

**BERJAYA PHILIPPINES, INC.**

\_\_\_\_\_  
(Company's Full Name)

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

\_\_\_\_\_  
(Company's Address)

811-0668 / 810-1814

\_\_\_\_\_  
(Telephone Number)

JUNE 30

any day in the month of October

\_\_\_\_\_  
(Fiscal Year Ending)  
(month and day)

\_\_\_\_\_  
(Annual Meeting)

November 2024

\_\_\_\_\_  
(Term Expiring On)

SEC Form 17-Q for the quarter ended 31 March 2022

\_\_\_\_\_  
(Form Type)

N.A.

\_\_\_\_\_  
(Amendment Designation, if applicable)

\_\_\_\_\_  
(Period Ended Date)

N.A.

\_\_\_\_\_  
(Secondary License Type and File Number)

\_\_\_\_\_  
Cashier

\_\_\_\_\_  
LCU

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DTU

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Pre War 476  
S.E.C Registration Number

\_\_\_\_\_  
Central Receiving Unit

\_\_\_\_\_  
File Number

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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 2022**
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
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<b>COMMON</b>	<b>4,427,009,132</b>
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11. Are any or all of these securities listed on the Philippine Stock Exchange?

Yes [ ☒ ]

No [ ☐ ]

12. Indicate by check mark whether the registrant:

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

Yes [ ☒ ]

No [ ☐ ]

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

Yes [ ☒ ]

No [ ☐ ]

## **PART I – FINANCIAL INFORMATION**

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

*See Interim Consolidated Statement of Financial Position as of 31 March 2022, attached hereto as Annex "A", and Aging Schedule of Accounts Receivables as of 31 March 2022 attached hereto as Annex "B". For the basic earnings per share, the "weighted average number of shares outstanding" is added to the face of the Interim Consolidated Statement of Comprehensive Income.*

### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The Corporation's principal activity is investment holding. Since 1998, it 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%) shares of Neptune Properties Inc. ("NPI"), a corporation engaged in the real estate business.

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

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

In April 2018, the Corporation acquired 100% ownership to eDoc Holdings ("eDoc") from its subsidiary H.R. Owen with the assumption of the eDoc's outstanding liability. eDoc Holdings was incorporated on July 25, 2017 and is registered to engaged as a holding company in London. Videodoc was incorporated to engage in the business of providing online health consultations and private care service to patients. Videodoc's principal place business is located in London. At present, eDoc's equity interest in Videodoc is equivalent to twenty point fifteen only (20.15%).

In July 2019, BPI acquired 30% ownership interest in Berjaya Auto Asia, Inc. (BAAI). BAAI was incorporated on November 20, 2017 and is primarily engaged in the business of dealing all types of new automobiles, trucks, and other motor vehicles and any parts, supplies or accessories used in connection therewith. BAAI started its commercial operations on May 2019. In February 2022, BPI decreased its ownership in BAAI to 19.98%.

**Comparable Discussion on Material Changes in Results of Operations for the Nine Months' Period Ended 31 March 2022 vs. 31 March 2021**

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱27.21 billion for the nine months ended 31 March 2022, an increase of ₱5.48 billion (25.23%) over total revenues of ₱21.72 billion during the same period in 2021. 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 2022 increased by ₱5.10 billion (24.04%) to ₱26.34 billion from ₱21.23 billion for the same period in 2021. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱4.68 billion (24.91%), (2) salaries and employee benefits increased by ₱179.79 million (16.25%), (3) marketing & selling increased by ₱126.72 million (26.09%), (4) repairs and maintenance increased by ₱70.74 million (264.41%), (5) depreciation and amortization increased by ₱26.98 million (6.56%), (6) professional fees increased by ₱15.79 million (32.94%), (7) transportation and travel increased by ₱11.74 million (68.19%), (7) transportation and travel increased by ₱11.74 million (68.19%), (8) communication, light and water increased by ₱10.66 million (18.53%), 9) insurance increased by ₱10.07 million (15.18%), (10) stationary and office supplies increased by ₱7.08 million (11.18%), (11) rental increased by ₱3.04 million (21.85%) , (12) cleaning and maintenance increased by ₱2.74 million (8.83%), (13) outside services increased by ₱1.83 million (63.38%), (14) cost of food and beverages increased by ₱1.51 million (29.78%), (15) security services expense increased by ₱.66 million (14.32%) and (16) representation and entertainment increased by ₱.52 million (52.02%)



These increases were offset by the following decreases of expenses: (1) miscellaneous expenses decreased by ₱21.46 million (29.86%), (2) taxes and licenses decreased by ₱20.59 (44.80%) and (3) commission expense decreased by ₱0.90 million (38.64%).

Other Income (Charges) amounted to ₱158.03 million for the nine months ended 31 March 2022, an increase of ₱117.16 million (286.66%) from Other Income (Charges) of (₱40.87) million in the same period in 2021, mainly due to increase in finance income and equity share in net profit from its associated companies for the third quarter.

Net income from operations increased by ₱431.66 million (111.52%) to ₱818.74 million for the nine months ended 31 March 2022 from net income of ₱387.08 million in the same period in 2021 due to increase in revenue and finance income.

**Comparable Discussion on Material Changes in Financial Condition as of 31 March 2022 vs. 30 June 2021**

Total assets of the Group increased by ₱3.82 billion (19.37%) to ₱23.56 billion as of 31 March 2022, from ₱19.74 billion as of 30 June 2021.

Trade and other receivables (net) increased by ₱769.77 million (39.08%) to ₱2.74 billion in 31 March 2022 compared to ₱1.97 billion in 30 June 2021, 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 ₱4.28 million (58.06%) to ₱3.09 million in 31 March 2022 compared to ₱7.37 million in 30 June 2021 due to disposals made during the period.

Inventories (net) increased by ₱1.30 billion (37.33%) to ₱4.78 billion in 31 March 2022 compared to ₱3.48 billion in 30 June 2021, mainly due to increase in sales of vehicles.

Advances to associates increased by ₱45.15 million (2.18%) to ₱2.12 billion in 31 March 2022 compared to ₱2.07 billion in 30 June 2021.

Prepayments and other current assets (net) increased by ₱247.94 million (28.97%) to ₱1.10 billion in 31 March 2022 compared to ₱855.93 million in 30 June 2021, mainly due to increase in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income decreased by ₱124.91 million (11.65%) to ₱9.95 billion in 31 March 2022 compared to ₱1.07 billion in 30 June 2021 due to change in fair value and disposals.

Right of use asset-net decreased by ₱212.08 million (7.31%) to ₱2.69 billion in 31 March 2022 compared to ₱2.90 billion in 30 June 2021 due to its amortization during the period.

Property and equipment (net) increased by ₱1.03 million (28.26%) to ₱4.69 billion in 31 March 2022 compared to ₱3.66 billion in 30 June 2021 is mainly due to additions made during the period.

Investment property increased by ₱1.96 million (1.58%) to ₱126.30 million in 31 March 2022 compared to ₱124.34 million in 30 June 2021 due to translation adjustment during the period.

Investments in associates increased by ₱46.18 million (3.95%) to ₱1.22 billion in 31 March 2022 compared to ₱1.17 billion in 30 June 2021, mainly due to the impact of its dividends declared and equity share in net profit during the period.

Intangible assets increased by ₱20.76 million (1.38%) to ₱1.53 billion in 31 March 2022 compared to ₱1.51 billion in 30 June 2021, primarily due to changes in translation.

Deferred tax assets increased by ₱0 million (0%) to ₱82.37 million in 31 March 2022 compared to ₱82.37 million in 30 June 2021.

Meanwhile, Other non-current assets decreased by ₱.46 million (6.19%) to ₱6.99 million in 31 March 2022 compared to ₱7.45 million in 30 June 2021.

Total liabilities of the Group increased by ₱2.94 billion (27.08%) to ₱13.81 billion as of 31 March 2022, from ₱10.87 billion as of 30 June 2021.

Trade and other payables current increased by ₱228.66 million (11.32) to ₱2.25 billion in 31 March 2022 compared to ₱2.02 billion in 30 June 2021, mainly due to payments made for trade payables during the period.

Current loans payable and borrowings increased by ₱1.18 billion (46.16%) to ₱3.75 billion in 31 March 2022 compared to ₱2.56 billion in 30 June 2021, mainly due to payments made for the loans during the period.

Lease liabilities- current increased by ₱52.23 million (18.18%) to ₱339.58 million in 31 March 2022 compared to ₱287.35 in 30 June 2021.

Contract Liabilities (current), which is recognized as advance payments received from customers, increased by ₱1.20 billion (60.77%) to ₱3.18 billion as of 31 March 2022, from ₱1.98 billion as of 30 June 2021.

Advances from associates-current increased by ₱4.07 million (1.57%) to ₱263.46 million as of 31 March 2022, from ₱259.39 as of 30 June 2021. Increased is due to additional advances made during the period.

Income Tax Payable increased by ₱1.72 million (571.29%) to ₱2.02 million in 31 March 2022 compared to ₱.30 million in 30 June 2021.

Lease liabilities- non-current decreased by ₱196.55 million (7.34%) to ₱2.48 billion in 31 March 2022 compared to ₱2.68 billion in 30 June 2021, mainly due to reclassification of non-current into current lease liabilities.

Non-current loans payable and borrowings increased by ₱617.14 million (176.58%) to ₱966.63 million in 31 March 2022 compared to ₱349.49 million in 30 June 2021, mainly due to payments made for the loans during the period.

Advances from related parties - non-current decreased by ₱150.00 million (25.00%) to ₱450.00 million as of 31 March 2022, from ₱600 million as of 30 June 2021. Decreased is due to payment of advances made during the period.

Deferred tax liabilities increased by ₱1.98 million (1.60%) to ₱125.90 million in 31 March 2022 compared to ₱123.92 million in 30 June 2021.

Post-employment benefit obligation decreased by ₱1.17 million (16.46%) to ₱5.93 million in 31 March 2022 compared ₱7.10 in 30 June 2021.

Total stockholders' equity of the Group increased by ₱880.37 million (9.92%) to ₱9.75 billion as of 31 March 2022, from ₱8.87 billion as of 30 June 2021 under review. The book value per share increased to ₱2.20 in 31 March 2022 from ₱2.00 in 30 June 2021.



**Comparable Discussion on Material Changes in Cash Flows for the Nine Months Period Ended 31 March 2022 vs. 31 March 2021**

The consolidated cash and cash equivalents for 31 March 2022 increased by ₱271.15 million (25.92%) to ₱1.32 billion as of 31 March 2022 from ₱1.05 billion for the same period last year 31 March 2021. 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 2022	30 June 2021
Liquidity Ratio - Current ratio	1.23 : 1.00	1.27 : 1.00
Leverage Ratio - Debt to Equity	1.42 : 1.00	1.23 : 1.00
Activity Ratio - Annualized PPE	11.60 times	8.05 times

  

	31 March 2022	31 March 2021
Profitability Ratios		
Return on Equity	11.20%	5.94%
Return on Assets	4.63%	2.65%

The Corporation uses the following computations in obtaining key indicators:

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

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

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱21.73 billion for the nine months ended 31 March 2021, an increase of ₱834.15 million (3.99%) over total revenues of ₱20.89 billion during the same period in 2020. The increase was primarily due to a higher revenue contribution from its subsidiary, H.R. Owen.

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

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

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

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

Total assets of the Group decreased by ₱1.15 billion (5.82%) to ₱18.62 billion as of 31 March 2021, from ₱19.78 billion as of 30 June 2020.

Trade and other receivables (net) increased by ₱936.59 million (82.45%) to ₱2.07 billion in 31 March 2021 compared to ₱1.14 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 ₱19.75 million (547.34%) to ₱23.36 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 ₱9.70 million (8.55%) to ₱123.19 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 2020, 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	1.20 : 1.00	1.06 : 1.00
Leverage Ratio - Debt to Equity	1.24 : 1.00	1.58 : 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	2.65%	1.57%

The Corporation uses the following computations in obtaining key indicators:

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



Return on Assets

Net Income  
Total Assets

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

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

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

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

## SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the Issuer has caused this report to be signed on its behalf by the undersigned, being duly authorized, in the City of Makati on 13 May 2022.

Issuer: **BERJAYA PHILIPPINES, INC.**

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

By:   
**WINNIE R. MANANSALA**  
Treasurer



# ANNEX "A"

**BERJAYA PHILIPPINES, INC. AND SUBSIDIARIES**  
*[A Subsidiary of Berjaya Lottery Management (HK) Limited]*  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**March 31, 2022 and June 30, 2021**  
*(Amounts in Philippine Pesos)*

Appendix A :

	<u>Note</u>	<u>March 31, 2022</u> Unaudited	<u>June 30, 2021</u> Audited		
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	1,317,418,283	P 621,756,192	695,662,091	111.89%
Trade and other receivables-net	6	2,739,333,395	1,969,558,715	769,774,680	39.08%
Financial assets at fair value through profit or loss	9	3,090,650	7,369,362	(4,278,712)	-58.06%
Inventories - net	7	4,785,260,000	3,484,589,230	1,300,670,770	37.33%
Advances to associates	13	2,117,221,712	2,072,075,320	45,146,392	2.18%
Prepayments and other current assets - net	8	1,103,873,499	855,934,869	247,938,630	28.97%
Total Current Assets		12,066,197,539	9,011,283,688	3,054,913,851	33.90%
<b>NON-CURRENT ASSETS</b>					
Financial asset at fair value through other comprehensive income	9	947,365,826	1,072,280,214	(124,914,388)	-11.65%
Right of use assets - net	12	2,688,308,444	2,900,387,786	(212,079,342)	-7.31%
Property and equipment - net	10	4,692,752,705	3,658,887,417	1,033,865,288	28.26%
Investment property	11	126,299,870	124,337,020	1,962,850	1.58%
Investments in associates	13	1,215,864,670	1,169,679,449	46,185,221	3.95%
Intangible assets - net	14	1,527,483,231	1,506,718,561	20,764,670	1.38%
Deferred tax assets - net		82,368,873	82,368,873	0	0.00%
Post-employment benefit asset		117,750,188	115,920,210	1,829,978	1.58%
Other non-current assets	8	6,987,472	7,448,245	(460,773)	-6.19%
Total Non-Current Assets		11,405,181,279	10,638,027,775	767,153,504	7.21%
<b>ASSETS HELD FOR SALE</b>		89,299,327	87,911,179		
<b>TOTAL ASSETS</b>		P 23,560,678,145	P 19,737,222,642	3,823,455,503	19.37%
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	15	2,249,254,276	P 2,020,592,820	228,661,456	11.32%
Loans payable and borrowings	16	3,746,686,799	2,563,436,632	1,183,250,167	46.16%
Lease liabilities - current	12	339,579,581	287,353,080	52,226,501	18.18%
Contract liabilities		3,179,175,133	1,977,419,471	1,201,755,662	60.77%
Advances from associates		263,460,097	259,391,677	4,068,420	1.57%
Income tax payable		2,022,884	301,343	1,721,541	571.29%
Total Current Liabilities		9,780,178,770	7,108,495,023	2,671,683,747	37.58%
<b>NON-CURRENT LIABILITIES</b>					
Lease liabilities - non current	12	2,481,339,497	2,677,893,645	(196,554,148)	-7.34%
Loans payable and borrowings	16	966,629,501	349,487,840	617,141,661	176.58%
Advances from related parties		450,000,000	600,000,000	(150,000,000)	-25.00%
Deferred tax liabilities - net		125,903,922	1,985,244	1,985,244	1.60%
Post-employment benefit obligation		5,932,980	7,101,757	(1,168,777)	-16.46%
Trade and other payables	15	0	0	0	#DIV/0!
Total Non-Current Liabilities		4,029,805,900	3,758,401,920	271,403,980	7.22%
Total Liabilities		13,809,984,670	10,866,896,943	2,943,087,727	27.08%
<b>EQUITY</b>					
Attributable to Owners of the Parent Company		9,746,376,136	8,842,315,233	904,060,903	10.22%
Attributable to non-controlling interest		4,317,339	28,010,466	(23,693,127)	-84.59%
Total Equity		9,750,693,475	8,870,325,699	880,367,776	9.92%
<b>TOTAL LIABILITIES AND EQUITY</b>		P 23,560,678,145	P 19,737,222,642	3,823,455,503	19.37%

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**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, 2022 and MARCH 31, 2021  
*(Amounts in Philippine Pesos)*  
**(UNAUDITED)**

	Attributable Owners of the Parent Company										Non-controlling Interest	Total
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings		Total				
						Appropriated	Unappropriated					
Balance at July 1, 2021	P 4,427,009,132	0 P (988,150,025)	0 P (423,529,464)	0 P (684,443,103)	0 P (29,549,596)	0 P 2,000,000,000	0 P 4,540,978,295	0 P 8,842,315,239	P 28,010,466	P 8,870,325,705		
Effect of adoption of PFRS 9							- P	-	P	-		
Capital issuance through stock dividends	-	-	-	-	-	-	-	-	-	-		
Profit or loss for the year	-	-	-	-	-	-	816,214,566	816,214,566	2,523,309	818,737,875		
Appropriation during the year	-	-	-	-	-	-	-	-	-	-		
Reversal of appropriations during the year							- P	-		-		
Realized fair value changes on disposals of financial assets at FVOCI	-	-	(15,401,3/4)	-	-	-	15,401,3/4	-	-	-		
Actuarial Gain on remeasurement of post-employment benefit obligation - net of tax	-	-		-	-	-	-	-	-	-		
Net unrealized fair value gains on disposals of financial assets at FVOCI	-	-	93,863,934	-	-	-	-	93,863,934	-	93,863,934		
Reduction in non-controlling interest				(66,100,616)				(66,100,616)		(66,100,616)		
Effect of change in percentage ownership									(26,216,436)	(26,216,436)		
Disposal of financial asset	-	-	-	-	-	-	-	-	-	-		
Disposal of subsidiary	-	-	-	-	-	-	-	-	-	-		
Translation adjustment	-	-	-	-	60,083,013	-	-	60,083,013	-	60,083,013		
Total equity at March 31, 2022	P 4,427,009,132	P (988,150,025)	P (345,066,904)	P (750,543,719)	P 30,533,417	P 2,000,000,000	P 5,372,594,235	P 9,746,376,136	P 4,317,339	P 9,750,693,475		
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	Attributable Owners of the Parent Company										Non-controlling Interest	Total
	Capital Stock	Treasury Shares	Revaluation Reserves	Other Reserves	Translation Adjustment	Retained Earnings		Total				
						Appropriated	Unappropriated					
Balance at July 1, 2020	P 4,427,009,132	0 P (988,150,025)	0 P (556,610,047)	0 P (684,443,103)	0 P (334,720,753)	0 P 2,000,000,000	0 P 4,043,882,496	0 P 7,906,967,700	P 17,587,887	P 7,924,555,587		
Effect of adoption of PFRS 9							(31,860,696)	P (31,860,696)		P (31,860,696)		
Capital issuance through stock dividends	-	-	-	-	-	-	-	-	-	-		
Profit or loss for the year	-	-	-	-	-	-	379,545,223	379,545,223	7,531,978	387,077,201		
Appropriation during the year	-	-	-	-	-	-	-	-	-	-		
Reversal of appropriations during the year							P -	-		-		
Realized fair value changes on disposals of financial assets at FVOCI	-	-	31,860,696	-	-	-	-	31,860,696	-	31,860,696		
Actuarial Gain on remeasurement of post-employment benefit obligation - net of tax	-	-	(3,188,712)	-	-	-	-	(3,188,712)	-	(3,188,712)		
Net unrealized fair value gains on disposals of financial assets at FVOCI	-	-	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		



**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, 2022 and MARCH 31, 2021**  
**(Amounts in Philippine Pesos)**  
**(UNAUDITED)**

	3 Months Ended <u>March 31, 2022</u>	9 Months Ended <u>March 31, 2022</u>	3 Months Ended <u>March 31, 2021</u>	9 Months Ended <u>March 31, 2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net income	447,863,540	1,027,405,632	261,844,591 P	532,945,577
Adjustments for:				
Depreciation and amortization	147,466,593	438,228,178	51,198,272	148,745,425
Dividend Income	-	(9,336,692)	(186,903)	(14,504,618)
Interest Expense	62,603,674	173,437,942	46,652,954	163,180,115
Interest Income	(41,844,459)	(131,103,998)	28,224,646	(102,009,670)
Equity Share in net losses (income) of associates	(26,211,516)	(81,397,041)	18,382,726	125,250,619
Loss (gain) on sale of property and equipment	1,224,928	6,468,794	-	-
Loss on revaluation of investment property	-	-	-	-
Loss (gain) on sale of financial asset	-	1,392,607	-	-
Impairment losses on non-financial assets	-	-	-	-
Unrealized foreign exchange losses (gain)	(649,575)	(855,817)	13,263,259	8,646,043
Operating income before working capital changes	590,453,185	1,424,239,605	419,379,545	862,253,491
Decrease / (Increase) in:				
Trade and other receivables	(481,192,791)	(811,507,956)	(540,115,997)	(977,789,441)
Financial assets at fair value through profit or loss	(50,300)	4,278,712	(14,817,768)	(19,753,780)
Inventories	186,249,390	(1,211,411,855)	210,938,579	1,184,466,584
Post employment benefit asset	456,201	(1,829,978)	-	-
Prepaid expenses and other current assets	163,687,372	(247,938,630)	276,101,654	112,482,715
Decrease (increase) in other non-current assets	(2)	460,773	23,770,172	950,131,839
Increase / (Decrease) in:				
Trade and other payables	271,261,992	162,196,782	(5,120,653)	(164,824,977)
Lease Liability Current	-	-	9,652,984	32,447,819
Contract liabilities	541,955,672	1,201,755,662	(216,692,947)	(192,104,207)
Advances from related party	-	-	239,668,089	197,258,109
Retirement Obligation	102,342	(1,829,978)	815,792	3,810,316
Cash paid for income taxes	(94,219,272)	(204,659,629)	(59,408,797)	(145,868,376)
Net cash provided (used in) operating activities	1,178,703,789	313,753,508	344,170,653	1,842,510,092
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Acquisition of Property and equipment	(164,756,134)	(1,157,584,176)	(46,799,902)	(801,930,926)
Acquisition of financial assets	-	-	(15,955,106)	(15,955,106)
Acquisition of additional investments in associates and subsidiaries	187,208	(61,046,425)	-	-
Proceeds from sale of financial assets	83,670,429	226,096,721	729,980	220,326,400
Proceeds from disposal of property and equipment	-	-	-	2,000
Proceeds from disposal of investment property	-	-	-	-
Interest Received	21,717,441	64,357,606	(28,224,646)	102,009,670
Cash dividends received	24,000,000	81,336,692	186,903	14,504,618
Advances to (collection from) associate - net	-	21,600,000	(26,432,420)	(80,768,364)
Net cash provided (used in) by investing activities	(35,181,056)	(825,239,582)	(116,495,191)	(561,811,708)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from bank loans and borrowings	(6,881,015)	1,776,061,664	20,000,000	20,000,000
Payment of lease liabilities	(58,178,168)	(147,734,531)	-	-
Advances paid to related party	214,271,822	99,080,000	-	-
Advances received from related party	(303,301,785)	(245,221,785)	-	-
Repayment of bank loan and borrowings	(30,000,000)	(54,000,000)	20,360,252	(1,745,259,282)
Interest paid	(63,593,481)	(196,642,069)	(24,727,741)	(141,254,902)
Net cash provided (used in) by financing activities	(247,682,627)	1,231,543,279	15,632,511	(1,866,514,184)
<b>EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS</b>	30,648,742	(24,395,114)	106,244,610	178,197,746
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	881,720,747	695,662,091	349,552,583	(407,618,054)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	438,141,389	621,756,192	696,710,453	1,453,881,090
<b>CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD</b>	<u>P 1,319,862,136</u>	<u>P 1,317,418,283</u>	<u>1,046,263,036 P</u>	<u>1,046,263,036</u>
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**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, 2022 and MARCH 31, 2021  
(Amounts in Philippine Pesos)  
(UNAUDITED)

	3 Months Ended March 31, 2022	9 Months Ended March 31, 2022	3 Months Ended March 31, 2021	9 Months Ended March 31, 2021
<b>REVENUES</b>				
Sales of vehicles	10,941,847,908	27,134,865,223	7,503,607,544 P	21,646,295,821
Hotel Operations	4,253,670	71,401,838	26,848,001	78,913,093
	<u>10,946,101,578</u>	<u>27,206,267,061</u>	<u>7,530,455,545</u>	<u>21,725,208,914</u>
<b>COSTS AND OTHER OPERATING EXPENSES</b>				
Cost of vehicles sold	9,522,158,284	23,449,123,721	6,507,885,088	18,772,296,374
Salaries and employee benefits	429,587,493	1,285,898,156	339,726,300	1,106,111,595
Marketing & Selling	217,398,142	612,348,532	167,499,439	485,626,366
Repairs and maintenance	69,926,267	97,494,636	9,750,664	26,754,090
Depreciation and amortization	145,433,543	438,228,178	139,948,509	411,244,587
Professional fees	14,537,675	63,734,110	15,851,625	47,943,239
Transportation and travel	9,693,798	28,960,610	5,112,538	17,219,088
Communication, light and water	23,693,720	68,202,269	19,772,809	57,540,279
Insurance	30,298,784	76,425,717	21,777,970	66,355,643
Stationery and Office Supplies	21,778,517	70,376,628	23,106,261	63,299,528
Rental	14,339,958	16,968,885	4,398,255	13,925,861
Cleaning and Maintenance	10,737,444	33,798,409	10,542,218	31,055,913
Outside Service	1,262,435	4,731,126	1,043,426	2,895,831
Cost of food and beverages	512,999	6,585,923	1,877,538	5,074,765
Security Services	73,121	5,284,669	1,535,341	4,622,573
Representation and entertainment	1,042,658	1,509,403	99,102	992,913
Miscellaneous Expenses	23,984,506	50,412,574	28,639,683	71,872,722
Taxes and licences	5,063,446	25,372,806	23,438,110	45,964,232
Commissions	269,195	1,434,672	1,265,405	2,338,180
	<u>10,541,791,985</u>	<u>26,336,891,024</u>	<u>7,323,270,281</u>	<u>21,233,133,779</u>
<b>OPERATING PROFIT</b>	<u>404,309,593</u>	<u>869,376,037</u>	<u>207,185,264</u>	<u>492,075,135</u>
<b>OTHER INCOME/ (CHARGES)</b>				
Finance Income	41,844,459	140,440,690	51,347,304	116,514,288
Others	38,700,921	114,051,410	66,793,194	201,679,151
Equity share in net income (losses)	26,211,516	81,397,041	(18,382,726)	(125,250,619)
Finance Costs	(63,253,249)	(174,293,759)	(59,916,213)	(171,826,158)
Fair value gain on financial assets at fair value through profit and loss	50,300	(2,173,180)	14,817,768	19,753,780
Gain on sale of investment property	-	-	-	-
Loss on disposal of financial asset	-	(1,392,607)	-	-
	<u>43,553,947</u>	<u>158,029,595</u>	<u>54,659,327</u>	<u>40,870,442</u>
<b>PROFIT BEFORE INCOME TAX</b>	<u>447,863,540</u>	<u>1,027,405,632</u>	<u>261,844,591</u>	<u>532,945,577</u>
<b>TAX EXPENSE</b>	<u>93,737,404</u>	<u>208,667,757</u>	<u>59,408,797</u>	<u>145,868,376</u>
<b>TOTAL NET PROFIT</b>	<u>354,126,136</u>	<u>818,737,875</u>	<u>202,435,794</u>	<u>387,077,201</u>
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<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Item that will not be reclassified subsequently to profit or loss				
Net unrealized fair value losses on financial assets at fair value through other comprehensive income	8,500,728	93,863,934	274,678,772	115,650,405
	<u>8,500,728</u>	<u>88,299,461</u>	<u>274,678,772</u>	<u>(159,028,367)</u>
Items that will be reclassified subsequently to profit or loss				
Translation adjustment	(18,984,629)	60,083,013	105,165,821	269,147,066
	<u>(18,984,629)</u>	<u>60,083,013</u>	<u>105,165,821</u>	<u>269,147,066</u>
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>343,642,235</u>	<u>967,120,349</u>	<u>582,280,387</u>	<u>497,195,900</u>
<b>Net profit attributable to:</b>				
Owners of the Parent Company	353,760,148	816,214,566	200,368,944	379,545,223
Non-controlling Interest	365,988	2,523,309	2,066,850	7,531,978
	<u>354,126,136</u>	<u>818,737,875</u>	<u>202,435,794</u>	<u>387,077,201</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Parent Company	343,276,247	964,597,040	580,213,537	489,663,922
Non-controlling Interest	365,988	2,523,309	2,066,850	7,531,978
	<u>343,642,235</u>	<u>967,120,349</u>	<u>582,280,387</u>	<u>497,195,900</u>
Weighted average number of shares outstanding	<u>4,341,280,855</u>	<u>4,341,280,855</u>	<u>4,341,280,855</u>	<u>4,341,280,855</u>
<b>Basic earnings per share (annualized)</b>	<u>0.33</u>	<u>0.25</u>	<u>P 0.19</u>	<u>P 0.12</u>

**BERJAYA PHILIPPINES INC. AND SUBSIDIARIES**  
***[A Subsidiary of Berjaya Lottery Management (HK) Limited]***  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**As of March 31, 2022 and June 30, 2021**  
***(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, 2022. The Parent Company's ultimate parent company is Berjaya Corporation Berhad of Malaysia, a publicly listed company in the Main Market of Bursa Malaysia Securities Berhad.

The registered office of BPI is located at 9th Floor, Rufino Pacific Tower, 6784 Ayala Avenue, Makati City. BLML's registered address is at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and the ultimate parent company's registered office is at Lot 13-01A, Level 13 (East Wing), Berjaya Times Square, No. 1, Jalan Imbi 55100 Kuala Lumpur, Malaysia.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies used in the preparation of these interim consolidated financial statements (ICFS) are consistent with those applied in the audited consolidated financial statements (ACFS) as of June 30, 2021 and for the nine months ended March 31, 2022.

***2.1 Basis of Preparation of Interim Consolidated Financial Statements***

These 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 ACFS as of June 30, 2021 and for the nine months ended March 31, 2022.

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 Subsequent to Fiscal Year 2022 but not Adopted Early*

There are amendments and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2022, which are adopted by the Financial Reporting Standards Council. Management will adopt the following relevant pronouncements in accordance with their transitional provisions:

PAS 1 (Amendments)	:	Presentation of Financial Statements – Classification of Liabilities as Current or Non-current
PAS 16 (Amendments)	:	Property, Plant and Equipment – Proceeds Before Intended Use
PAS 37 (Amendments)	:	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
PFRS 3 (Amendments)	:	Business Combination – Reference to the Conceptual Framework
PFRS 10 and PAS 28 (Amendments)	:	Consolidated Financial Statements, and Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and its Associates or Joint Venture
Annual Improvements to PFRS (2018-2020 Cycle)		
PFRS 9 (Amendments)	:	Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities
PFRS 16 (Amendments)	:	Leases – Lease Incentives, and COVID-19-Related Rent Concessions beyond June 30, 2021

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 pronouncements prior to their mandatory adoption date to assess the impact of all changes.

### 3. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is carried out in close cooperation with the BOD, and focuses on actively securing the Group's short to medium term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most relevant financial risks to which the Group is exposed to are described below and in the succeeding pages.

#### ***3.1 Market Risk***

The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest rate risk and certain other price risk which result from both its operating, investing and financing activities.

##### *(a) Interest Rate Risk*

The Group's policy is to minimize interest rate cash flow risk exposures on cash and cash equivalents. As at March 31, 2022 and June 30, 2021, the Group is exposed to changes in market interest rates through short-term placements included as part of Cash and Cash Equivalents account and stocking loans of H.R. Owen presented as Loans Payable and Borrowings, which are subject to variable interest rates, in the consolidated statements of financial position.

The Group keeps placements with fluctuating interest at a minimum while H.R. Owen's stocking loans are secured at any time by fixed and floating charges on stocks of new and demonstrator cars and commercial vehicles held. As such, management believes that its exposure to interest rate risk is immaterial.

##### *(b) Foreign Currency Risk*

Except for H.R. Owen and eDoc Holdings whose functional currency is GBP, most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Group's overseas purchases, which are primarily denominated in United States Dollars (USD). The Group also holds USD, GBP, Malaysian Ringgit (MYR) and European Union Euro (EUR) denominated cash and cash equivalents and receivables. Further, the Group has AFS financial assets denominated in MYR and GBP. There were no foreign currency denominated financial liabilities as at March 31, 2022 and June 30, 2021.

To mitigate the Group's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Foreign currency denominated financial assets, translated into Philippine pesos at the closing rate are as follows:

	<u>March 31, 2022</u>	<u>June 30, 2021</u>
Php – GBP	<b>P 104,766,235</b>	P 545,979,170
Php – USD	<b>1,194,484,569</b>	44,891,193
Php – MYR	-	2,128,380
Php - EUR	-	299,038

The following table illustrates the sensitivity of the Group's profit before tax with respect to changes in Philippine peso against USD, MYR, GBP and EUR exchange rates. These percentages have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous 12 months, estimated at 95.00% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the end of each reporting period with effect estimated from the beginning of the year.

	<u>March 31, 2022</u>		<u>June 30, 2021</u>	
	<u>Reasonably possible change in rate</u>	<u>Effect in profit before tax</u>	<u>Reasonably possible change in rate</u>	<u>Effect in profit before tax</u>
PhP - GBP	13.69%	<b>P 163,471,535</b>	16.19%	P 88,396,677
PhP - USD	7.53%	<b>7,885,404</b>	4.75%	2,131,302
PhP - MYR	37.00%	-	7.26%	154,558
PhP - EUR	13.56%	-	12.85%	<u>38,418</u>
		<b><u>P 171,356,939</u></b>		<b><u>P90,720,955</u></b>

Exposures to foreign exchange rates vary during the year depending on the volume of foreign currency transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

### *(c) Other Price Risk*

The Group's market price risk arises from its investments carried at fair value (financial assets classified as AFS financial assets). The Group manages exposure to price risk by monitoring the changes in the market price of the investments and at some extent, diversifying the investment portfolio in accordance with the limit set by management.

The sensitivity of equity with regard to the volatility of the Group's AFS financial assets assumes a +/-7.53% and a +/-13.69% volatility in the market value of the investment for the nine months ended March 31, 2022. The expected change was based on the annual rate of return computed using the monthly closing market value of the investment in 2022.

### **3.2 Credit Risk**

Credit risk is the risk that a counter party may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from granting loans and selling goods and services to customers; granting advances to associates; and, placing deposits with banks, lessors and utility companies.



The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporate this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements, as summarized below.

	<u>Notes</u>	<u>March 31, 2022</u>	<u>June 30, 2021</u>
Cash and cash equivalents	5	<b>P 1,317,418,283</b>	P 621,756,192
Trade and other receivables – net	6	<b>2,739,333,395</b>	1,894,269,594
Advances to associates	13	<b>2,117,221,712</b>	2,072,075,320
Refundable deposits	8	<b><u>72,731,790</u></b>	<u>72,349,253</u>
		<b><u>P 6,246,705,180</u></b>	<b><u>P 4,660,450,359</u></b>

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as described below.

*(a) Cash and Cash Equivalents*

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements, which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

*(b) Trade and Other Receivables – net and Advances to Associates*

The Group's trade receivables as at March 31, 2022 and June 30, 2021 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, 2022 and June 30, 2021, the Group's financial liabilities pertain to Trade and Other Payables, except those tax-related liabilities, and Loans Payable and Borrowings inclusive of future interest. Trade and other payables and loans payable and borrowings are considered to be current which are expected to be settled within 12 months from the end of each reporting period.

## **4. SEGMENT REPORTING**

### **4.1 Business Segments**

The Group is organized into different business units based on its products and services for purposes of management assessment of each unit. In identifying its operating segments, the management generally follows the Group's four service lines. The Group is engaged in the business of Leasing, Services, Investments and Motor Vehicle Dealership. Presented below is the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

- (a)* The Leasing segment mainly pertains to the lease of on-line lottery equipment by the Group to PCSO.
- (b)* The Services segment mainly pertains to the hotel operations of PHPI.
- (c)* Investments segment relates to investing activities.
- (d)* The Motor Vehicle Dealership segment mainly pertains to the luxury motor vehicle retailers and provision of after sales services of H.R. Owen.

## 4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment. Segment assets include all operating assets used by a segment and consist principally of operating cash, receivables, advances, inventories and property and equipment, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of accounts, taxes currently payable and accrued liabilities.

## 4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

The Group's operating business are organized and managed separately according to the nature of segment accounting policies.

## 4.4 Analysis of Segment Information

The tables in the succeeding pages present revenue and profit information regarding business segments for the six months ended March 31, 2022, March 31, 2021 and for the year ended June 30, 2021, and certain assets and liabilities information regarding industry segments as at March 31, 2022, March 31, 2021 and June 30, 2021.

	<u>March 31, 2022</u>			
	<u>Investments</u>	<u>Services</u>	<u>Motor Vehicle Dealership</u>	<u>Total</u>
Revenues and income:				
Revenue from externals				
Customers	-	71,401,838	27,134,865,223	27,206,267,061
Interest Income	70,232,296	32,219	60,839,483	131,103,998
Other Income	14,197,890	619,485	111,473,734	126,291,109
Inter-segment income	-	-	-	-
Total revenues and income	<u>84,430,186</u>	<u>72,053,542</u>	<u>27,307,178,440</u>	<u>27,463,662,168</u>
Expenses:				
Costs and operating expenses before depreciation	12,032,489	69,178,930	25,823,890,220	25,905,131,639
Depreciation and amortization	-	17,637,983	420,590,196	438,228,179
Interest expense	17,629,085	5,997,525	150,667,149	174,293,759
Equity share in net loss of associates	-	(79,921,122)	(1,475,919)	(81,397,041)
Other expenses (income)	-	-	-	-
Inter-segment cost and expenses	-	-	-	-
Total Expenses	<u>29,661,574</u>	<u>12,923,316</u>	<u>26,393,671,646</u>	<u>26,436,256,536</u>
Segment profit (loss) before tax	<u>54,768,612</u>	<u>59,130,225</u>	<u>913,506,794</u>	<u>1,027,405,632</u>
Net profit (loss)	<u>42,263,648</u>	<u>57,101,206</u>	<u>719,373,021</u>	<u>818,737,875</u>
Segment Assets	<u>4,554,829,335</u>	<u>1,417,276,808</u>	<u>17,588,572,002</u>	<u>23,560,678,145</u>
Segment Liabilities	<u>579,890,323</u>	<u>616,903,854</u>	<u>12,613,190,493</u>	<u>13,809,984,670</u>
Capital expenditures	<u>-</u>	<u>7,135,363</u>	<u>985,692,679</u>	<u>992,828,042</u>



**March 31, 2021**

	<b><u>Holding and Investment</u></b>	<b><u>Services</u></b>	<b><u>Motor Vehicle</u></b>	<b><u>Consolidated</u></b>
Total Revenues	107,762,292	80,753,948	21,874,700,055	22,063,216,295
Inter-segment Revenues	<u>-</u>	<u>-</u>	<u>1,570,783</u>	<u>1,570,783</u>
Revenues – External	<b><u>107,762,292</u></b>	<b><u>80,753,948</u></b>	<b><u>21,876,270,838</u></b>	<b><u>22,064,787,078</u></b>
Expenses	43,519,813	93,169,745	21,269,901,325	21,406,590,883
Inter-segment expenses	<u>125,250,619</u>	<u>-</u>	<u>-</u>	<u>125,250,619</u>
Expenses – External	<b><u>168,770,432</u></b>	<b><u>93,169,745</u></b>	<b><u>21,269,901,325</u></b>	<b><u>21,531,841,502</u></b>
Total Combined Profit Before Tax	64,242,480	(12,415,797)	604,798,730	656,625,412
Total Consolidated Profit Before Tax	<b><u>(61,008,139)</u></b>	<b><u>(12,415,797)</u></b>	<b><u>606,369,513</u></b>	<b><u>532,945,577</u></b>
Net profit for the year	48,340,590	(13,102,234)	475,518,681	510,757,037
Eliminations	<u>(125,250,619)</u>	<u>-</u>	<u>1,570,783</u>	<u>(123,679,836)</u>
	<b><u>(76,910,139)</u></b>	<b><u>(13,102,234)</u></b>	<b><u>477,089,464</u></b>	<b><u>387,077,201</u></b>
Segment Assets	8,439,819,614	1,552,725,022	12,076,325,502	22,068,870,138
Eliminated Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,444,463,461)</u>
Total Conso Assets	<b><u>8,439,819,614</u></b>	<b><u>1,552,725,022</u></b>	<b><u>12,076,325,502</u></b>	<b><u>18,624,206,677</u></b>
Segment Liabilities	695,267,030	1,312,537,534	9,269,049,895	11,276,854,459
Eliminated Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,345,689,330)</u>
Total Conso Liabilities	<b><u>695,267,030</u></b>	<b><u>1,312,537,534</u></b>	<b><u>9,269,049,895</u></b>	<b><u>9,931,165,129</u></b>
Capital expenditures	<u>-</u>	<u>128,022,744</u>	<u>675,407,754</u>	<u>803,430,498</u>
Depreciation and amortization	<u>-</u>	<u>20,224,392</u>	<u>391,020,196</u>	<u>411,244,588</u>

**June 30, 2021**

	<b><u>Motor Vehicle</u></b>			
	<b><u>Services</u></b>	<b><u>Investments</u></b>	<b><u>Dealership</u></b>	<b><u>Total</u></b>
Revenues and income:				
Revenue from externals				
Customers	P 111,556,284	P -	P 29,357,903,369	P 29,469,459,653
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	<u>-</u>	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>
Total revenues and income	<b><u>P 113,962,737</u></b>	<b><u>P 138,830,493</u></b>	<b><u>P 29,645,708,537</u></b>	<b><u>P 29,898,501,767</u></b>
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	<u>-</u>	<u>43,734,996</u>	<u>1,570,783</u>	<u>45,305,779</u>
Total expenses	<b><u>P 246,093,897</u></b>	<b><u>P 141,747,504</u></b>	<b><u>28,798,205,466</u></b>	<b><u>P 29,186,046,868</u></b>
Profit (loss) before tax	<b><u>(P 132,131,160)</u></b>	<b><u>(P 2,917,011)</u></b>	<b><u>P 847,503,071</u></b>	<b><u>P 712,454,900</u></b>

	<u>June 30, 2021</u>			
	<u>Services</u>	<u>Investments</u>	<u>Motor Vehicle Dealership</u>	<u>Total</u>
Net profit (loss)	<u>(P133,176,712)</u>	<u>(P 20,457,469)</u>	<u>P 667,486,146</u>	<u>P 513,851,965</u>
Segment Assets	<u>P1,458,485,160</u>	<u>P9,099,566,190</u>	<u>P12,645,411,112</u>	<u>P23,203,462,462</u>
Segment Liabilities	<u>P1,216,781,460</u>	<u>P1,528,152,379</u>	<u>P 9,466,851,134</u>	<u>P12,211,784,973</u>
Capital expenditures	<u>P140,154,211</u>	<u>=====</u>	<u>P 1,579,520,792</u>	<u>P 1,719,675,003</u>

Currently, the Group's operation has two geographical segments: London, England for the motor dealership segment and all other segments are in the Philippines.

## 5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	<u>March 31, 2022</u> <u>(Unaudited)</u>	<u>June 30, 2021</u> <u>(Audited)</u>
Cash on hand and in banks	<u>P 1,317,418,283</u>	<u>P 621,756,192</u>
	<u>P 1,317,418,283</u>	<u>P 621,756,192</u>

Cash in banks generally earn interest based on daily bank deposit rates.

## 6. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	<u>March 31, 2022</u> <u>(Unaudited)</u>	<u>June 30, 2021</u> <u>(Audited)</u>
Trade receivables	<u>P 867,929,113</u>	<u>P 585,794,634</u>
Deposits	<u>1,492,727,923</u>	<u>1,105,559,684</u>
Payments for future acquisition of investments	<u>1,018,161</u>	<u>2,128,380</u>
Manufacturer's bonuses	<u>151,901,195</u>	<u>140,841,516</u>
Deposit for future stock subscriptions	<u>-</u>	<u>8,000,000</u>
Due from related party	<u>7,509,654</u>	<u>1,008,071</u>
Advances to officers and employees	<u>71,405</u>	<u>62,845</u>
Other receivables	<u>237,256,623</u>	<u>155,247,896</u>
	<u>2,758,414,074</u>	<u>1,998,643,026</u>
Allowance for impairment	<u>(19,080,680)</u>	<u>(29,084,311)</u>
	<u>P2,739,333,395</u>	<u>P1,969,558,715</u>

Trade receivables are usually due within 30 to 60 days and do not bear any interest. Deposits represent amounts provided to a foreign asset management firm engaged in the business of general trading and financing services.

Payments for future acquisition of investments represent deposits made to foreign parties for future acquisition of investment securities. These include deposits made to Inter-Pacific Securities Sdn Berhad (IPSSB), a related party under common ownership who acts as stockbroker of the Parent Company.

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

## 7. INVENTORIES

The compositions of this account are shown below.

	<b><u>March 31, 2022</u></b> <b>(Unaudited)</b>	<b><u>June 30, 2021</u></b> <b>(Audited)</b>
At cost:		
Vehicles	<b>P 3,516,969,158</b>	P2,554,568,866
Work in progress	-	-
Parts and components	<b>25,960,441</b>	25,551,459
Hotel supplies	<b><u>4,549,334</u></b>	<u>4,864,892</u>
	<b><u>3,547,478,933</u></b>	<u>2,584,985,217</u>
At net realizable value:		
Vehicles	<b>1,138,427,257</b>	802,183,136
Parts and components	<b><u>272,085,775</u></b>	<u>252,199,162</u>
	<b>1,410,513,032</b>	1,054,382,298
Allowance for inventory write down	<b><u>( 172,731,965)</u></b>	<u>( 154,778,285)</u>
	<b><u>1,237,781,067</u></b>	<u>899,604,013</u>
	<b><u>P 4,785,260,000</u></b>	<u>P 3,484,589,230</u>

Certain vehicles are carried at net realizable value which is lower than their cost. An analysis of the movements in allowance for inventory write down is presented below.

	<b><u>March 31, 2022</u></b>	<b><u>June 30, 2021</u></b>
Balance at beginning of year	<b>P 154,778,285</b>	P 252,220,874
Write-off during the year	<b>(197,947,875)</b>	( 447,408,754)
Additional provision during the year	<b>214,964,862</b>	317,364,524
Translation adjustment	<b><u>936,693</u></b>	<u>32,601,641</u>
Balance at end of year	<b><u>P 172,731,965</u></b>	<u>P 154,778,285</u>

## 8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<b><u>March 31, 2022</u></b> <b>(Unaudited)</b>	<b><u>June 30, 2021</u></b> <b>(Audited)</b>
Current:		
Prepaid expenses	<b>P 575,994,616</b>	P 348,552,834
VAT recoverable	<b>270,743,840</b>	262,660,476
Advances to suppliers	<b>33,002,945</b>	34,083,674
Refundable deposits	<b>72,731,790</b>	71,577,798
Input VAT	<b>84,766,429</b>	90,894,783
Creditable withholding tax	<b>7,157,027</b>	6,368,306
Prepaid taxes	<b><u>59,476,852</u></b>	<u>41,796,998</u>



Other current assets	<u>-</u>	<u>-</u>
	<b>P 1,103,873,499</b>	<u>855,934,869</u>
Non-current:		
Refundable deposits	771,454	771,455
Deferred input VAT	6,216,018	6,676,790
Advances to contractors	<u>-</u>	<u>-</u>
	<b>6,987,472</b>	<u>7,448,245</u>
	<b>P 1,110,860,971</b>	<u>P 863,383,114</u>

VAT recoverable pertains to the excess of input tax over output tax on sale of vehicles which the Group can reclaim under the tax laws in the United Kingdom (UK).

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

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

The advance payment for the land acquisition pertains to disbursements made to a third party agent for the acquisition of land for the development of multi-franchise site and head office in United Kingdom. As of June 30, 2021, the Group and the third party agent have executed a contract conditional on planning permission.

## 9. INVESTMENT SECURITIES

This account consists of the following financial assets:

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

	<b><u>March 31, 2022</u></b> <b>(Unaudited)</b>	<b><u>June 30, 2021</u></b> <b>(Audited)</b>
Quoted equity securities	<b><u>P 3,090,650</u></b>	<b><u>P 7,369,362</u></b>

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

	<b><u>March 31, 2022</u></b> <b>(Unaudited)</b>	<b><u>June 30, 2021</u></b> <b>(Audited)</b>
Equity securities:		
Quoted	<b>P 941,394,903</b>	<b>P1,066,701,837</b>
Unquoted	<u>5,970,923</u>	<u>5,578,377</u>
	<b><u>P 947,365,826</u></b>	<b><u>P1,072,280,214</u></b>

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 values 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, 2022 and June 30, 2021 are shown below.

	Computers and On-line Lottery Equipment	Building	Building-Others	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils/Linens	Leasehold Improvements	Construction in Progress	Right of Use Asset	Land	TOTAL
<b>March 31, 2022</b>												
Cost	P 120,000	P 720,291,386	P 775,410,173	P 33,564,168	P 765,261,332	P 12,082,962	P 14,089,158	P 1,227,602,123	P 1,976,385,124	P 3,664,796,422	P 680,935,986	P 9,870,558,834
Accumulated depreciation and amortization	( 8,000 )	( 169,208,247 )	( 6,030,953 )	( 28,430,498 )	( 511,482,432 )	( 10,898,211 )	( 12,411,549 )	( 774,539,818 )	-	( 976,487,978 )	-	( 2,489,497,685 )
Net carrying amount	<u>P 112,000</u>	<u>P 551,083,139</u>	<u>P 769,379,221</u>	<u>P 5,133,670</u>	<u>P 253,778,900</u>	<u>P 1,194,751</u>	<u>P 1,687,609</u>	<u>P 453,062,306</u>	<u>P 1,976,385,124</u>	<u>P 2,688,308,444</u>	<u>P 680,935,986</u>	<u>P 7,381,061,149</u>

	Computers and On-line Lottery Equipment	Buildings	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensils/Linens	Leasehold Improvements	Construction in Progress	Land	Total
<b>June 30, 2021</b>										
Cost	P -	P 918,005,975	P 37,606,404	P 717,521,907	P 11,937,901	P 13,811,977	P 1,362,291,202	P 1,347,533,829	P 670,353,688	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	<u>P -</u>	<u>P 757,109,976</u>	<u>P 6,382,387</u>	<u>P 265,761,753</u>	<u>P 1,403,111</u>	<u>P 1,661,457</u>	<u>P 608,681,216</u>	<u>P 1,347,533,829</u>	<u>P 670,353,688</u>	<u>P 3,658,887,417</u>

## 11. INVESTMENT PROPERTY

In 2017, the Group acquired certain residential property amounting to 2,218,235 GBP (about P132,720,106), which is classified by the Group as investment property.

In 2018, the Group ceased to occupy and leased out a property with a carrying amount of 3,581,690 GBP (about P256,346,568) that have been previously classified as Buildings under Property and Equipment account in the consolidated statements of financial position (see Note 10). The property was revalued to fair value of 4,125,000 GBP (about P295,232,025) at the date of transfer and the Group recognized gain, net of related deferred tax, amounting to 450,948 GBP (about P32,274,979) which is presented under Other Comprehensive Income (Loss) in the April 30, 2018 consolidated statement of comprehensive income. In 2020, the Group sold the said reclassified property at a sales price of 5,800,000 GBP (around P366,007,260). The Group recognized gain amounting to 1,675,000 GBP (around P108,442,683), which is presented as Gain on Sale of Investment Property in the 2020 consolidated statement of comprehensive income. The revaluation reserve resulting from the reclassification of the property in 2018 from Property and Equipment account to Investment Property account was subsequently transferred to Retained Earnings.

The translated amount of investment property as at March 31, 2022 and June 30, 2021 amounted to P126,299,870 and P124,337,020, respectively.

## 12. LEASES

The Group has a lease for a certain land and building. The lease is reflected separately on the consolidated statement of financial position as Right-of-use Asset and Lease Liability. The depreciation expense relating to right-of-use assets is presented as part of Depreciation and amortization under costs and operating expenses in the 2021 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, 2022 and June 30, 2021 are shown below.

	March 31, 2022		
	Land	Building	Total
Balance at July 1, 2021	P 91,596,358	P 2,808,791,428	P 2,900,387,786
Effect of PFRS 16 adoption	-	-	-
Reclassification	-	10,031,493	10,031,493
Translation adjustment	-	55,028,211	55,028,211
Amortization	( 1,769,028 )	( 275,370,017 )	( 277,139,045 )
Net carrying amount	<u>P 89,827,329</u>	<u>P 2,598,481,115</u>	<u>P 2,688,308,444</u>



	June 30, 2021		
	Land	Building	Total
Balance at July 1, 2020	P 114,175,669	P 2,883,521,129	P 2,997,696,798
Translation adjustment	-	266,487,947	266,487,947
Additions	-	26,653,600	26,653,600
Disposals	-	(18,623,649)	(18,623,649)
Remeasurements	(20,016,443)	-	(20,016,443)
Amortization	(2,562,868)	(349,247,599)	(351,810,467)
Net carrying amount	<u>P 91,596,358</u>	<u>P 2,808,791,428</u>	<u>P 2,900,387,786</u>

Lease liabilities are presented in the consolidated statement of financial position as at March 31, 2022 and June 30, 2021 as follows:

	<u>March 31, 2022</u> (Unaudited)	<u>June 30, 2021</u> (Audited)
Current	<b>P 339,579,581</b>	P 287,353,080
Non-current	<b><u>2,481,339,497</u></b>	<u>2,677,893,645</u>
	<b><u>P2,820,919,078</u></b>	<b><u>P 2,965,246,725</u></b>

### 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, 2022	PLPI	BPPI	BAP	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 43,335	P 82,283	P 162,500	P 454,880	P 120,373	P 37,890	P 1,325,958
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Additional investment	-	-	-	-	-	-	-	-	-	-	-
Impairment	-	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
	<u>40,000</u>	<u>180,400</u>	<u>203,896</u>	<u>400</u>	<u>43,335</u>	<u>82,283</u>	<u>162,500</u>	<u>454,880</u>	<u>120,373</u>	<u>37,890</u>	<u>1,325,958</u>
Deduction of interest in associate –											
Loss on deemed disposal	-	-	(99,084)	-	-	-	-	-	-	1,958	(97,126)
Dividend income	-	-	(121,603)	-	-	-	-	(92,000)	-	-	(213,603)
Accumulated equity share in net profit (losses):											
Share in net profit											
(losses) in prior years	132,422	(180,400)	418,472	(400)	(37,751)	(42,897)	(69,513)	P 24,717	(58,058)	547	187,139
Share in net profit	(5,757)	-	4,889	-	-	(15,736)	18,362	83,050	-	(3,413)	81,396
(losses) during the year	-	-	-	-	-	-	-	-	-	-	-
Share in other comprehensive income during the year	-	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
	<u>126,665</u>	<u>(180,400)</u>	<u>423,361</u>	<u>(400)</u>	<u>(37,751)</u>	<u>(58,633)</u>	<u>(51,151)</u>	<u>P 107,767</u>	<u>(58,058)</u>	<u>(2,866)</u>	<u>268,535</u>
Total investments in associates	166,665	-	406,570	-	5,584	23,651	111,349	470,647	62,315	36,982	1,283,764
Less: Impairment of Investment	-	-	-	(5,584)	-	-	-	-	(62,315)	-	(67,899)
	<u>166,665</u>	<u>-</u>	<u>406,570</u>	<u>(5,584)</u>	<u>5,584</u>	<u>23,651</u>	<u>111,349</u>	<u>470,647</u>	<u>-</u>	<u>36,982</u>	<u>1,215,864</u>
Advances to associates	453,052	527,722	-	3,023	-	1,178,312	-	-	81,892	-	2,244,002
Less: Impairment of Investment	-	(44,888)	-	-	-	-	-	-	(81,892)	-	(126,780)
	<u>453,052</u>	<u>482,834</u>	<u>-</u>	<u>3,023</u>	<u>-</u>	<u>1,178,312</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,117,222</u>
	<u>P 619,718</u>	<u>P 482,834</u>	<u>P 406,570</u>	<u>(2,561)</u>	<u>P 5,584</u>	<u>P 1,201,963</u>	<u>P 111,349</u>	<u>P 470,647</u>	<u>-</u>	<u>P 36,982</u>	<u>P 3,333,086</u>

	Notes	PLPI	BPPI	BAPI	PGMC	CPI	SBMPI	NPI	BAAI	CBFC	VideoDoc	Total
<b>June 30, 2021</b>												
<b>Investment:</b>												
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
		<u>40,000</u>	<u>180,400</u>	<u>203,896</u>	<u>454,880</u>	<u>400</u>	<u>43,335</u>	<u>82,283</u>	<u>3,060</u>	<u>162,500</u>	<u>120,373</u>	<u>1,291,127</u>
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)
		<u>-</u>	<u>-</u>	<u>( 70,700)</u>	<u>( 20,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 90,700)</u>
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)	( 1,288)	-	-	( 60)	-	-	-	( 10,372)
		<u>132,422</u>	<u>( 180,400)</u>	<u>418,472</u>	<u>24,717</u>	<u>( 400)</u>	<u>( 37,751)</u>	<u>( 42,897)</u>	<u>547</u>	<u>( 69,513)</u>	<u>( 58,058)</u>	<u>187,139</u>
Total investments in associates		<u>172,422</u>	<u>-</u>	<u>401,680</u>	<u>459,597</u>	<u>-</u>	<u>5,584</u>	<u>39,386</u>	<u>3,607</u>	<u>92,987</u>	<u>62,315</u>	<u>1,237,578</u>
Allowance for impairment		-	-	-	-	-	( 5,584)	-	-	-	( 62,315)	( 67,899)
Total investments in associates - net		<u>172,422</u>	<u>-</u>	<u>401,680</u>	<u>459,597</u>	<u>-</u>	<u>-</u>	<u>39,386</u>	<u>3,607</u>	<u>92,987</u>	<u>-</u>	<u>1,169,679</u>
Advances	24.1	<u>438,593</u>	<u>532,859</u>	<u>-</u>	<u>-</u>	<u>3,023</u>	<u>-</u>	<u>1,142,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,116,963</u>
Allowance for impairment	24.1	<u>-</u>	<u>( 44,888)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 44,888)</u>
Advances - net	24.1	<u>438,593</u>	<u>487,971</u>	<u>-</u>	<u>-</u>	<u>3,023</u>	<u>-</u>	<u>1,142,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,072,075</u>
		<u>P 611,015</u>	<u>P 487,971</u>	<u>P 401,680</u>	<u>P 459,597</u>	<u>P 3,023</u>	<u>-</u>	<u>P 1,181,874</u>	<u>P 3,607</u>	<u>P 92,987</u>	<u>P -</u>	<u>P 3,241,754</u>

## 14. INTANGIBLE ASSETS

The compositions of this account are shown below.

	<b>March 31, 2022</b> <b>( Unaudited)</b>	<b>June 30, 2021</b> <b>(Audited)</b>
Goodwill	<b>P 806,294,179</b>	P 794,763,435
Dealership rights	<b>706,421,662</b>	695,443,030
Customer relationship	<b><u>14,767,390</u></b>	<u>17,512,096</u>
	<b><u>P 1,527,483,231</u></b>	<u>P 1,506,718,561</u>

## 15. TRADE AND OTHER PAYABLES

This account consists of the following:

	<b>March 31, 2022</b> <b>(Unaudited)</b>	<b>June 30, 2021</b> <b>(Audited)</b>
Current:		
Trade Payables	<b>P 1,208,094,037</b>	P925,763,665
Accrued expenses	<b>557,827,709</b>	727,875,278
Withholding taxes payable	<b>238,998</b>	40,055,755
Advances from a director	<b>-</b>	16,802,300
Deferred output VAT	<b>59,781,338</b>	52,538,094
Due to a related party	<b>17,067,550</b>	4,957,904
Other payables	<b><u>399,083,227</u></b>	<u>252,599,824</u>
	<b><u>P 2,249,254,276</u></b>	<u>P 2,020,592,820</u>

## 16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	<u>March 31, 2022</u> (Unaudited)	<u>June 30, 2021</u> (Audited)
Current:		
Vehicle stocking loans	P 3,466,686,799	P 2,229,436,632
Bank loans	<u>280,000,000</u>	<u>334,000,000</u>
	<b>3,746,686,799</b>	<b>2,563,436,632</b>
Non-current –		
Bank loans	<u>966,629,501</u>	<u>349,487,840</u>
	<b><u>P 4,713,316,300</u></b>	<b>P <u>2,912,924,472</u></b>

## 17. CARRYING AMOUNTS AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts and fair values of the categories of assets and liabilities presented in the consolidated statements of financial position are shown below.

		<u>March 31, 2022</u> (Unaudited)		<u>June 30, 2021</u> (Audited)	
		<u>Carrying Values</u>	<u>Fair Values</u>	<u>Carrying Values</u>	<u>Fair Values</u>
<b>Financial Assets</b>					
Loans and receivables:					
Cash and cash equivalents	5	P 1,317,418,283	P 1,317,418,283	P 621,756,192	P 621,756,192
Trade and other receivables - net	6	2,739,333,395	2,739,333,395	1,894,269,594	1,894,269,594
Advances to associates - net	13	2,117,221,712	2,117,221,712	2,072,075,320	2,072,075,320
Refundable deposits- current	8	<u>72,731,790</u>	<u>72,731,790</u>	<u>72,349,253</u>	<u>72,349,253</u>
		<b><u>P 6,246,705,180</u></b>	<b><u>P 6,246,705,180</u></b>	<b><u>P 4,660,450,359</u></b>	<b><u>P 4,660,450,359</u></b>
Financial assets at FVTPL	9	<u>P 3,090,650</u>	<u>P 3,090,650</u>	<u>P 7,369,362</u>	<u>P 7,369,362</u>
Financial assets at FVOCI	9	<u>P 947,365,826</u>	<u>P 947,365,826</u>	<u>P 1,072,280,214</u>	<u>P 1,072,280,214</u>
<b>Financial Liabilities</b>					
Financial liabilities at amortized cost:					
Loans payable and borrowings	16	P 4,713,316,300	P 4,713,316,300	P 2,912,924,472	P 2,888,468,671
Trade and other payables	15	2,249,254,276	2,249,254,276	1,226,184,236	1,226,184,236
Advances from related party	12	<u>713,460,097</u>	<u>713,460,097</u>	<u>859,391,677</u>	<u>859,391,677</u>
		<b><u>P 7,676,030,673</u></b>	<b><u>P 7,676,030,673</u></b>	<b><u>P 4,998,500,385</u></b>	<b><u>P 4,974,044,584</u></b>

# ANNEX "B"

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

### 1 Aging of Accounts Receivables as of 31 March 2022

Type of Accounts Receivables	Neither Past Due nor Impaired	Past Due not Impaired			Past Due Accts & Items in Litigation	Total
		61-90 days	91-120 days	Over 180 days		
	(Peso)		(Peso)	(Peso)	(Peso)	(Peso)
a <u>Trade Receivables</u>						
1) PCSO	-	-	-	-	-	-
2) Guest/City Ledger	545,301	47,714	34,081	54,530	-	681,626
3) Vehicle Debtor	476,986,118	86,724,749	130,087,123	173,449,499	-	867,247,489
3) Others	-	-	-	-	-	-
Subtotal	477,531,419	86,772,463	130,121,204	173,504,030	-	867,929,115
Less: Allow. For Doubtful Acct.	-	-	-	19,080,680	-	19,080,680
<b>Net Trade receivable</b>	477,531,419	86,772,463	130,121,204	154,423,349	-	848,848,434
b <u>Non - Trade Receivables</u>						
1) Deposits	1,680,779,118	-	-	-	-	1,680,779,118
2) Payment for future acquisition of inv	1,018,161	-	-	-	-	1,018,161
3) Other Receivables	208,687,682	-	-	-	-	208,687,682
	-	-	-	-	-	-
Subtotal	1,890,484,961	-	-	-	-	1,890,484,961
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
<b>Net Non - trade receivable</b>	1,890,484,961	-	-	-	-	1,890,484,961
<b>Net Receivables (a + b)</b>	<b>2,368,016,379</b>	<b>86,772,463</b>	<b>130,121,204</b>	<b>154,423,349</b>	<b>-</b>	<b>2,739,333,395</b>

Notes:

If the Company's collection period does not match with the above schedule, a revision is necessary to make the schedule not misleading.  
The proposed collection period in this schedule may be changed to appropriately reflect the Company's actual collection period.

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### 2 Accounts Receivable Description

Type of Receivables	Nature/Description	Collection/Liquidation Period
Trade Receivables		
1) PCSO	gross receipt from lottery ticket sales	30-60 days
2) Guest/City Ledger	rooms revenue and sale of food and beverages	30-60 days
3) Vehicle Debtor	sale of vehicles, parts and accessories and servicing and body shop sales	30-60 days
Notes:		
To indicate a brief description of the nature and collection period of each receivable accounts with major balances or separate receivable captions, both the trade and non - trade accounts.		

### 3 Normal Operating Cycle:

365 days



For the Fiscal Year	June 2022				June 2021				June 2021			
Currency	Philippine Peso				59,916,213 Philippine Peso				Philippine Peso			

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

**Financial Indicators**  
March 31, 2022

Financial Indicators	Computation		Ratios		Computation	Ratios
	March 2022	March 2021	March 2022	March 2021	June 2021	June 2021
<b>Quick ratio</b>						
Cash and cash equivalents +	1,317,418,283	1,046,263,036			621,756,192	
Financial asset at fair value through profit or loss	3,090,650	23,362,800			7,369,362	
Trade and other receivables - net +	2,739,333,395	2,072,609,315			1,969,558,715	
Advances to associates	2,117,221,712	2,086,436,876	0.63	0.66	2,072,075,320	0.66
Total Current Liabilities	9,780,178,770	7,940,407,715			7,108,495,023	
<b>Current/liquidity ratio</b>						
Total Current Assets	12,066,197,539	9,555,256,336	1.23	1.20	9,011,283,688	1.27
Total Current Liabilities	9,780,178,770	7,940,407,715			7,108,495,023	
<b>Debt-to-equity ratio</b>						
Total Liabilities	13,809,984,670	10,802,724,708	1.42	1.24	10,866,896,943.00	1.23
Total Equity	9,750,693,475	8,693,241,548			8,870,325,699.00	
<b>Debt-to-assets ratio</b>						
Total Liabilities	13,809,984,670	10,802,724,708	0.59	0.55	10,866,896,943.00	0.55
Total Assets	23,560,678,145	19,495,966,256			19,737,222,642.00	
<b>Equity-to-assets ratio</b>						
Total Equity	9,750,693,475	8,693,241,548	0.41	0.45	8,870,325,699.00	0.45
Total Assets	23,560,678,145	19,495,966,256			19,737,222,642.00	
<b>Annualized PPE Turnover</b>						
Net Revenue	27,206,267,061	21,725,208,914	12.77	14.80	29,469,459,653.00	8.05
PPE	4,692,752,705	2,881,796,743			3,658,887,417	
<b>Annualized Return on assets</b>						
Net Profit	818,737,875	387,077,201	7.65%	3.90%	539,157,744.00	2.73%
Total Assets	23,560,678,145	19,495,966,256			19,737,222,642.00	
<b>Annualized Return on equity</b>						
Net Profit	818,737,875	387,077,201	18.49%	8.74%	539,157,744.00	6.08%
Total Equity	9,750,693,475	8,693,241,548			8,870,325,699.00	
<b>Annualized</b>	2.20	1.96			1	
<b>Earnings per share</b>						
Net Profit Attributable to Owners of the Parent Company	816,214,566	379,545,223	0.19	0.09	528,956,479.00	0.12
Weighted Average Number of Outstanding Common Shares	4,341,280,855	4,341,280,855			4,341,280,855	