12,031,959
Remeasurement of deferred tax asset	**11,551,383**	6,222,211	-
Unrecognized net operating loss carry over (NOLCO)	**3,892,481**	5,400,838	3,315,840
Expiration of MCIT	**-**	711,912	731,019
Expired NOLCO	**-**	-	537,945
Tax expense reported in the consolidated profit or loss	**P 198,602,935**	P 89,027,454	P 271,694,332

The deferred tax assets and liabilities as at June 30 presented in the consolidated statements of financial position relate to the following:

	2021	2020
Deferred tax assets – net:		
Impairment loss	**P 96,952,434**	P 88,253,440
Unrealized fair value gains on financial assets at FVTPL	**(13,251,939)**	(12,311,853)
Leases	**(1,876,151)**	676,599
Post-employment benefit obligation	**544,529**	2,182,094
Unrealized foreign currency losses – net	**-**	3,705,766
	P 82,368,873	P 82,506,046
Deferred tax liabilities – net:		
Rolled-over and held over capital gains	**P110,105,539**	P 54,411,867
Post-employment benefit obligation	**28,026,492**	(5,140,741)
Other short-term timing differences	**(10,887,891)**	(7,974,422)
Depreciation in excess of capital allowance	**(5,712,782)**	(3,619,160)
Unrealized foreign currency gains	**1,355,500**	19,896
Capitalized direct cost	**1,031,820**	1,264,642
	P123,918,678	P 38,962,082

The deferred tax income reported in the consolidated statements of comprehensive income is shown below.

	Consolidated Profit or Loss		
	2021	2020	2019
Deferred tax expense (income):			
Rolled-over and held-over capital gains	**P 49,175,517**	P -	P -
Impairment losses	**(8,698,994)**	(3,027,573)	-
Unrealized foreign currency gain – net	**5,041,370**	8,201,318	(8,338,785)
Depreciation in excess of capital allowance	**(1,701,978)**	-	-
Unrealized fair value gains on financial assets at FVTPL	**940,086**	5,721,813	6,590,040
Leases	**(742,325)**	(676,599)	-
MCIT	**241,961**	2,390,585	(160,590)
Capitalized direct cost	**(232,821)**	(31,748)	(37,041)
Post-employment benefit obligation	**(29,079)**	(238,589)	(1,602,689)
Advance rental	**-**	12,969,691	(6,000)
NOLCO	**-**	808,659	51,386
Unamortized past service cost	**-**	-	901,354
Security deposit	**-**	-	57,459
Other short-term timing differences	**(2,094,742)**	-	-
	P 41,898,995	P 26,117,557	(P 2,544,866)

	Consolidated Other Comprehensive Income		
	2021	2020	2019
Deferred tax income (expense):			
Post-employment benefit obligation	**(P 34,767,719)**	(P 16,395,657)	P 3,101,668

The details of the Group's NOLCO, which can be applied against future taxable income within three years or five years from the year the tax loss was incurred, is shown below. Specifically, the NOLCO incurred in 2021 can be claimed as a deduction from future taxable income within five years immediately following the year of such loss, pursuant to Republic Act (R.A.) No. 11494, *Bayanihan to Recover as One Act.*

Year Incurred	Amount	Applied Prior Year	Applied Current Year	Expired	Balance	Expiry Date
2021	P 15,569,923	P -	P -	P -	P 15,569,923	2026
2020	18,002,792	-	-	-	18,002,792	2023
2019	12,498,670	-	(1,621,864)	-	10,876,806	2022
2018	1,249,661	-	(1,073,667)	(175,994)	-	
	P 47,321,046	**P -**	**(P 2,695,531)**	**(P 175,994)**	**P 44,449,521**	

The details of the Group's excess MCIT, which can be applied against RCIT, are as follows:

Year Incurred	Amount	Applied Prior Year	Applied Current Year	Expired	Balance	Expiry Date
2019	P 798,536	(P 798,536)	P -	P -	P -	2022
2018	2,151,045	(787,064)	-	(1,363,981)	-	
	P 2,949,581	**(P 1,585,600)**	**P -**	**(P 1,363,981)**	**P -**	

The Group's NOLCO and MCIT pertain to the Parent Company, PHPI and FEC. In 2021 and 2020, the management has taken a conservative position of not recognizing additional deferred tax assets arising from NOLCO and MCIT since their recoverability and utilization are unlikely at this time based on the assessment of management. Further, in 2021 and 2020, PHPI and FEC opted to claim itemized deductions, while the Parent Company opted to claim OSD.

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, amending certain provisions of the National Internal Revenue Code of 1997, as amended, was signed into law with veto on certain provisions and shall be effective 15 days after its publication. The CREATE Act has several provisions with retroactive effect beginning July 1, 2020. The following are the major changes brought about by the CREATE Act that are relevant to the Group:

- RCIT rate is decreased from 30% to 25% starting July 1, 2020;
- MCIT rate is decreased from 2% to 1% starting July 1, 2020 until June 30, 2023;
- the imposition of 10% tax on improperly accumulated retained earnings is repealed; and,
- The allowable deduction for interest expense is reduced to 20% (from 33%) of the interest income subjected to final tax.

As a result, the Group used the lower tax rates in determining its current taxes and remeasuring its deferred taxes in the 2021 consolidated financial statements.
Taxation of H.R. Owen is in accordance with the tax laws of UK. The UK corporation tax rate was 19% for the year ended June 30, 2021 and this rate has been used for the purposes of preparing the tax disclosures. Increases in the UK corporation tax rate from 19% to 25% (effective from April 1, 2023) have been substantively enacted. Consequently, deferred tax assets and liabilities arising from transactions of H.R. Owen have been calculated using the applicable rate when the liabilities are expected to be realized.

27 EARNINGS PER SHARE

The earnings (loss) per share of the Group is presented below.

	2021	2020	2019
Earning per share from continuing operations			
Net profit attributable to owners of the Parent Company	**P 528,956,479**	P 54,033,165	P160,547,686
Divided by weighted average number of outstanding shares	**4,341,280,855**	4,341,280,855	4,341,280,855
Earnings per share	**P 0.122**	P 0.012	P 0.037

	2021	2020	2019
Loss per share from discontinued operations			
Net loss attributable to owners of the Parent Company	**P -**	P -	(P 51,792,864)
Divided by weighted average number of outstanding shares	**-**	-	4,341,280,855
Loss per share	**P -**	P -	(P 0.012)

The Group has no potentially dilutive instruments; thus, basic and dilutive earnings (loss) per share are the same.

28 CATEGORIES, FAIR VALUES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

28.1 Carrying Amounts and Fair Values by Category

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

	Notes	2021 Carrying Amounts	2021 Fair Values	2020 Carrying Amounts	2020 Fair Values
Financial Assets					
At amortized cost:					
Cash and cash equivalents	7	**P 621,756,192**	**P 621,756,192**	P 1,453,881,090	P 1,453,881,090
Trade and other receivables - net	8	**1,894,269,594**	**1,894,269,594**	1,125,395,175	1,125,395,175
Advances to associates – net	24.1	**2,072,075,320**	**2,072,075,320**	2,007,231,967	2,007,231,967
Refundable deposits	10	**72,349,253**	**72,349,253**	72,381,246	72,381,246
		P 4,660,450,359	**P 4,660,450,359**	P 4,658,889,478	P 4,658,889,478
Financial assets at FVTPL	11.1	**P 7,369,362**	**P 7,369,362**	P 3,609,020	P 3,609,020
Financial Assets at FVOCI	11.2	**P 1,072,280,214**	**P 1,072,280,214**	P 1,259,093,353	P 1,259,093,353
Financial Liabilities					
At amortized cost:					
Trade and other payables	18	**P 1,226,184,236**	**P 1,226,184,236**	P 1,832,565,174	P 1,832,565,174
Loans payable and borrowings	19	**2,912,924,472**	**2,888,468,671**	4,753,375,352	4,753,375,352
Advances from related parties	24.2	**859,391,677**	**859,391,677**	674,301,470	674,301,470
		P 4,998,500,385	**P 4,974,044,584**	P 7,260,241,996	P 7,260,241,996

See Note 2.4 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 4.

28.2 Offsetting of Financial Assets and Financial Liabilities

Currently, financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis through approval by both parties' BOD and stockholders or upon instruction by the Parent Company.

29 FAIR VALUE MEASUREMENT AND DISCLOSURES

29.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

29.2 Financial Instruments Measured at Fair Value

Quoted equity securities and warrants classified as financial assets at FVOCI and debt securities classified as financial assets at FVTPL are included in Level 1 as their prices are derived from quoted prices in active market that the entity can access at the measurement date except for certain securities measured at cost.

Moreover, equity securities held in certain investee companies are included in Level 3 since its market value is not quoted in an active market; hence, determined through discounted cash flow valuation technique. The Group uses assumption that are mainly based on market conditions and historical performance of the entity such as discount rate and expected growth rate of 5% and 9%, respectively (see Note 11.2).

The Group has no financial liabilities measured at fair value as at June 30, 2021 and 2020. There were no transfers across the levels of the fair value hierarchy in both years.

29.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as at June 30, 2021 and 2020:

	2021			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 621,756,192	P -	P -	P 621,756,192
Trade and other receivables	-	-	1,894,269,594	1,894,269,594
Advances to associates – net	-	-	2,072,075,320	2,072,075,320
Refundable deposits	-	-	72,349,253	72,349,253
	P 621,756,192	**P -**	**P 4,038,694,167**	**P 4,660,450,359**
Financial liabilities:				
Trade and other payables	P -	P -	P 1,226,184,236	P 1,226,184,236
Loans payable and borrowings	-	-	2,888,468,671	2,888,468,671
Advances from related parties	-	-	859,391,677	859,391,677
	P -	**P -**	**P 4,974,044,584**	**P 4,974,044,584**

	2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 1,453,881,090	P -	P -	P 1,453,881,090
Trade and other receivables	-	-	1,125,395,175	1,129,956,361
Advances to associates – net	-	-	2,007,231,967	2,007,231,967
Refundable deposits	-	-	72,381,246	72,381,246
	P 1,453,881,090	P -	P 3,205,008,388	P 4,658,889,478
Financial liabilities:				
Trade and other payables	P -	P -	P 1,832,565,174	P 1,832,565,174
Loans payable and borrowings	-	-	4,753,375,352	4,753,375,352
Advances from related parties	-	-	674,301,470	674,301,470
	P -	P -	P 7,260,241,996	P 7,260,241,996

29.4 Investment Property Measured at Fair Value

The fair value of the Group's investment property (see Note 15) are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications. In estimating the fair value of the land, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management's assessment, the best use of the Group's non-financial assets indicated above is their commercial utility.

In 2019, the Group recognized fair value decline on investment property amounting to P10,225,687, which is presented as part of Other operating expenses (see Note 21.2).

In 2021 and 2020, there were no significant change noted in the fair value of investment property as determined by an external appraiser engaged by the Group (see Note 15).

The Level 3 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations adjusted for differences in key attributes. Under this approach, when sales prices of comparable land in close proximity are used in the valuation of the subject property with no adjustment on the price, fair value is included in Level 2. On the other hand, if the observable recent prices of the reference properties were adjusted for differences in key attributes such as property size, zoning, and accessibility, the fair value is included in Level 3. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value. There were no transfers into or out of Level 3 fair value hierarchy in both years.

30 COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

30.1 Operating Lease Commitments – PHPI, PGMC and H.R. Owen as Lessees

Prior to the deconsolidation of PGMC, H.R. Owen and PGMC lease its dealership spaces and office, respectively, under lease agreements from certain lessors, which will expire at various dates from 2017 to 2021. Other lease agreements by H.R. Owen are due until 2027. The lease agreements also provide for renewal options upon mutual consent of both parties.

In 2012, PHPI and PLPI amended its existing lease agreement making the lease term good for one year but renewable annually for a maximum of 25 years at the option of the lessee. The Group made refundable deposits for its operating leases (see Note 10).

Rental expense arising from these leases amounted to P243,663,694 in 2019 and is presented as part of Rental under Costs and Operating Expenses section in the 2019 consolidated statement of comprehensive income.

In 2019, H.R. Owen's total future minimum lease payments due after one year but not more than five years include P192,014,403 relating to two properties, which are sub-leased to third parties. Of this amount, P129,442,060 relates to a sub-lease for a single property, which is of the same duration as the Group's own lease, while the sub-lease for the remaining properties amounting to future minimum lease payments of P62,572,344 can be terminated by the third party on six months' written notice.

30.2 Injunction Cased and Arbitration

On June 11, 2012, PGMC filed an application for the issuance of a Writ of Preliminary Injunction against PCSO asserting its exclusive rights under the 1995 ELA and its amendments and subsequently filed a request for arbitration at the International Chamber of Commerce court on March 12, 2014.

The Arbitral Tribunal has rendered a Final Award on February 23, 2018 ordering PGMC to pay all of PCSO's reasonable costs and expenses in the arbitration. A provision for losses was recognized in such year.

On March 26, 2018, PGMC filed a Petition to Vacate the Final Award (the Petition) with the Makati Regional Trial Court (RTC). On March 28, 2018, PCSO filed a motion for confirmation of the arbitral award. The RTC confirmed the final award on May 25, 2018. Consequently, PGMC filed a motion for reconsideration of the order confirming the final award, while PCSO filed a motion for execution of the final award.

On March 22, 2019, the RTC, in a Joint Order, granted PGMC's motion for reconsideration and denied PCSO's motion for execution. Further, the RTC decided to conduct a hearing on PGMC's petition to vacate.

On September 6, 2019, the PGMC agreed to withdraw or cause the dismissal of its petition to vacate final award, and paid all of PCSO's reasonable costs and expenses in the arbitration.

30.3 Surety Agreement

In 2019, the Parent Company acted as a surety in favor of a certain financial institution to the loan obtained by BPPI for the latter's working capital requirements (see Note 24.13). The loan remains outstanding as at June 30, 2021 and 2020.

30.4 Bank Guarantees

H.R. Owen Dealerships Limited and Broughtons of Cheltenham Limited, both wholly owned subsidiaries of H.R. Owen, have provided bank guarantees to certain manufacturers and other parties which totalled 1,065,000GBP (or equivalent to P71,577,798) and 1,667,000GBP (or equivalent to P102,256,614) as at June 30, 2021 and 2020, respectively.

30.5 Capital commitment

In 2020, the Group contracted to develop a new multi-franchise site and head office in UK. Total capital commitment not yet incurred amounts to P1,384,106,265 and P1,782,000,000 as at June 30, 2021 and 2020, respectively.

In relation to the construction of the sanitary landfill project, FEC has capital commitments amounting to P179,142,092 and P237,450,502 as of June 30, 2021 and 2020, respectively.

30.6 Others

There are other commitments, guarantees, litigations and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the consolidated financial statements. As at June 30, 2021, management is of the opinion that losses, if any, from these commitments and contingencies will not have material effect on the Group's consolidated financial statements.

31 EVENT AFTER THE END OF REPORTING PERIOD

On July 30, 2021, the Group acquired additional share capital of H.R.O. Insurance from another stockholder for a total consideration of P90,732,420, which resulted in an increase in ownership interest to 95%.

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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The Board of Directors and the Stockholders
Berjaya Philippines Inc. and Subsidiaries
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Berjaya Philippines Inc. and Subsidiaries (the Group) for the year ended June 30, 2021, on which we have rendered our report dated October 12, 2021. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 8533234, January 4, 2021, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-4 (until Sept. 4, 2022)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002511-022-2019 (until Sept. 4, 2022)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

October 12, 2021

Berjaya Philippines Inc. and Subsidiaries
List of Supplementary Information
June 30, 2021

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule A - Financial Assets
June 30, 2021

Name of Issuing Entity and Association of Each Issue	Number of Shares or Principal Amount of Bonds and Notes		Amount Shown in the Statement of Financial Position		Income Received and Accrued
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME					
Equity securities	104,120,131	P	1,072,280,214	P	16,356,021
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS					
Warrants	16,000,000		7,369,362		-
Total	**120,120,131**	**P**	**1,079,649,576**	**P**	**16,356,021**

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
June 30, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Reclassified	Deductions: Amounts Written off	Other Changes - Additions (Deductions)	Balance at End of Period
Related Parties:							
Berjaya Pizza Philippines Inc.	P 505,751,461	P 28,107,068	(P 1,000,000)	P -	P -	P -	P 532,858,529
Inter-Pacific Securities Sdn Berhad	1,531,186	597,194	-	-	-	-	2,128,380
Sports Toto Malaysia Sdn. Bhd	-	1,008,071	-	-	-	-	1,008,071
Perdana Land Philippines Inc.	409,843,560	33,749,200	(5,000,000)	-	-	-	438,592,760
Cosway Philippines Inc.	3,023,496			-	-	-	3,023,496
Neptune Properties, Incorporated	1,098,705,360	47,783,060	(4,000,000)	-	-	-	1,142,488,420
VideoDoc Limited	81,892,274	-	-	-	(81,892,274)	-	-
Total	**P 2,100,747,337**	**P 111,244,593**	**(P 10,000,000)**	**P -**	**(P 81,892,274)**	**-**	**P 2,120,099,656**

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule C - Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
June 30, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written off	Deductions: Other Charges	Ending Balance: Current	Ending Balance: Non-current	Balance at End of Period
Perdana Hotel Philippines Inc.	P 609,020,377	P -	(P 15,000,000)	P -	P -	P 594,020,377	P -	P 594,020,377
Floridablanca Enviro Corporation	359,979,095	110,000,000	-	-	-	469,979,095	-	469,979,095
eDoc Holdings Limited	175,893,031	-	-	-	16,824,651	192,717,682	-	192,717,682
Total	**P 1,144,892,503**	**P 110,000,000**	**(P 15,000,000)**	**P -**	**P 16,824,651**	**P 1,256,717,154**	**P -**	**P 1,256,717,154**

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule D - Long-term Debt
June 30, 2021

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown under Caption "Current Portion of Long-term Debt" in Relation to Statement of Financial Position	Amount Shown under Caption "Long-term Debt" in Relation to Statement of Financial Position
Loans Payable	**P 683,487,840**	**P 334,000,000**	**P 349,487,840**

Loans payable includes the following:

1.) Various unsecured short-term loans obtained by the Parent Company from local banks with interest rates ranging from 5.76% to 6.00% in 2021 and 2021.

2.) Unsecured long-term loans from a financial institution obtained by H.R. Owen Plc which is payable in quarterly installments beginning January 1, 2023 for 20 years with an annual interest rate of 3%.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule E - Indebtedness to Related Parties (Long-term Loans from Related Companies)
June 30, 2021

Name of Related Party	Amount Authorized by Indenture	Balance at Beginning of Period	Balance at End of Period

NOT APPLICABLE
The Group has no long-term indebtedness to related parties as at June 30, 2021.

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule F - Guarantees of Securities of Other Issuers
June 30, 2021

Name of Issuing Entity of Securities Guaranteed by the Company for which this Statement is filed	Title of Issue of Each Class of Securities Guaranteed	Total Amount Guaranteed and Outstanding	Amount Owned by Person for which this Statement is Filed	Nature of Guarantee
Berjaya Pizza Philippines Inc. (BPPI)*	Loan	**P 37,000,000**	**P 37,000,000**	Corporate guarantee

** The loans of BPPI from a certain local financial institution are secured by Berjaya Philippines Inc.*

Berjaya Philippines Inc. and Subsidiaries
SEC Released Amended SRC Rule 68
Annex 68-J
Schedule G - Capital Stock
June 30, 2021

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as shown under the Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by		
				Related Parties	Directors, Officers and Employees	Others
Common shares - P1 par value	6,000,000,000	4,341,280,855	-	3,831,443,430	898	509,836,527

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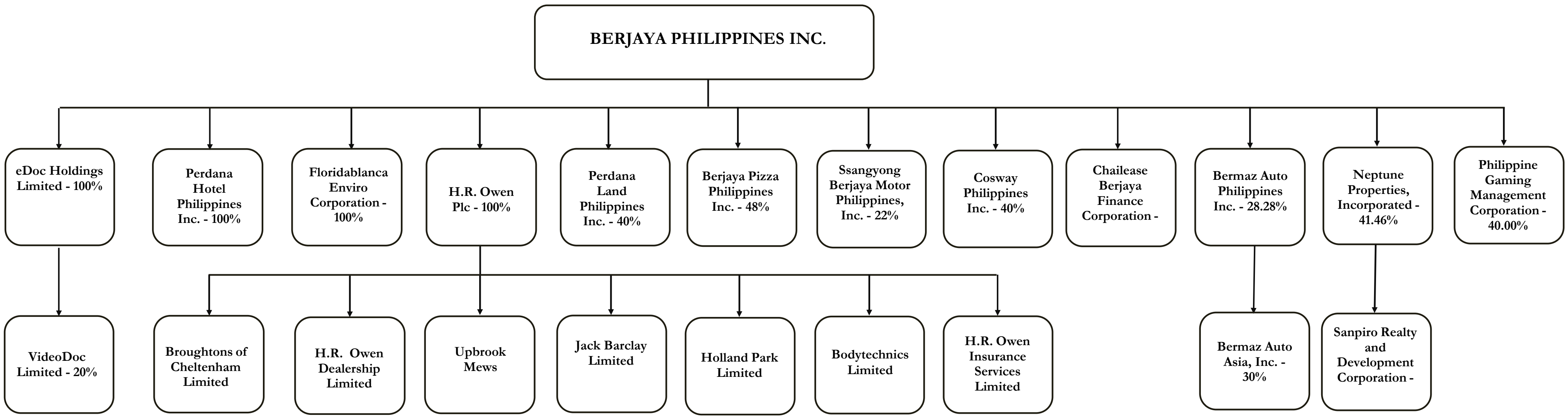
BERJAYA PHILIPPINES INC.
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
(Amounts in Philippine Pesos)

Map Showing the Relationship Between and Among the Company and its Related Parties
June 30, 2021



BERJAYA PHILIPPINES INC.
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(Amounts in Philippine Pesos)

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended June 30, 2021

Unappropriated Retained Earnings at Beginning of Year, as Reported in the Audited Financial Statements		P 2,859,126,095
Prior Year's Outstanding Reconciling Items, net of tax		
Unrealized foreign currency loss	558,861	
Unrealized fair value gain on financial assets at fair value through profit or loss (FVTPL)	(19,072,704)	
Deferred tax expense	23,842,102	5,328,259
Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year, as Adjusted		2,864,454,354
Net Loss Actually Earned during the Year		
Net loss per audited financial statements	(14,873,065)	
Unrealized foreign currency loss	7,669,879	
Unrealized fair value gain on financial assets at FVTPL	(3,760,342)	
Deferred tax income	(2,721,520)	(13,685,048)
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year		**P 2,850,769,306**

Supplemental Information –
The Company plans to appropriate portions of available retained earnings for business expansions within three to five years.

P&A Grant Thornton

Report of Independent Auditors on Components of Financial Soundness Indicators

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The Board of Directors and Stockholders
Berjaya Philippines Inc. and Subsidiaries
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower
6784 Ayala Avenue, Makati City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Berjaya Philippines Inc. and Subsidiaries (the Group) for the year ended June 30, 2021, on which we have rendered our report dated October 12, 2021. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at June 30, 2021 and 2020 and for each of the two years in the period ended June 30, 2021 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 8533234, January 4, 2021, Makati City
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Partner - No. 0628-AR-4 (until Sept. 4, 2022)
Firm - No. 0002 (until Dec. 31, 2024)

BIR AN 08-002511-022-2019 (until Sept. 4, 2022))
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

October 12, 2021

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City
(Amounts in Philippine Pesos)

Schedule of Financial Soundness Indicators
Annex 68-E
As of June 30, 2021

Ratio	Formula	2021	2020
Current ratio	Current assets / Current liabilities	**1.268**	1.072
Acid test ratio	Quick assets / Current liabilities (Quick assets include cash and cash equivalents, trade and other receivables and financial assets at fair value through profit or loss)	**0.366**	0.268
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds payable)	**0.585**	0.240
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings, bonds payable and equity-linked debt securities)	**1.225**	1.581
Asset-to-equity ratio	Total assets / Total stockholders' equity	**1.816**	1.633
Interest rate coverage ratio	EBIT / Total Interest (Non-recurring gain is excluded from EBIT)	**5.388**	2.315
Return on investment	Net profit / Total stockholders' equity	**0.061**	0.008
Return on investment of equity owners	Net profit attributable to owners of the Parent Company/ equity attributable to the owners of the Parent Company	**0.060**	0.007
Return on assets	Net profit/ Total assets	**0.027**	0.003
Net profit margin	Net profit / Total revenues	**0.018**	0.003

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) §

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CASEY M. BARLETA**, Filipino, of legal age, with address at The Bellagio Tower I, 1st Avenue corner Burgos Circle, Bonifacio Global City 1634, Taguig City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **BERJAYA PHILIPPINES INC**. and have been its independent director since 17 August 2020.

2. I am affiliated with the following companies or organizations :

COMPANY / ORGANIZATION	POSITION / RELATIONSHIP	SINCE
Berjaya Philippines Inc.	Independent Director, Chairman of the Audit Committee, and Member of the Nomination Committee	Aug 2020
CMB/P Law (Casey M. Barleta & Partners)	Tax Partner / Managing Partner	2010 to date
Synechron Technologies Philippines, Inc.	Director and Treasurer	2016 to date
6Estella Corporation	Member, Board of Directors	2014-2019
Prime Rivers, Inc.	Member, Board of Directors	2013 to date
MF Development Corporation	Member, Board of Directors	2015 to date
SCF Properties, Inc.	Member, Board of Directors	2014 to date
First Foremost Resources, Inc.	Member, Board of Directors	2015 to date
Integrated Bar of the Philippines	Member	1987 to date

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **BERJAYA PHILIPPINES INC**. as provided for in Section 38s of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer or substantial shareholder of **BERJAYA PHILIPPINES INC**. other than the relationship provided under Rule 38 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of **BERJAYA PHILIPPINES INC.** of any changes in the abovementioned information within five days from its occurrence.

Executed this 29th day of October 2021 at Makati City, Metro Manila.

CASEY M. BARLETA
Affiant

SUBSCRIBED AND SWORN to before me this 29th day of October 2021 at the City of Makati, Metro Manila, affiant personally appeared before me and exhibited to me his Passport with number P0097098A issued at Manila on 31 August 2016.

CHARLES FRANCIS F. DECANGCHON
Commission No. M-214
Notary Public-City of Makati
Until 31 December 2021
Bernas Law Offices
8th Floor Raha Sulayman Bldg., 108 Benavidez St.
Legaspi Village, Makati City
IBP Membership No. 137632 / 04 January 2021 / RSM
PTR No. 8531156 / 04 January 2021 / Makati City
Roll of Attorneys No. 70008

Doc. No. 2436;
Page No. 69;
Book No. V;
Series of 2021.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) §

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **PONCEVIC M. CEBALLOS**, Filipino, of legal age, with address at 7 Laurel Street, Xavierville 3, Loyola Heights, Quezon City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **BERJAYA PHILIPPINES INC**.

2. I am affiliated with the following companies or organizations :

COMPANY / ORGANIZATION	POSITION / RELATIONSHIP	SINCE
Berjaya Philippines Inc.	Director Member of the Audit Committee	Oct. 15, 2020 - present
Ateneo de Manila School of Law	Professor	1990-present
Wesleyan University Philippine Law School	Professor	2019
Cor Jesu College of Law	Professor	Present
Liceo Law, Cagayan de Oro	Dean	2010-2011
Liceo Law, Cagayan de Oro	Professor	2020-present
Philippine Christian University Law School	Associate Dean, Professor	2015 to 2017
Letran College, Doctorate in Business Administration	Professor	2016-2017
University of Hongkong	Guest Lecturer	
Ceballos Bar Trends Corp.	Owner, director	Present
Bohol Enterprises, Inc.	Owner, director	-do-
Ceballos Holdings Corp.	Owner, director	-do-
NIKAPRO Realty Corp	Owner, director	-do-
Baesa Summit Holdings Corp	Owner, director	-do-
Angels & Lemons Bistros, Inc.	Owner, director	-do-
QMarketz Corp	Director, Corporate Secretary	-do-
Automart.ph	Director, Corporate Secretary	-do-
Motomart.ph	Director, Corporate Secretary	-do-

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **BERJAYA PHILIPPINES INC**. as provided for in Section 38s of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.

4. I am not related to any director, officer or substantial shareholder of **BERJAYA PHILIPPINES INC**. other than the relationship provided under Rule 38 of the Securities Regulation Code.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of **BERJAYA PHILIPPINES INC.** of any changes in the abovementioned information within five days from its occurrence.

Executed this 29th day of October 2021 at Makati City, Metro Manila.

PONCEVIC M. CEBALLOS
Affiant

SUBSCRIBED AND SWORN to before me this 29th day of October 2021 at the City of Makati, Metro Manila, affiant personally appeared before me and exhibited to me his LTO driver's license bearing number N05-77-015305 with expiry date on 6 September 2022.

CHARLES FRANCIS F. DECANGCHON
Commission No. M-214
Notary Public-City of Makati
Until 31 December 2021
Bernas Law Offices
8th Floor Raha Sulayman Bldg., 108 Benavidez St.
Legaspi Village, Makati City
IBP Membership No. 137632 / 04 January 2021 / RSM
PTR No. 8531156 / 04 January 2021 / Makati City
Roll of Attorneys No. 70008

Doc. No. 2437;
Page No. 69;
Book No. V;
Series of 2021.

COVER SHEET

P	R	E	W	A	R	4	7	6

S.E.C. Registration Number

BERJAYA PHILIPPINES INC.

(Company's Full Name)

9F RUFINO PACIFIC TOWER 6784 AYALA AVENUE COR. HERRERA STREET MAKATI

Business Address: No. Street City/Town/Province

Atty. Malu Sia-Bernas
Contact Person

811-0668/810-1814
Company/Telepone Number

Month Day

SEC17-Q
FORM TYPE

Month Day

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks - pls. use black ink for scanning purposes

BERJAYA PHILIPPINES, INC.

(Company's Full Name)

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

(Company's Address)

8811-0668 / 8810-1814

(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 31 March 2021

(Form Type)

N.A.

(Amendment Designation, if applicable)

(Period Ended Date)

N.A.

(Secondary License Type and File Number)

LCU

Cashier

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 March 2021**
2. SEC Identification Number **476**
3. BIR Tax Identification No. **001-289-374**
4. Exact name of registrant as specified in its charter **BERJAYA PHILIPPINES, INC.**
5. Province, Country or other jurisdiction of incorporation or organization **Manila, Philippines**
6. Industry Classification Code: [ ] (SEC Use Only)
7. Address of Issuer's principal office

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

8. Issuer's telephone number, including area code

   (632) 811-0540

9. Former name, former address, and former fiscal year, if changed since last report**N.A.**

   Former Name:
   Former Address:
   Former Fiscal Year

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

Title of Each Class	Number of Shares of Stock Issued and Outstanding
COMMON	**4,427,009,132**

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

    Yes [√]   No [ ]

12. Indicate by check mark whether the registrant:

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

    Yes [√]   No [ ]

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

    Yes [√]   No [ ]

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See Interim Consolidated Statement of Financial Position as of 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.

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

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 ₱3.61 million in 30 June 2020 due to changes in its fair value.

Inventories (net) decreased by ₱1.17 billion (24.32%) to ₱3.63 billion in 31 March 2021 compared to ₱4.81 billion in 30 June 2020, mainly due to increase in sales of vehicles.

Advances to associates- net decreased by ₱118.05 million (8.86%) to ₱1.21 billion in 31 March 2021 compared to ₱1.33 billion in 30 June 2020.

Prepayments and other current assets (net) decreased by ₱112.48 million (14.07%) to ₱686.89 million in 31 March 2021 compared to ₱799.37 million in 30 June 2020.

Financial assets at fair value through other comprehensive income decreased by ₱88.72 million (7.05%) to ₱1.17 billion in 31 March 2021 compared to ₱1.26 billion in 30 June 2020 due to disposals made during the period.

Right of use asset-net decreased by ₱2.96 million (.10%) to ₱2.99 billion in 31 March 2021 compared to ₱3.00 billion in 30 June 2020 due to its amortization during the period.

Property and equipment (net) increased by ₱745.23 million (34.88%) to ₱2.88 billion in 31 March 2021 compared to ₱2.14 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 ₱113.48 million in 30 June 2020 due to translation adjustment during the quarter.

Investments in associates decreased by ₱125.41 million (9.49%) to ₱1.20 billion in 31 March 2021 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 ₱114.96 million (8.34%) to ₱1.49 billion in 31 March 2021 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 March 2021 compared to ₱82.51 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:

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

	Note	March 31, 2021 Unaudited	June 30, 2020 Audited		
ASSETS					
CURRENT ASSETS					
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		9,555,256,336	10,209,501,770	(654,245,434)	-6.41%
NON-CURRENT ASSETS					
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		9,940,709,920	10,240,897,383	(300,187,463)	-2.93%
TOTAL ASSETS		P 19,495,966,256	P 20,450,399,153	(954,432,897)	-4.67%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
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%
NON-CURRENT LIABILITIES					
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		10,802,724,708	12,525,843,566	(1,723,118,858)	-13.76%
EQUITY					
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		8,693,241,548	7,924,555,587	768,685,961	9.70%
TOTAL LIABILITIES AND EQUITY		P 19,495,966,256	P 20,450,399,153	(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
REVENUES				
Sales of vehicles	7,503,607,544	21,646,295,821	6,779,308,254 P	20,785,247,991
Hotel Operations	26,848,001	78,913,093	28,595,469	105,813,551
	7,530,455,545	21,725,208,914	6,807,903,723	20,891,061,541
COSTS AND OTHER OPERATING EXPENSES				-
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	15,269,111
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 licences	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	12,104,866
	7,323,270,281	21,233,133,779	6,703,163,834	20,678,828,141
OPERATING PROFIT	207,185,264	492,075,135	104,739,888	212,233,400
OTHER INCOME (CHARGES)				
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)
	54,659,327	40,870,442	42,408,416	109,731,792
PROFIT BEFORE INCOME TAX	261,844,591	532,945,577	147,148,304	321,965,193
TAX EXPENSE	59,408,797	145,868,376	23,528,484	85,420,785
TOTAL NET PROFIT	202,435,794	387,077,201	123,619,819	236,544,408
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassfied subsequently to profit or loss				
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
	274,678,772	(159,028,367)	(132,163,058)	48,233,187
Items that will be reclassified subsequently to profit or loss				
Translation adjustment	105,165,821	269,147,066	168,871,818	(95,401,147)
	105,165,821	269,147,066	168,871,818	(95,401,147)
TOTAL COMPREHENSIVE INCOME	582,280,387	497,195,900	160,328,579	189,376,447
Net profit attributable to:				
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
	202,435,794	387,077,201	123,619,819	236,544,408
Total comprehensive income attributable to:				
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	6,503,876
	582,280,387	497,195,900	160,328,579	205,818,123
Weighted average number of shares outstanding	4,341,280,855	4,341,280,855	4,341,280,855	4,341,280,855
Basic earnings per share (annualized)	0.19	0.12	0.11	P 0.07

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								Non-controlling	
			Revaluation	Other	Translation	Retained Earnings				
	Capital Stock	Treasury Shares	Reserves	Reserves	Adjustment	Appropriated	Unappropriated	Total	Interest	Total
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
Acturial 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
Total equity at March 31, 2021	P **4,427,009,132**	P **(988,150,025)**	P **(412,287,658)**	P **(684,443,103)**	P **(65,573,687)**	P **2,000,000,000**	P **4,391,567,023**	P **8,668,121,682**	P **25,119,865**	P **8,693,241,548**

	Attributable Owners of the Parent Company								Non-controlling	
			Revaluation	Other	Translation	Retained Earnings				
	Capital Stock	Treasury Shares	Reserves	Reserves	Adjustment	Appropriated	Unappropriated	Total	Interest	Total
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			-					-		-
Diposal 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)
Total equity at March 31, 2020	P **4,427,009,132**	P **(988,150,025)**	P **(475,325,394)**	P **(684,443,103)**	P **(244,859,125)**	P **1,773,262,552**	P **4,498,433,234**	P **8,305,927,271**	P **17,435,692**	P **8,323,362,963**

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)

	3 Months Ended March 31, 2021	9 Months Ended March 31, 2021	3 Months Ended March 31, 2020	9 Months Ended March 31, 2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	P 261,844,591	P 532,945,577	P 147,148,304	P 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	419,379,545	862,253,491	430,365,356	882,885,370
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 Borrrowings	-	-	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	(59,408,797)	(145,868,376)	49,806,491	(215,446,500)
			-	
Net cash provided (used in) operating activities	344,170,653	1,842,510,092	1,391,637,506	43,010,344
CASH FLOWS FROM INVESTING ACTIVITIES				
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	(116,495,191)	(561,811,708)	336,831,983	(407,653,498)
CASH FLOWS FROM FINANCING ACTIVITIES				
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	15,632,511	(1,866,514,184)	(1,475,958,364)	(57,228,303)
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS	106,244,610	178,197,746	31,076,354	(4,454,444)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	349,552,583	(407,618,054)	283,587,479	(426,325,901)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	696,710,453	1,453,881,090	511,455,229	1,221,368,609
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	P 1,046,263,036	P 1,046,263,036	P 795,042,708	P 795,042,708

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTESTO 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 Lot13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, JalanImbi 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 amendmentsto 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 shortto 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 areprimarily 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 MYRand 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:

	March 31, 2021	June 30, 2020
Php – GBP	**P 896,185,561**	P1,359,890,732
Php– USD	**43,447,095**	2,395,018
Php – MYR	**481,077**	1,531,186
Php - EUR	**316,682**	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.

	March 31, 2021		June 30, 2020	
	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
		P65,428,484		P464,138,950

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.

	Notes	**March 31, 2021**	June 30, 2020
Cash and cash equivalents	5	**P 1,046,263,036**	P 1,453,881,090
Trade and other receivables – net	6	**2,072,609,315**	1,129,956,361
Financial assets at FVTPL	9	**23,362,800**	3,609,020
Advances to associates	13	**2,086,438,876**	2,007,231,967
Prepayments and other current assets	8	**70,915,581**	71,609,791
Other non-current assets	8	**771,455**	771,455
		P 5,300,361,063	P 4,667,059,684

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 fourservice 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 equipmentby 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 tablesin 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.

March 31, 2021

	Holding and Investment	Services	Motor Vehicle	Consolidated
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	**107,762,292**	**80,753,948**	**21,876,270,838**	**22,064,787,078**
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	**168,770,432**	**93,169,745**	**21,269,901,325**	**21,531,841,502**
Total Combined Profit Before Tax	64,242,480	(12,415,797)	604,798,730	656,625,412
Total Consolidated Profit Before Tax	**(61,008,139)**	**(12,415,797)**	**606,369,513**	**532,945,577**
Net profit for the year	48,340,590	(13,102,234)	475,518,681	510,757,037
Eliminations	(125,250,619)	-	1,570,783	(123,679,836)
	(76,910,139)	**(13,102,234)**	**477,089,464**	**387,077,201**
Segment Assets	9,311,379,193	1,552,725,022	12,076,325,502	22,940,429,717
Eliminated Assets	-	-	-	(3,444,463,461)
Total Conso Assets	**9,311,379,193**	**1,552,725,022**	**12,076,325,502**	**19,495,966,256**
Segment Liabilities	1,375,758,054	1,312,537,534	9,269,049,895	12,148,414,038
Eliminated Liabilities	-	-	-	(1,345,689,330)
Total Conso Liabilities	**1,375,758,054**	**1,312,537,534**	**9,269,049,895**	**10,802,724,708**
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	131,347,254	110,842,007	21,002,240,610	-	21,244,429,871
Expenses	65,228,288	120,398,142	20,719,154,338	-	20,904,780,767
Inter-segment expenses	18,467,394	- -	-	-	18,467,394
Expenses - External	83,695,682	120,398,142	20,719,154,338	-	20,923,248,161
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	(18,467,394)	-	-	-	(18,467,394)
	35,765,722	(11,936,800)	212,715,485	-	236,544,408
Segment Assets	8,974,047,979	1,300,757,319	13,113,776,914	726,127,235	24,312,709,447
Eliminated Assets	(4,048,126,308)	-	849,497,412	(726,127,235)	(3,924,756,130)
Total Conso Assets	4,925,921,671	1,300,757,319	14,161,274,326	-	20,387,953,317
Segment Liabilities	1,119,085,568	1,041,071,049	10,950,893,901	149,335,036	13,260,385,554
Eliminated Liabilities	(209,404,654)	(835,020,377)	(2,035,133)	(149,335,036)	(1,195,795,200)
Total Conso Liabilities	909,680,914	206,050,672	10,948,858,768	-	12,064,590,354
Capital expenditures	-	378,110,110	267,902,000	-	646,012,110
Depreciation and amortization	-	20,389,882	373,199,221	-	393,589,103

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	-	52,030,000	-	52,030,000
Total income	P 136,013,925	P 182,868,782	P 548,948,482	P 25,632,805,965
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	-	57,109,744	-	57,109,744
Total expenses	P 174,442,105	P 127,478,359	P 25,184,212,262	P 25,486,132,726
Profit (loss) before tax	(P 38,428,180)	P 55,390,423	P 129,710,996	P 146,673,239

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:

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

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:

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

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.

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
At cost:		
Vehicles	**P2,715,929,772**	P2,986,533,244
Work in progress	**-**	42,403,493
Parts and components	**-**	-
Hotel supplies	**3,917,304**	4,447,183
	2,791,847,076	3,033,383,920
At net realizable value:		
Vehicles	**824,974,437**	1,786,345,509
Parts and components	**253,657,246**	241,880,137
	1,078,631,683	2,028,225,646
Allowance for inventory write down	**(158,788,375)**	(252,220,874)
	919,843,308	1,776,004,772
	P3,639,690,384	P4,809,388,692

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.

	March 31, 2021	June 30, 2020
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	**18,414,432**	(14,768,276)
Balance at end of year	**P 158,788,375**	P 252,220,874

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Current:		
Prepaid expenses	**P 376,641,598**	P 309,328,221
VAT recoverable	**33,395,265**	65,620,468
Advances to suppliers	**94,359,085**	189,657,585
Refundable deposits	**70,915,581**	71,609,791
Input VAT	**100,004,745**	79,703,347
Creditable withholding tax	**7,798,016**	244,892
Prepaid taxes	**277,175**	81,246,452
Other current assets	**1,500,460**	1,963,884
	686,891,925	799,374,640
Non-current:		
Refundable deposits	**771,455**	771,455
Deferred input VAT	**-**	24,293,631
Advance payment for land acquisition	-	765,698,629
Advances to contractors	-	160,139,579
	771,455	950,903,294
	P 687,663,380	P 1,750,277,934

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 expensesinclude 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)

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Qouted equity securities	**P 23,362,800**	P3,609,020

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

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Equity securities:		
Quoted	**P1,146,422,961**	P1,234,459,451
Unquoted	**23,949,503**	24,633,902
	P 1,170,372,464	P1,259,093,353

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.

	Building	Building-Others	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils/Linens	Leasehold Improvements	Construction in Progress	Land	TOTAL
March 31, 2021										
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	**P 565,534,404**	**P 210,737,214**	**P 7,418,565**	**P 181,355,841**	**P 1,545,846**	**P 1,550,363**	**P 457,625,064**	**P 620,886,014**	**P 835,143,432**	**P 2,881,796,743**
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	(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	P 576,372,853	P 181,243,419	P 5,338,356	P 194,198,912	P 1,825,110	P 1,755,573	P 509,349,607	P 497,184,286	P 169,298,921	P 2,136,567,037

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 thesaid 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 expensesin 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	**P 125,022,135**	**P 2,869,711,002**	**P 2,994,733,137**

	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	P 114,175,669	P 2,883,521,129	P 2,997,696,798

Lease liabilities are presented in the consolidated statement of financial position as at March 31, 2021and June 30, 2020 as follows:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Current	**P 325,929,987**	P 288,904,856
Non-current	**2,770,287,873**	2,774,865,185
	P3,096,217,860	P3,063,770,041

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					-			-		-	
Additional investment	-	-	-	-	10,835	-	P 50,000	-	-	P 3,060	63,895
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)	(29,544)	37,649	(13,041)	P 2,113	(58,058)	(30)	366,756
Share in net profit (losses) during the ye	(6,045)	-	(12,718)	-	(5,589)	(67,615)	(55,231)	23,825	-	(1,877)	(125,251)
Share in other comprehensive income during the yea	-	-	-	-	-	P 87	-	(3,276)	-	-	(3,189)
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
	134,161	(180,400)	455,544	(400)	(35,133)	(29,879)	(68,272)	P 22,661	(58,058)	(1,907)	238,317
Total investments in associates	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)
	174,161	-	438,752	-	8,202	52,404	44,228	477,541	-	1,153	1,196,441
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)
	433,588	516,740	-	3,023	-	1,133,088	-	-	-	-	2,086,439
	P 607,749	**P 516,740**	**P 438,752**	**P 3,023**	**P 8,202**	**P 1,185,492**	**P 44,228**	**P 477,541**	-	**P 2,305**	**P 3,282,880**

	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)
	40,000	180,400	203,896	454,880	400	43,335	82,283	30	112,500	120,373	1,238,097
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)
	140,206	(180,400)	468,262	2,113	(400)	(29,544)	37,648	(30)	(13,041)	(58,058)	366,756
Total investments in associates	180,206	-	451,470	456,993	-	13,791	119,931	-	99,459	62,315	1,384,165
Allowance for Impairment	-	-	-	-	-	-	-	-	-	(62,315)	(62,315)
Total investments in associates - net	180,206	-	451,470	456,993	-	13,791	119,931	-	99,459	-	1,321,850
Advances	409,844	505,752	-	-	3,023	-	1,098,705	-	-	81,892	2,099,216
Allowance for Impairment	-	(10,092)	-	-	-	-	-	-	-	(81,892)	(91,984)
Advances - net	409,844	P 495,660	-	-	P 3,023	-	1,098,705	-	-	-	2,007,232
	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.

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

15. TRADE AND OTHER PAYABLES

This account consists of the following:

	March 31, 2021 (Unaudited)	June 30, 2020 (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	**456,451,945**	321,987,870
	1,729,464,175	1,894,289,202
Non-current:		
Advances from a director	**16,646,850**	15,335,425
	P1,746,111,025	P 1,909,624,627

16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	March 31, 2021 (Unaudited)	June 30, 2020 (Audited)
Current:		
Vehicle stocking loans	**P 2,683,041,283**	P4,298,375,352
Bank loans and mortgages	**367,000,000**	455,000,000
	P3,050,041,283	P 4,753,375,352

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.

		March 31, 2021 (Unaudited)		June 30, 2020 (Audited)	
		Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets					
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	**771,455**	**771,455**	771,455	771,455
		P 5,212,949,603	**P 5,212,949,603**	P4,666,480,664	P 4,666,480,664
Financial assets at FVTPL	**9**	**P 23,362,800**	**P 23,362,800**	P 3,609,020	P 3,609,020
Financial assets at FVOCI	9	**P 1,170,372,464**	**P 1,170,372,464**	P 1,259,093,353	P 1,259,093,353
Financial Liabilities					
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		**871,559,579**	**871,559,579**	674,301,470	674,301,470
		P 8,747,282,897	**P 8,747,282,897**	P10,324,012,037	P10,324,012,037

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 March 2021

Type of Accounts Receivables	Neither Past Due nor Impaired	Past Due not Impaired 61-90 days	91-120 days	Over 180 days	Past Due Accts & Items in Litigation	Total
	(Peso)	(Peso)	(Peso)	(Peso)	(Peso)	(Peso)
a Trade Receivables						
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
Net Trade receivable	287,238,965	51,426,842	76,558,280	81,829,997	-	497,054,084
b Non - Trade Receivables						
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.	-	-	-	-	-	-
Net Non - trade receivable	1,575,555,231	-	-	-	-	1,575,555,231
Net Receivables (a + b)	**1,862,794,195**	**51,426,842**	**76,558,280**	**81,829,997**	**-**	**2,072,609,315**
						-

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	30-60 days
	servicing and body shop sales	

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		June 2021		June 2021	June 2020
Currency		Philippine Peso		Philippine Peso	Philippine Peso
	Current year	**Current year to date**	**Previous year**	**Previous year to date**	
Balance Sheet	**3 mos ended March 31, 2021**	**9 mos ended March 31, 2021**	**3 mos ended March 31, 2020**	**9 mos ended March 31, 2020**	**12 mos ended June 30 2020**
Current Assets	9,555,256,336	9,555,256,336	11,160,927,497	11,160,927,497	10,209,501,770
Total Assets	19,495,966,256	19,495,966,256	20,387,953,317	20,387,953,317	20,450,399,153
Current Liabilities	7,940,407,715	7,940,407,715	9,490,956,375	9,490,956,375	9,670,379,137
Total Liabilities	10,802,724,708	10,802,724,708	12,064,590,354	12,064,590,354	12,525,843,566
Retained Earnngs	6,271,695,786	6,271,695,786	6,271,695,786	6,271,695,786	6,043,882,496
Stockholders Equity	8,693,241,548	8,693,241,548	8,323,362,963	8,323,362,963	7,924,555,587
Stockholders Equity-Parent	8,667,900,369	8,667,900,369	8,305,927,271	8,305,927,271	7,906,967,700
Book Value Per Share	1.96	1.96	1.88	1.88	1.79

Income Statement	**3 mos ended March 31, 2021**	**9 mos ended March 31, 2021**	**3 mos ended March 31, 2020**	**9 mos ended March 31, 2020**	**12 mos ended June 30 2020**
Gross Revenue	7,530,455,545	21,725,208,914	6,807,903,723	20,891,061,541	25,061,664,622
Gross Expense	7,323,270,281	21,233,133,779	6,703,163,834	20,678,828,141	25,105,533,395
Non Operating Income	132,958,266	337,947,219	153,497,171	367,446,329	519,111,343
Non Operating Expense	78,298,939	297,076,777	111,088,755	257,714,537	323,489,587
Profit/(Loss) Before Income Tax	261,844,591	532,945,577	147,148,304	321,965,193	151,752,983
Income Tax Expense	59,408,797	145,868,376	23,528,484	85,420,785	89,027,454
Net Income/(Loss) After Tax	202,435,794	387,077,201	123,619,819	236,544,408	62,725,529
Net Income/(Loss) Attributable to Parent					
Equity Holder	200,368,944	379,545,223	121,804,840	228,225,552	54,033,165
Earnings/(Loss) Per Share (Basic)	0.05	0.09	0.03	0.05	0.01
Earnings/(Loss) Per Share (Diluted)					-

Financial Ratios		**3 mos ended March 31, 2021**		**9 mos ended March 31, 2021**		**3 mos ended March 31, 2020**		**9 mos ended March 31, 2020**	**12 mos ended June 30 2020**
Liquidity Analysis Ratios:									
Current Ratio or Working Capital ratio									
Current Assets/	9,555,256,336	1.20	9,555,256,336	1.20	11,160,927,497	1.18	11,160,927,497	1.18	1.06
Current Liabilities	7,940,407,715		7,940,407,715		9,490,956,375		9,490,956,375		-
Quick Ratio									
Current Assets-Inventory-Prepayments)/	5,228,674,027	0.66	5,228,674,027	0.66	4,361,107,783	0.46	4,361,107,783	0.46	0.48
Current Liabilities	7,940,407,715		7,940,407,715		9,490,956,375		9,490,956,375		
Solvency Ratio									
Total Assets/	19,495,966,256		19,495,966,256		20,387,953,317		20,387,953,317		
Total Liabilities	10,802,724,708	1.80	10,802,724,708	1.80	12,064,590,354	1.69	12,064,590,354	1.69	1.63
Financial Leverage Ratios									
Debt Ratio									
Total Debt/	10,802,724,708		10,802,724,708		12,064,590,354		12,064,590,354		
Total assets	19,495,966,256	0.55	19,495,966,256	0.55	20,387,953,317	0.59	20,387,953,317	0.59	0.61
									-
Debt to Equity Ratio									
Total Debt/	10,802,724,708	1.24	10,802,724,708	1.24	12,064,590,354	1.45	12,064,590,354	1.45	1.58
Total Stckholder's Equity	8,693,241,548		8,693,241,548		8,323,362,963		8,323,362,963		-
Interest Coverage									
Earnings Before Interest and Taxes (EBIT)/	261,844,591		532,945,577		147,148,304		321,965,193		
Interest Charges	59,916,213	5.98	171,826,158	6.30	73,076,398	3.01	194,258,245	2.66	1.44
	53,766,294		111,909,945		73,076,398		194,258,245		
Assets to Equity Ratio									
Total assets/	19,495,966,256		19,495,966,256		20,387,953,317		20,387,953,317		
Total Stockholders Equity	8,693,241,548	2.24	8,693,241,548	2.24	8,323,362,963	2.45	8,323,362,963	2.45	2.58
Profitability Ratios									
Gross Profit Margin	7,530,455,545		21,725,208,914		6,807,903,723		20,891,061,541		
Sales-Cost of Goods Sold or Cost of Service/	(6,509,762,626)		(18,777,371,139)		(5,716,495,930)		(17,809,450,442)		
Sales	7,530,455,545	0.14	21,725,208,914	0.14	6,807,903,723	0.16	20,891,061,541	0.15	0.14
Net Profit Margin									
Net Profit/	202,435,794		387,077,201		123,619,819		236,544,408		
Sales	7,530,455,545	10.75%	21,725,208,914	2.38%	6,807,903,723	7.26%	20,891,061,541	1.51%	0.25%
Return of Assets									
Net Income/	202,435,794	4.15%	387,077,201	2.65%	123,619,819	2.43%	236,544,408	1.55%	0.31%
Total Assets	19,495,966,256		19,495,966,256		20,387,953,317		20,387,953,317		
Return of Equity									
Net Income/	202,435,794		387,077,201		123,619,819		236,544,408		
Total Stockholders Equity	8,693,241,548	9.31%	8,693,241,548	5.94%	8,323,362,963	5.94%	8,323,362,963	3.79%	0.79%
Price/Earnings Ratio									
Price Per Share/	4.60		4.60		2.28		2.28		
Earnings Per Common Share	0.046	99.67	0.087	52.62	0.028	81.26	0.053	43.37	176.76
Current year trailing 12 mos									
Current year to date Net Income+Latest Annual			213,258,322	0.05			476,961,398	0.11	
Net Income-Prevous Year Net Income			4,341,280,855				4,341,280,855		
Weighted average no of outs shares									
Previous year trailing 12 mos									
Current year to date Net Income+Latest Annual									
Net Income-Prevous Year Net Income									
Weighted average no of outs shares									

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

Financial Indicators
March 31, 2021

	Computation		Ratios		Computation	Ratios
Financial Indicators	March 2021	March 2020	March 2021	March 2020	June 2020	June 2020
Quick ratio						
Cash and cash equivalents +	1,046,263,036	795,042,708			1,453,881,090	
Financial asset at fair value trhough 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	
Current/liquidity ratio						
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	
Debt-to-equity ratio						
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	
Debt-to-assets ratio						
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	
Equity-to-assets ratio						
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	
Annualized PPE Turnover						
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	
Annualized Return on assets						
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	
Annualized Return on equity						
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	
Annualized	1	1			1	
Earnings per share						
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	