

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 November

(Fiscal Year Ending)
(month and day)

(Annual Meeting)

November 2024

(Term Expiring On)

SEC Form 17-Q for the quarter ended 31 March 2023

(Form Type)

N.A.

(Amendment Designation, if applicable)

(Period Ended Date)

N.A.

(Secondary License Type and File Number)

Cashier

LCU

DTU

Pre War 476
S.E.C Registration Number

Central Receiving Unit

File Number

Document I.D.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

See Interim Consolidated Statement of Financial Position as of 31 March 2023, attached hereto as Annex “A”, and Aging Schedule of Accounts Receivables as of 31 March 2023 attached hereto as Annex “B”. For the basic earnings per share, the “weighted average number of shares outstanding” is added to the face of the Interim Consolidated Statement of Comprehensive Income.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The Corporation’s principal activity is investment holding. Since 1998, it has 100% equity ownership of Philippine Gaming Management Corporation (PGMC) whose principal activity is leasing of on-line lottery equipment and providing software support. In July 2019, the Corporation disposed of 20% of its shareholdings, and subsequently did not subscribe to the issuance of additional shares from the unissued capital of PGMC. To date, the Corporation’s equity in PGMC is at 39.99%.

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

In December 2009, the Corporation acquired a 232-room hotel, which operated as the Best Western Astor Hotel until 16 March 2010. The acquisition was made by the Corporation’s subsidiary, Perdana Hotel Philippines Inc. (“PHPI”) under the business name Berjaya Makati Hotel. 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 November 2021, CPI applied for the shortening of its corporate existence to end on 31 January 2023 which was approved by the SEC.

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

shareholders which resulted in the Corporation obtaining a one hundred percent (100%) equity interest in HR Owen.

In July 2015, the Corporation invested in Ssangyong Berjaya Motor Philippines Inc. ("SBMPI"), a corporation engaged in the sale and distribution of all types of motor vehicles. On 01 May 2016, SBMPI entered into a Distributorship Agreement with Ssangyong Motor Company of Korea for the distribution of vehicles bearing the Ssangyong brand within the territory of the Philippines. At present, the Corporation's equity 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. NPI owns a total of 54 office units at the Atrium of Makati Condominium Corporation (AMCC), Makati Avenue, Makati City with a fair market value of P1.19 billion pesos.

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"). To date, FEC is in the process of constructing its facilities such as the cell area, detention pond, leachate treatment plant, etc. Being in its pre-operation stage, FEC has no revenue.

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 as a holding company in London.

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 selling and distribution of KAICENE brand of commercial vehicles within the territory of the Philippines. BAAI started its commercial operations on May 2019. In February 2022, BPI decreased its ownership in BAAI to 19.98%.

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

Comparable Discussion on Material Changes in Results of Operations for the Three Months' Period Ended 31 March 2023 vs. 31 March 2022

The Corporation and its subsidiaries (the Group) generated total revenues from operating sources of about ₱27.32 billion for the nine months ended 31 March 2023, an increase of ₱114.70 million (0.42%) over total revenues of ₱27.21 billion during the same period in 2022. The increase was primarily due to a higher revenue contribution from its subsidiary, H.R. Owen.

The Group's total cost and operating expenses for the three months ended 31 March 2023 increased by ₱675.82 million (2.57%) to ₱27.01 billion from ₱26.34 billion for the same period in 2022. The increase is attributed to the following: (1) cost of vehicles sold and body shop repairs and parts increased by ₱261.02 million (1.11%), (2) salaries and employee benefits increased by ₱221.76 million (17.25%), (3) taxes and licenses increased by P102.83 (405.28%), (4) miscellaneous expenses increased by P80.86 million (100.64%), (5) stationary and office supplies increased by P24.28 million (34.50%), (6) communication, light and water increased by P23.47 million (34.41%), (7) marketing and selling increased by P13.49 million (2.20%), (8) insurance increased by P8.85 million (11.58%), (9) cleaning and maintenance increased by P8.61 million (25.48%), (10) cost of food and beverages increased by P2.52

million (38.25%) and (11) depreciation and amortization increased by P1.39 million (0.32%), These increases were offset by the following decreases of expenses: (1) repairs and maintenance decreased by P52.41 million (53.76%), (2) professional fees decreased by P20.25 million (31.77%) and (3) transportation and travel decreased by P0.60 million (2.08%).

Other Income (Charges) amounted to ₱44.13 million for the nine months ended 31 March 2023, a decrease of ₱113.89 million (72.07%) from ₱158.03 million in the same period in 2022, mainly due to higher finance cost incurred for this year.

Net income from operations decreased by ₱520.62 million (63.59%) to ₱298.12 million for the nine months ended 31 March 2023 from net income of ₱818.74 million in the same period in 2022 due to higher operating expenses mainly the cost of vehicle sold, distribution and staff costs.

Comparable Discussion on Material Changes in Financial Condition as of 31 March 2023 vs. 30 June 2022

Total assets of the Group increased by P3.23 billion (13.39%) to P27.38 billion as of 31 March 2023, from P24.15 billion as of 30 June 2022.

Trade and other receivables (net) increased by P779.96 million (31.97%) to P3.22 billion in 31 March 2023 compared to P2.44 billion in 30 June 2022, mainly due to increase in deposits, other trade receivables and from related parties.

Financial assets at fair value through profit or loss decreased by P1.26 million (67.19%) to P.62 million in 31 March 2023 compared to ₱1.88 million in 30 June 2022 due to change in fair value during the year.

Inventories (net) increased by ₱2.28 billion (49.51%) to ₱6.88 billion in 31 March 2023 compared to ₱4.60 billion in 30 June 2022, mainly due to the increase in sales of vehicles.

Advances to associates increased by ₱23.52 million (1.12%) to ₱2.11 billion in 31 March 2023 compared to ₱2.09 billion in 30 June 2022 due to interest charges on advances.

Prepayments and other current assets (net) decreased by ₱396.54 million (30.45%) to ₱905.59 million in 31 March 2023 compared to ₱1.30 billion in 30 June 2022, mainly due to decrease in the movement of prepaid expenses.

Financial assets at fair value through other comprehensive income increased by ₱45.10 million (5.08%) to ₱933.52 million in 31 March 2023 compared to ₱888.42 million in 30 June 2022 due to change in fair value for the year.

Right of use asset-net decreased by ₱454.99 million (16.49%) to ₱2.30 billion in 31 March 2023 compared to ₱2.76 billion in 30 June 2022 due to its amortization during the quarter.

Property and equipment (net) increased by ₱1.20 billion (23.74%) to ₱6.24 billion in 31 March 2023 compared to ₱5.04 billion in 30 June 2022 is mainly due to additions made during the year.

Investment property increased by P1.37 million (1.11%) to P124.77 million in 31 March 2023 compared to ₱123.40 million in 30 June 2022 due to forex translation during the year.

Investments in associates increased by ₱97.80 million (7.75%) to ₱1.36 billion in 31 March 2023 compared to ₱1.26 billion in 30 June 2022, mainly due to the impact of dividend received from associated companies during the year.

Intangible assets increased by ₱202.99 million (13.61%) to ₱1.69 billion in 31 March 2023 compared to ₱1.49 billion in 30 June 2022, primarily due to forex translation during the year.

Deferred tax assets remain unchanged at ₱72.62 million in 31 March 2023 and 30 June 2022.

Meanwhile, other non-current assets decreased by ₱.36 million (7.76%) to ₱4.30 million in 31 March 2023 compared to ₱4.66 million in 30 June 2022.

Total liabilities of the Group increased by ₱2.78 billion (19.52%) to ₱17.01 billion as of 31 March 2023, from ₱14.23 billion as of 30 June 2022 due to increase in trade payables and borrowings.

Trade and other payables current increased by ₱873.00 million (44.05%) to ₱2.85 billion in 31 March 2023 compared to ₱1.98 billion in 30 June 2022, mainly due to purchase of inventories during the year.

Current loans payable and borrowings increased by P1.52 billion (44.91%) to P4.92 billion in 31 March 2023 compared to P3.40 billion in 30 June 2022, mainly due to additional loans made during the year.

Lease liabilities- current decreased by ₱61.49 million (15.84%) to ₱326.82 million in 31 March 2023 compared to ₱388.32 in 30 June 2022 due to rent review adjustment during the year.

Contract Liabilities (current), which is recognized as advance payments received from customers, increased by ₱447.14 million (12.83%) to ₱3.93 billion as of 31 March 2023, from ₱3.49 billion as of 30 June 2022 due to increase in customer's deposit.

Advances from associates-current increased by ₱4.73 million (1.70%) to ₱282.59 million as of 31 March 2023, from ₱277.52 as of 30 June 2022 due to advances made during the year.

Lease liabilities- non-current decreased by ₱461.46 million (18.21%) to ₱2.07 billion in 31 March 2023 compared to ₱2.53 million in 30 June 2022, mainly due to rent review adjustment during the year.

Non-current loans payable and borrowings increased by P577.99 million (42.32%) to P1.94 billion in 31 March 2023 compared to P1.37 billion in 30 June 2022, mainly due to additional loans during the year.

Advances from associates- non-current increased by P36.79 million (8.18%) to P486.79 million as of 31 March 2023, from P450 million as of 30 June 2022. Increased is due to additional advances made during the year.

Deferred tax liabilities increased by ₱1.95 million (1.11%) to ₱177.19 million in 31 March 2023 compared to ₱175.24 million in 30 June 2022 due to forex translation during the year.

No provisions for dilapidation costs to be incurred for the restoration of the leased properties during the year.

Post-employment benefit obligation increased by ₱0.45 million (7.91%) to ₱6.14 million in 31 March 2023 compared ₱5.69 million in 30 June 2022.

Total stockholders' equity of the Group increased by ₱455.35 million (4.59%) to ₱10.37 billion as of 31 March 2023, from ₱9.92 billion as of 30 June 2022 under review. The book value per share increased to ₱2.34 in 31 March 2023 from ₱2.00 in 30 June 2022.

Comparable Discussion on Material Changes in Cash Flows for the Three Months Period Ended 31 March 2023 vs. 31 March 2022

The consolidated cash and cash equivalents for 31 March 2023 increased by P107.21 million (8.14%) to P1.21 billion as of 31 March 2023 from P1.32 billion for the same period last year 31 March 2022. The increase is mainly attributable to higher revenue made during the period.

Key Performance Indicators

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

	<u>31 March 2023</u>	<u>30 June 2022</u>
Liquidity Ratio - Current ratio	1.16 : 1.00	1.27 : 1.00
Leverage Ratio - Debt to Equity	1.64 : 1.00	1.43 : 1.00
Activity Ratio - Annualized PPE	10.26 times	5.85 times

	<u>31 March 2023</u>	<u>31 March 2022</u>
Profitability Ratios		
Return on Equity	11.49%	11.20%
Return on Assets	4.36%	4.63%

The Corporation uses the following computations in obtaining key indicators:

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

Comparable Discussion on Material Changes in Results of Operations for the Nine Months' Period Ended 31 March 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%), (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 ₱.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 P1.96 million (1.58%) to P126.30 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	$\frac{\text{Revenues}}{\text{PPE}}$

	Property, Plant & Equipment (Net)
Return on Equity	<u>Net Income</u> Equity
Return on Assets	<u>Net Income</u> 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.

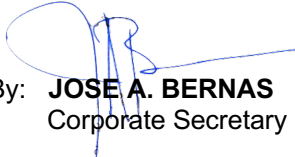
Separate Disclosures regarding the Financial Statements as required under SRC Rule 68.1

- 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 14 February 2023.

Issuer: **BERJAYA PHILIPPINES, INC.**


By: **JOSE A. BERNAS**
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, 2023 and June 30, 2022
(Amounts in Philippine Pesos)

1,317,418,283
107,207,296
8.14%

Appendix A :

	<u>Note</u>	<u>March 31, 2023</u> Unaudited	<u>June 30, 2022</u> Audited		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	1,210,210,987	P 1,665,883,672	(455,672,685)	-27.35%
Trade and other receivables-net	6	2,925,058,555	2,439,472,423	485,586,132	19.91%
Financial assets at fair value through profit c	9	615,710	1,876,575	(1,260,865)	-67.19%
Inventories - net	7	6,879,649,716	4,601,385,766	2,278,263,950	49.51%
Advances to associates	13	2,114,974,550	2,091,457,052	23,517,498	1.12%
Prepayments and other current assets - net	8	1,199,968,390	1,302,134,496	(102,166,106)	-7.85%
Total Current Assets		<u>14,330,477,908</u>	<u>12,102,209,984</u>	2,228,267,924	18.41%
NON-CURRENT ASSETS					
Financial asset at fair value through other comprehensive income	9	933,521,719	888,420,609	45,101,110	5.08%
Right of use assets - net	12	2,304,133,037	2,759,123,676	(454,990,639)	-16.49%
Property and equipment - net	10	6,237,908,056	5,041,233,749	1,196,674,307	23.74%
Investment property	11	124,769,550	123,398,700	1,370,850	1.11%
Investments in associates	13	1,359,624,863	1,261,819,595	97,805,268	7.75%
Intangible assets - net	14	1,694,407,286	1,491,412,762	202,994,524	13.61%
Deferred tax assets - net		72,620,022	72,620,022	0	0.00%
Post-employment benefit asset		319,416,792	315,907,342	3,509,450	1.11%
Other non-current assets	8	4,297,367	4,658,651	(361,284)	-7.76%
Total Non-Current Assets		<u>13,050,698,692</u>	<u>11,958,595,106</u>	1,092,103,586	9.13%
ASSETS HELD FOR SALE		0	87,248,084	(87,248,084)	-100.00%
TOTAL ASSETS		<u>P 27,381,176,600</u>	<u>P 24,148,053,174</u>	3,233,123,426	13.39%
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Trade and other payables	15	2,854,738,239	P 1,981,740,103	872,998,136	44.05%
Loans payable and borrowings	16	4,922,476,940	3,396,894,612	1,525,582,328	44.91%
Lease liabilities - current	12	326,825,335	388,317,792	(61,492,457)	-15.84%
Contract liabilities		3,933,541,283	3,486,397,412	447,143,871	12.83%
Advances from associates		282,587,835	277,852,330	4,735,505	1.70%
Income tax payable		0	0	0	
Total Current Liabilities		<u>12,320,169,632</u>	<u>9,531,202,249</u>	2,788,967,383	29.26%
NON-CURRENT LIABILITIES					
Lease liabilities - non current	12	2,072,681,740	2,534,138,592	(461,456,852)	-18.21%
Loans payable and borrowings	16	1,943,728,954	1,365,735,482	577,993,472	42.32%
Advances from related parties		486,788,641	450,000,000	36,788,641	8.18%
Deferred tax liabilities - net		177,187,680	175,235,025	1,952,655	1.11%
Provisions		-	166,919,354	(166,919,354)	-100.00%
Post-employment benefit obligation		6,138,207	5,688,207	450,000	7.91%
Total Non-Current Liabilities		<u>4,686,525,222</u>	<u>4,697,716,660</u>	(11,191,438)	-0.24%
Total Liabilities		<u>17,006,694,854</u>	<u>14,228,918,909</u>	2,777,775,945	19.52%
EQUITY					
Attributable to Owners of the Parent Company		10,367,554,115	9,913,863,996	453,690,119	4.58%
Attributable to non-controlling interest		6,927,631	5,270,269	1,657,362	31.45%
Total Equity		<u>10,374,481,746</u>	<u>9,919,134,265</u>	455,347,481	4.59%
TOTAL LIABILITIES AND EQUITY		<u>P 27,381,176,600</u>	<u>P 24,148,053,174</u>	3,233,123,426	13.39%

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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, 2023 and MARCH 31, 2022
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended December 31, 2022	3 Months Ended March 31, 2023	9 Months Ended March 31, 2023	3 Months Ended December 31, 2021	3 Months Ended March 31, 2022	9 Months Ended March 31, 2022
REVENUES						
Sales of vehicles	7,749,510,012	10,788,674,609	27,237,729,656	7,722,775,992	10,941,847,908	27,134,865,223
Hotel Operations	30,880,561	23,374,840	83,238,118	29,780,967	4,253,670	71,401,838
	<u>7,780,390,573</u>	<u>10,812,049,449</u>	<u>27,320,967,774</u>	<u>7,752,556,959</u>	<u>10,946,101,578</u>	<u>27,206,267,061</u>
COSTS AND OTHER OPERATING EXPENSES						
Cost of vehicles sold	6,700,260,883	9,485,781,351	23,710,143,361	6,625,293,220	9,522,158,284	23,449,123,721
Marketing & Selling	397,685,008	(32,965,651)	625,838,542	225,514,370	217,398,142	612,348,532
Taxes and licences	36,333,272	62,159,401	128,202,634	(1,745,008)	5,063,446	25,372,806
Miscellaneous Expenses	57,196,616	88,943,364	161,198,191	29,249,256	34,503,079	80,341,329
Insurance	33,531,912	28,977,424	85,278,745	20,837,466	30,298,784	76,425,717
Stationery and Office Supplies	34,080,749	40,504,151	94,657,584	28,230,526	21,778,517	70,376,628
Cleaning and Maintenance	12,701,430	18,213,065	42,410,831	12,611,872	10,737,444	33,798,409
Transportation and travel	11,473,153	8,425,490	28,357,423	12,303,367	9,693,798	28,960,610
Cost of food and beverages	3,807,898	2,570,465	9,105,103	2,772,531	512,999	6,585,923
Salaries and employee benefits	298,534,720	745,924,672	1,507,663,478	409,914,786	429,587,493	1,285,898,156
Professional fees	10,874,782	10,997,242	43,487,714	32,529,073	14,537,675	63,734,110
Depreciation and amortization	152,387,531	156,420,501	439,623,209	144,689,519	145,433,543	438,228,178
Repairs and maintenance	7,587,160	21,538,268	45,080,873	13,662,334	69,926,267	97,494,636
Communication, light and water	23,251,089	48,810,921	91,668,113	23,099,617	23,693,720	68,202,269
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>7,779,706,203</u>	<u>10,686,300,664</u>	<u>27,012,715,801</u>	<u>7,578,962,929</u>	<u>10,535,323,191</u>	<u>26,336,891,024</u>
OPERATING PROFIT	<u>684,370</u>	<u>125,748,785</u>	<u>308,251,973</u>	<u>173,594,030</u>	<u>410,778,387</u>	<u>869,376,037</u>
OTHER INCOME (CHARGES)						
Equity share in net income (losses)	61,959,668	55,796,561	169,805,269	44,854,089	26,211,516	81,397,041
Finance Income	49,036,821	44,318,222	131,931,918	50,433,030	41,844,459	140,440,690
Others	35,329,650	(13,437,563)	44,659,666	20,387,653	38,700,921	114,051,410
Finance Costs	(89,801,773)	(132,556,465)	(283,106,949)	(59,421,914)	(63,253,249)	(174,293,759)
Gain (Loss) on disposal of PPE	7,483,578	8,615,760	(17,894,056)	6,468,794	(6,468,794)	-
Fair value gain on financial assets at fair value through profit and loss	(925)	(19,130)	(1,260,865)	(1,222,965)	50,300	(2,173,180)
Loss on disposal of financial asset	-	-	-	-	-	(1,392,607)
	<u>64,007,019</u>	<u>(37,282,615)</u>	<u>44,134,983</u>	<u>61,498,687</u>	<u>37,085,153</u>	<u>158,029,595</u>
PROFIT BEFORE INCOME TAX	<u>64,691,389</u>	<u>88,466,170</u>	<u>352,386,956</u>	<u>235,092,717</u>	<u>447,863,540</u>	<u>1,027,405,632</u>
TAX EXPENSE	<u>(9,367,967)</u>	<u>18,418,985</u>	<u>54,269,588</u>	<u>44,754,413</u>	<u>93,737,404</u>	<u>208,667,757</u>
TOTAL NET PROFIT	<u>74,059,356</u>	<u>70,047,185</u>	<u>298,117,368</u>	<u>190,338,304</u>	<u>354,126,136</u>	<u>818,737,875</u>
<i>Check digit with CWP</i>						
OTHER COMPREHENSIVE INCOME (LOSS)						
Item that will not be reclassified subsequently to profit or loss						
Net unrealized fair value losses on financial assets at fair value through other comprehensive income	63,595,627	(2,396,619)	101,568,629	5,564,473	8,500,728	93,863,934
	<u>63,595,627</u>	<u>(2,396,619)</u>	<u>101,568,629</u>	<u>5,564,473</u>	<u>8,500,728</u>	<u>93,863,934</u>
Items that will be reclassified subsequently to profit or loss						
Translation adjustment	141,735,744	431,971	55,661,475	7,084,363	(18,984,629)	60,083,013
	<u>141,735,744</u>	<u>431,971</u>	<u>55,661,475</u>	<u>7,084,363</u>	<u>(18,984,629)</u>	<u>60,083,013</u>
TOTAL COMPREHENSIVE INCOME	<u>279,390,727</u>	<u>68,082,537</u>	<u>455,347,472</u>	<u>202,987,140</u>	<u>343,642,235</u>	<u>972,684,822</u>
Net profit attributable to:						
Owners of the Parent Company	73,433,121	69,626,337	296,460,005	190,247,833	353,760,148	816,214,566
Non-controlling Interest	626,235	420,848	1,657,363	90,471	365,988	2,523,309
	<u>74,059,356</u>	<u>70,047,185</u>	<u>298,117,368</u>	<u>190,338,304</u>	<u>354,126,136</u>	<u>818,737,875</u>
Total comprehensive income attributable to:						
Owners of the Parent Company	278,764,492	67,661,689	453,690,109	202,896,669	343,276,247	964,597,040
Non-controlling Interest	626,235	420,848	1,657,363	90,471	365,988	2,523,309
	<u>279,390,727</u>	<u>68,082,537</u>	<u>455,347,472</u>	<u>202,987,140</u>	<u>343,642,235</u>	<u>967,120,349</u>
Weighted average number of shares outstanding	<u>4,341,280,693</u>	<u>4,341,280,693</u>	<u>4,341,280,693</u>	<u>4,341,280,693</u>	<u>4,341,280,693</u>	<u>4,341,280,855</u>
Basic earnings per share (annualized)	<u>0.07</u>	<u>0.06</u>	<u>0.27</u>	<u>0.18</u>	<u>0.33</u>	<u>0.25</u>

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, 2023 and MARCH 31, 2022
(Amounts in Philippine Pesos)
(UNAUDITED)

	3 Months Ended March 31, 2023	9 Months Ended March 31, 2023	3 Months Ended March 31, 2022	9 Months Ended March 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	70,047,185	352,386,956	447,863,540	1,027,405,632
Adjustments for:				
Depreciation and amortization	156,420,501	439,623,209	147,466,593	438,228,178
Dividend Income	-	-	-	(9,336,692)
Interest Expense	132,556,464	283,106,949	62,603,674	173,437,942
Interest Income	(42,785,892)	(124,589,541)	(41,844,459)	(131,103,998)
Equity Share in net losses (income) of associates	(55,796,561)	(169,805,269)	(26,211,516)	(81,397,041)
Loss (gain) on sale of property and equipment	(8,615,760)	17,894,056	1,224,928	6,468,794
Loss (gain) on sale of financial asset	-	-	-	1,392,607
Impairment losses on non-financial assets	-	-	-	-
Unrealized foreign exchange losses (gain)	26,340,961	20,492,427	(649,575)	(855,817)
Operating income before working capital changes	278,166,898	819,108,787	590,453,185	1,424,239,605
Decrease / (Increase) in:				
Trade and other receivables	(69,124,031)	(485,586,132)	(481,192,791)	(811,507,956)
Financial assets at fair value through profit or loss	19,130	1,260,865	(50,300)	4,278,712
Inventories	(1,079,273,627)	(2,278,263,950)	186,249,390	(1,211,411,855)
Post employment benefit asset	(17,050)	(3,509,450)	456,201	(1,829,978)
Prepaid expenses and other current assets	(15,461,989)	102,166,106	163,687,372	(247,938,630)
Decrease (increase) in other non-current assets	1	361,284	(2)	460,773
Increase / (Decrease) in:				
Trade and other payables	472,857,216	789,931,081	271,261,992	162,196,782
Contract liabilities	114,326,382	447,143,871	541,955,672	1,201,755,662
Retirement Obligation	150,000	450,000	102,342	(1,829,978)
Cash paid for income taxes	(9,367,967)	(45,218,570)	(94,219,272)	(204,659,629)
Net cash provided (used in) operating activities	(307,725,037)	(652,156,108)	1,178,703,789	313,753,508
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisition of Property and equipment	(210,721,824)	(1,236,178,790)	(164,756,134)	(1,157,584,176)
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
Interest Received	-	-	21,717,441	64,357,606
Cash dividends received	1,532,330	7,342,377	24,000,000	81,336,692
Advances to (collection from) associate - net	(58,400,000)	(120,800,000)	-	21,600,000
Net cash provided (used in) by investing activities	(267,589,494)	(1,349,636,413)	(35,181,056)	(825,239,582)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from bank loans and borrowings	2,006,406,945	2,103,575,800	(6,881,015)	1,776,061,664
Payment of lease liabilities	(80,621,274)	(522,949,309)	(58,178,168)	(147,734,531)
Advances paid to related party	(52,200,000)	(216,412,751)	214,271,822	99,080,000
Advances received from related party	90,700,000	243,650,000	(303,301,785)	(245,221,785)
Repayment of bank loan and borrowings	-	(60,000,000)	(30,000,000)	(54,000,000)
Interest paid	(545,178)	(1,743,904)	(63,593,481)	(196,642,069)
Net cash provided (used in) by financing activities	1,963,740,493	1,546,119,836	(247,682,627)	1,231,543,279
EFFECT OF EXCHANGE RATE CHANGES TO CASH AND CASH EQUIVALENTS				
	-	-	30,648,742	(24,395,114)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	532,324,947	(455,672,685)	881,720,747	695,662,091
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,665,883,672	1,665,883,672	438,141,389	621,756,192
CASH AND CASH EQUIVALENTS AT ENDING OF PERIOD	2,198,208,619	1,210,210,987	1,319,862,136	1,317,418,283

BERJAYA PHILIPPINES INC. AND SUBSIDIARIES
[A Subsidiary of Berjaya Lottery Management (HK) Limited]
NOTESTO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
As of March 31, 2023 and June 30, 2022
(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, 2023. 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, 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) for the nine months ended March 31, 2023 and as of June 30, 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 for the nine months ended March 31, 2023 and as of June 30, 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 pronouncements effective for annual periods subsequent to fiscal year 2022, 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)
- (ii) PAS 16 (Amendments), Property, Plant and Equipment – Proceeds Before Intended Use (effective from January 1, 2022)
- (iii) PAS 37 (Amendments), Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract (effective from January 1, 2022)
- (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
 - Illustrative Examples Accompanying PFRS 16, Leases – Lease Incentives
- (v) PAS 1 (Amendments), Presentation of Financial Statements – Classification of Liabilities as Current or Non-current (effective from January 1, 2023)
- (vi) PAS 1 (Amendments), Presentation of Financial Statements – Disclosure of Accounting Policies (effective from January 1, 2023)
- (vii) PAS 8 (Amendments), Accounting Estimates – Definition of Accounting Estimates (effective from January 1, 2023)
- (viii) PAS 12 (Amendments), Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective from January 1, 2023)

- (ix) 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).

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, 2023 and June 30, 2022, 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, 2023 and June 30, 2022.

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, 2023</u>	<u>June 30, 2022</u>
Php – GBP	P 1,023,888,522	P 1,459,848,176
Php – USD	95,385,493	184,941,100
Php – MYR	-	207,785
Php - EUR	-	-

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, 2023</u>		<u>June 30, 2022</u>	
	Reasonably possible change in rate	Effect in profit before tax	Reasonably possible change in rate	Effect in profit before tax
PhP - GBP	13.06%	P 467,462,026	18.70%	P 272,991,609
PhP - USD	10.89%	10,388,945	8.83%	16,330,299
PhP - MYR	14.15%	-	9.91%	20,591
PhP - EUR	1,877.43%	-	-	-
		<u>P 477,850,971</u>		<u>P 289,342,499</u>

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

(c) *Other Price Risk*

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

The sensitivity of equity with regard to the volatility of the Group's AFS financial assets assumes a +/-10.89% and a +/-26.12% volatility in the market value of the investment for the nine months ended March 31, 2023. 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 counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments arising from granting loans and selling goods and services to customers; granting advances to associates; and, placing deposits with banks, lessors and utility companies.

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

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

	<u>Notes</u>	<u>March 31, 2023</u>	<u>June 30, 2022</u>
Cash and cash equivalents	5	P 1,210,210,987	P 1,665,883,672
Trade and other receivables – net	6	3,219,432,952	2,239,748,621
Advances to associates	13	2,114,974,550	2,091,457,052
Refundable deposits	8	<u>4,811,421</u>	<u>4,130,582</u>
		<u>P 6,549,429,910</u>	<u>P 6,001,219,927</u>

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

(a) Cash and Cash Equivalents

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

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

The Group's trade receivables as at March 31, 2023 and June 30, 2022 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, 2023 and June 30, 2022, the Group's financial liabilities pertain to Trade and Other Payables, except those tax-related liabilities, and Loans Payable and Borrowings inclusive of future interest. Trade and other payables and loans payable and borrowings are considered to be current which are expected to be settled within 12 months from the end of each reporting period.

4. SEGMENT REPORTING

4.1 Business Segments

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

- (a)* The Leasing segment mainly pertains to the lease of on-line lottery equipment by the Group to PCSO.
- (b)* The Services segment mainly pertains to the hotel operations of PHPI.
- (c)* Investments segment relates to investing activities.

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

4.2 Segment Assets and Liabilities

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

4.3 Intersegment Transactions

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

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

4.4 Analysis of Segment Information

The tables in the succeeding pages present revenue and profit information regarding business segments for the nine months ended March 31, 2023, March 31, 2022 and for the year ended June 30, 2022, and certain assets and liabilities information regarding industry segments as at March 31, 2023, March 31, 2022 and June 30, 2022.

	<u>March 31, 2023</u>			
	<u>Investments</u>	<u>Services</u>	<u>Motor Vehicle Dealership</u>	<u>Total</u>
Revenues and income:				
Revenue from externals				
Customers	-	83,238,118	27,237,729,656	27,320,967,774
Interest Income	45,656,258	9,434	78,923,850	124,589,542
Other Income	9,821,277	1,885,153	63,266,940	74,973,670
Equity share in net income from associates	-	116,191,525	53,613,744	169,805,269
Inter-segment income	=	=	=	=
Total revenues and income	<u>55,477,535</u>	<u>201,324,230</u>	<u>27,433,534,190</u>	<u>27,690,335,955</u>
Expenses:				
Costs and operating expenses before depreciation	11,557,548	86,530,382	26,475,004,661	26,573,092,591
Depreciation and amortization	18,000	17,193,541	422,411,668	439,623,209
Interest expense	33,286,770	6,067,445	264,245,162	303,599,377
Loss on disposal of PPE	-	-	20,372,956	20,372,956
Other income (loss) from other sources	1,260,865	-	-	1,260,865
Inter-segment cost and expenses	=	=	=	=
Total Expenses	<u>46,123,183</u>	<u>109,791,368</u>	<u>27,182,034,447</u>	<u>27,337,948,998</u>
Segment profit (loss) before tax	<u>9,354,353</u>	<u>91,532,862</u>	<u>251,499,743</u>	<u>352,386,957</u>
Net profit (loss)	<u>1,409,921</u>	<u>91,531,429</u>	<u>205,176,020</u>	<u>298,117,370</u>

Segment Assets	<u>4,693,140,410</u>	<u>1,499,602,642</u>	<u>21,188,433,548</u>	<u>27,381,176,600</u>
Segment Liabilities	<u>995,535,074</u>	<u>137,352,881</u>	<u>15,873,806,899</u>	<u>17,006,694,854</u>
Capital expenditures	<u>P 7,135,363</u>	<u> </u>	<u>P 1,613,845,815</u>	<u>P 1,620,981,178</u>

March 31, 2022

	<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	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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>

June 30, 2022

	<u>Services</u>	<u>Investments</u>	<u>Motor Vehicle Dealership</u>	<u>Total</u>
Revenues and income:				
Revenue from externals Customers	P 93,557,954	P -	P36,489,886,349	P36,583,444,303
Interest income	43,435	85,735,033	84,316,033	170,094,501
Other income	7,803,223	19,458,189	129,915,127	157,176,539
Equity share in net income from associates	108,030,921	-	16,785,785	124,816,706
Inter-segment	<u> </u>	<u>70,041,809</u>	<u> </u>	<u>70,041,809</u>
Total revenues and income	<u>P 209,435,533</u>	<u>P 175,235,031</u>	<u>P36,720,903,294</u>	<u>P37,105,573,858</u>
Expenses:				
Costs and operating expenses				

before depreciation	P	95,970,921	P	12,935,264	P	34,774,488,440	P	34,883,394,625
Depreciation and amortization		23,411,129		14,000		642,310,215		665,735,344
Interest expense		8,490,041		21,521,867		224,511,946		254,523,854
Equity share in net loss of associates		-		-		-		-
Other expenses (income)	(-		27,536,319		-		27,536,319
Inter-segment		-		-		-		-
Total expenses	P	<u>127,872,091</u>	P	<u>62,007,450</u>	P	<u>35,641,310,601</u>	P	<u>35,831,190,142</u>
Profit (loss) before tax	P	<u>81,563,442</u>	P	<u>113,227,581</u>	P	<u>1,079,592,693</u>	P	<u>1,274,383,716</u>

June 30, 2022

	<u>Servises</u>	<u>Investments</u>	<u>Motor Vehicle Dealership</u>	<u>Total</u>
Net profit (loss)	<u>P 86,710,898</u>	<u>P 89,624,491</u>	<u>P 834,585,991</u>	<u>P 1,010,921,380</u>
Segment Assets	<u>P1,402,943,312</u>	<u>P 9,018,366,478</u>	<u>P 17,059,074,453</u>	<u>P27,480,384,243</u>
Segment Liabilities	<u>P1,181,832,928</u>	<u>P 1,252,330,887</u>	<u>P 13,054,521,365</u>	<u>P15,488,685,180</u>
Capital expenditures	<u>P 7,135,363</u>	<u>-</u>	<u>P 1,613,845,815</u>	<u>P 1,620,981,178</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, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Cash on hand and in banks	<u>P 1,210,210,987</u>	<u>P 1,665,883,672</u>
	<u>P 1,210,210,987</u>	<u>P 1,665,883,672</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, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Trade receivables	<u>P 595,031,673</u>	<u>P 748,179,084</u>
Deposits	<u>1,773,750,900</u>	<u>1,472,378,280</u>
Receivable from sale of investment in a subsidiary	<u>-</u>	<u>32,550,000</u>
Payments for future acquisition		

of investments	1,268,636	207,785
Manufacturer's bonuses		10,225,817
Due from related party	64,142,795	666,953
Advances to officers and employees	83,432	46,628
Other receivables	<u>513,719,470</u>	<u>199,469,389</u>
	2,947,996,906	2,463,723,936
Allowance for impairment	<u>(22,938,351)</u>	<u>(24,251,513)</u>
	<u>P 2,925,058,555</u>	<u>P 2,439,472,423</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.

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
At cost:		
Vehicles	P 5,196,335,523	P 3,294,977,480
Parts and components	105,396,902	87,744,813
Hotel supplies	<u>4,763,841</u>	<u>4,523,119</u>
	<u>5,306,997,359</u>	<u>3,387,245,412</u>
At net realizable value:		
Vehicles	1,607,514,639	1,147,929,280
Parts and components	<u>187,600,458</u>	<u>245,804,275</u>
	1,795,115,097	1,393,733,555
Allowance for inventory write down	<u>(221,961,647)</u>	<u>(179,593,201)</u>
	<u>1,573,153,451</u>	<u>1,214,140,354</u>
	<u>P 6,879,649,716</u>	<u>P 4,601,385,766</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.

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Balance at beginning of year	P 179,593,201	P 154,778,285
Write-off during the year	(140,221,076)	(255,250,278)
Additional provision during the year	117,864,956	286,912,971
Translation adjustment	<u>64,724,566</u>	<u>(6,847,777)</u>
Balance at end of year	<u>P 221,961,647</u>	<u>P 179,593,201</u>

8. PREPAYMENTS AND OTHER CURRENT ASSETS

The details of this account are as follows:

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Current:		
Prepaid expenses	P 498,939,125	P 522,008,107
VAT recoverable	488,930,660	469,638,043
Advances to suppliers	47,965,601	26,142,096
Refundable deposits	4,811,421	3,359,127
Input VAT	96,437,852	81,549,368
Creditable withholding tax	7,663,234	6,936,423
Prepaid taxes	54,473,715	188,768,523
Deferred input VAT	-	3,732,809
Other current assets	<u>746,782</u>	<u>-</u>
	<u>P 1,199,968,390</u>	<u>P 1,302,134,496</u>
Non-current:		
Refundable deposits	771,455	771,455
Deferred input VAT	<u>3,525,912</u>	3,887,196
	<u>4,297,367</u>	<u>4,658,651</u>
	<u>P 1,204,265,758</u>	<u>P 1,306,793,147</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 March 31, 2023 and June 30, 2022, the Group and the third party agent have executed a contract conditional on planning permission.

9. INVESTMENT SECURITIES

This account consists of the following financial assets:

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

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Quoted equity securities	<u>P 615,710</u>	<u>P 1,876,575</u>

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

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Equity securities:		
Quoted	P 512,376,520	P 475,237,656
Unquoted	<u>421,145,199</u>	<u>413,182,953</u>
	<u>P 933,521,719</u>	<u>P 888,420,609</u>

The quoted and unquoted equity securities consist of listed foreign shares of stock and investments in shares of stock of foreign privately-held companies, respectively. The fair values of the quoted financial assets have been determined by reference to published prices in an active market. The fair 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, 2023** and June 30, 2022 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	Sanitary Landfill	Land	TOTAL
March 31, 2023													
Cost	P 120,000	P 720,291,386	P 1,039,297,036	P 16,776,426	P 707,298,082	P 13,493,498	P 16,790,297	P 1,205,029,680	P 3,257,632,671	P 3,573,561,304	-	P 732,709,654	P 11,283,000,034
Accumulated depreciation and amortization	(32,000)	(183,659,532)	(9,990,492)	(13,623,635)	(494,602,057)	(11,381,111)	(12,897,551)	(745,344,321)	-	(1,289,428,331)	-	-	(2,740,958,933)
Net carrying amount	<u>P 88,000</u>	<u>P 536,631,874</u>	<u>P 1,029,306,544</u>	<u>P 3,152,792</u>	<u>P 212,696,025</u>	<u>P 2,112,387</u>	<u>P 3,892,746</u>	<u>P 459,685,359</u>	<u>P 3,257,632,671</u>	<u>P 2,304,132,973</u>	<u>-</u>	<u>P 732,709,654</u>	<u>P 8,542,041,093</u>
	Buildings	Transportation Equipment	Workshop Equipment	Office Furniture, Fixtures and Equipment	Hotel and Kitchen Equipment and Utensile	Leasehold improvements	Land	Construction in Progress	Total				
June 30, 2022													
Cost	P 1,477,961,615	P 32,727,451	P 685,274,042	P 12,232,427	P 14,238,443	P 1,095,602,358	P 665,294,553	P 2,359,886,111	P 6,343,217,000				
Accumulated depreciation and amortization	(179,386,224)	(28,187,142)	(433,754,882)	(11,034,217)	(12,497,814)	(637,122,972)	-	-	(1,301,993,251)				
Net carrying amount	<u>P 1,298,575,391</u>	<u>P 4,540,309</u>	<u>P 251,519,160</u>	<u>P 1,198,210</u>	<u>P 1,740,629</u>	<u>P 458,479,386</u>	<u>P 665,294,553</u>	<u>P 2,359,886,111</u>	<u>P 5,041,233,749</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 4,125,000GBP (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, 2023 and June 30, 2022 amounted to P124,769,550 and P123,398,700, 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 2022 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	21	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, 2023 and June 30, 2022 are shown below.

	<u>Land</u>	<u>Building</u>	<u>Total</u>
Balance at July 1, 2022	P 89,237,654	P 2,669,886,022	P 2,759,123,676
Effect of PFRS 16 adoption	-	-	-
Additions	-	(65,288,764)	(65,288,764)
Translation adjustment	-	(257,175,664)	(257,175,664)

Amortization	(<u>1,769,029</u>)	(<u>261,334,375</u>)	(<u>263,103,404</u>)
Balance at March 31, 2023	P	<u>87,468,625</u>	P	<u>2,216,664,348</u>	P	<u>2,304,133,037</u>
		<u>Land</u>		<u>Building</u>		<u>Total</u>
Balance at July 1, 2021	P	91,596,358	P	2,808,791,428	P	2,900,387,786
Translation adjustment		-		(12,255,909)		(12,255,909)
Additions		-		325,011,298		325,011,298
Amortization	(<u>2,358,704</u>)	(<u>451,660,795</u>)	(<u>454,019,499</u>)
Balance at June 30, 2022	P	<u>89,237,654</u>	P	<u>2,669,886,022</u>	P	<u>2,759,123,676</u>

Lease liabilities are presented in the consolidated statement of financial position as at March 31, 2023 and June 30, 2022 as follows:

	March 31, 2023	June 30, 2022
	(Unaudited)	(Audited)
Current	P 326,825,335	P 388,317,792
Non-current	<u>2,072,681,740</u>	<u>2,534,138,592</u>
	<u>P2,399,507,075</u>	<u>P2,922,456,384</u>

13. INVESTMENTS IN AND ADVANCES TO ASSOCIATES AND NON-CONTROLLING INTEREST

These investments are accounted for under the equity method in the consolidated financial statements of the Group:

March 31, 2023	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 43,335	P 82,283	P 162,500	P 454,880	P 120,373	P 37,890	P 1,325,938
Reclassification	-	-	-	-	-	-	-	-	-	-	-
Additional investment	-	-	-	-	-	-	-	-	-	P -	-
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>1,325,938</u>
Deduction of interest in associate –											
Loss on deemed disposal	-	-	(149,988)	-	-	-	-	-	-	-	(149,988)
Dividend income	-	-	(70,700)	-	-	-	-	(128,000)	-	-	(198,700)
Accumulated equity share in net profit (losses):											
Share in net profit (losses) in prior years	129,457	(180,400)	441,679	(400)	(37,751)	(61,601)	(50,308)	P 137,509	(58,058)	(3,678)	316,449
Share in net profit (losses) during the year	(3,446)	-	54,551	-	-	(7,587)	7,326	119,899	-	(938)	169,805
Share in other comprehensive income during the year	-	-	-	-	-	-	-	-	-	-	-
Translation adjustment	-	-	-	-	-	-	-	-	-	-	-
	<u>126,011</u>	<u>(180,400)</u>	<u>496,230</u>	<u>(400)</u>	<u>(37,751)</u>	<u>(69,188)</u>	<u>(42,982)</u>	<u>P 257,408</u>	<u>(58,058)</u>	<u>(4,615)</u>	<u>486,255</u>
Total investments in associates	166,011	-	479,439	-	5,584	13,095	119,518	584,288	62,315	33,275	1,463,524
Less: Impairment of Investment	-	-	-	-	(5,584)	-	-	-	(62,315)	-	(67,899)
	<u>166,011</u>	<u>-</u>	<u>479,439</u>	<u>-</u>	<u>(0)</u>	<u>13,095</u>	<u>119,518</u>	<u>584,288</u>	<u>-</u>	<u>33,275</u>	<u>1,395,625</u>
Advances to associates	447,830	541,222	-	3,023	-	1,190,543	-	-	81,892	-	2,264,511
Less: Impairment of Investment	-	(64,621)	-	(3,023)	-	-	-	-	(81,892)	-	(149,537)
	<u>447,830</u>	<u>476,601</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,190,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,114,973</u>
	P 613,842	P 476,601	P 479,439	-	(0)	P 1,203,638	P 119,518	P 584,288	-	P 33,275	P 3,510,600

Notes	PLPI	BPPI	BAPI	PGMC	CPI	SBMPI	NPI	BAAI	CBFC	VideoDoc	Total
June 30, 2022											
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 3,060	P 162,500	P 120,373	P 1,291,127
Additional investment	1.2	-	-	-	-	-	-	34,830	-	-	34,830
	<u>40,000</u>	<u>180,400</u>	<u>203,896</u>	<u>454,880</u>	<u>400</u>	<u>43,335</u>	<u>82,283</u>	<u>37,890</u>	<u>162,500</u>	<u>120,373</u>	<u>1,325,957</u>
Deduction of interest in associate in prior years											
	-	-	(149,988)	-	-	-	-	-	-	-	(149,988)
Dividends:											
Dividends received in current year	-	-	-	(72,000)	-	-	-	-	-	-	(72,000)
Dividends received in prior years	-	-	(70,700)	(20,000)	-	-	-	-	-	-	(90,700)
	<u>-</u>	<u>-</u>	<u>(70,700)</u>	<u>(92,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(162,700)</u>
Accumulated equity share in comprehensive income (loss):											
Share in comprehensive income (losses) in prior years	132,422	(180,400)	418,472	24,717	(400)	(37,751)	(42,897)	547	(69,513)	(58,058)	187,139
Share in net profit (losses) during the year	(2,965)	-	22,969	110,818	-	-	(19,027)	(6,183)	19,205	-	124,817
Share in other comprehensive losses during the year	-	-	238	1,974	-	-	323	-	-	-	2,535
Dilution gain on disposal of BAAI	-	-	-	-	-	-	-	1,959	-	-	1,959
	<u>129,457</u>	<u>(180,400)</u>	<u>441,679</u>	<u>137,509</u>	<u>(400)</u>	<u>(37,751)</u>	<u>(61,601)</u>	<u>(3,677)</u>	<u>(50,308)</u>	<u>(58,058)</u>	<u>316,450</u>
Total investments in associates	<u>169,457</u>	<u>-</u>	<u>424,887</u>	<u>500,389</u>	<u>-</u>	<u>5,584</u>	<u>20,682</u>	<u>34,213</u>	<u>112,192</u>	<u>62,315</u>	<u>1,329,719</u>
Allowance for impairment	-	-	-	-	-	(5,584)	-	-	-	(62,315)	(67,899)
Total investments in associates - net	<u>169,457</u>	<u>-</u>	<u>424,887</u>	<u>500,389</u>	<u>-</u>	<u>-</u>	<u>20,682</u>	<u>34,213</u>	<u>112,192</u>	<u>-</u>	<u>1,261,820</u>
Advances	24.1	438,286	531,213	-	-	3,023	-	1,186,579	-	-	2,159,101
Allowance for impairment	24.1	-	(64,621)	-	(3,023)	-	-	-	-	-	(67,644)
Advances - net	24.1	<u>438,286</u>	<u>466,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,186,579</u>	<u>-</u>	<u>-</u>	<u>2,091,457</u>
	P	607,743	P 466,592	P 424,887	P 500,389	P -	P -	P 1,207,261	P 34,213	P 112,192	P 3,353,277

14. INTANGIBLE ASSETS

The compositions of this account are shown below.

	March 31, 2023 (Unaudited)	June 30, 2022 (Audited)
Goodwill	P 981,956,565	P 787,773,698
Dealership rights	697,862,261	690,194,809
Customer relationship	<u>14,588,460</u>	<u>13,444,255</u>
	<u>P 1,694,407,286</u>	<u>P 1,491,412,762</u>

15. TRADE AND OTHER PAYABLES, AND PROVISIONS

This account consists of the following:

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Current:		
Trade Payables	P 1,028,874,390	P 824,795,114
Accrued expenses	810,424,902	682,886,738
Withholding taxes payable	593,556	51,873,443
Advances from a director	-	-
Deferred output VAT	66,677,628	61,547,697
Due to a related party	8,039,255	7,079,028
Other payables	<u>940,128,508</u>	<u>353,558,083</u>
	<u>P 2,854,738,239</u>	<u>P 1,981,740,103</u>
Non-Current:		
Provisions	<u>P -</u>	<u>P 166,919,354</u>

16. LOANS PAYABLE AND BORROWINGS

This account consists of the following:

	<u>March 31, 2023</u> (Unaudited)	<u>June 30, 2022</u> (Audited)
Current		
Vehicle stocking loans	P 4,804,976,940	P 3,206,271,424
Bank loans	<u>117,500,000</u>	<u>190,623,188</u>
	P 4,922,476,940	P 3,396,894,612
Non-current		
Bank loans	<u>1,943,728,954</u>	<u>1,365,735,482</u>
	<u>P 6,866,205,894</u>	<u>P 4,762,630,094</u>

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

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

		March 31, 2023		June 30, 2022		
		(Unaudited)		(Audited)		
		Carrying Values	Fair Values	Carrying Values	Fair Values	
Financial Assets						
Loans and receivables:						
	Cash and cash equivalents	5	P 1,210,210,987	P 1,210,210,987	P 1,665,883,672	P 1,665,883,672
	Trade and other receivables - net	6	3,219,432,952	3,219,432,952	2,239,748,621	2,239,748,621
	Advances to associates - net	13	2,114,974,550	2,114,974,550	2,091,457,052	2,091,457,052
	Refundable deposits- current	8	<u>4,811,421</u>	<u>4,811,421</u>	<u>4,130,582</u>	<u>4,130,582</u>
			<u>P 6,549,429,910</u>	<u>P 6,549,429,910</u>	<u>P 6,001,219,927</u>	<u>P 6,001,219,927</u>
	Financial assets at FVTPL	9	<u>P 615,710</u>	<u>P 615,710</u>	<u>P 1,876,575</u>	<u>P 1,876,575</u>
	Financial assets at FVOCI	9	<u>P 933,521,719</u>	<u>P 933,521,719</u>	<u>P 888,420,609</u>	<u>P 888,420,609</u>
Financial Liabilities						
Financial liabilities at amortized cost:						
	Loans payable and borrowings	16	P 4,922,476,940	P 4,922,476,940	P 4,762,630,094	P 4,762,630,094
	Trade and other payables	15	2,854,738,239	2,854,738,239	1,981,740,103	1,981,740,103
	Advances from related party	12	<u>769,376,476</u>	<u>769,376,476</u>	<u>727,852,330</u>	<u>727,852,330</u>
			<u>P 8,546,591,655</u>	<u>P 8,546,591,655</u>	<u>P 7,472,222,527</u>	<u>P 7,472,222,527</u>

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

1 Aging of Accounts Receivables as of 31 March 2023

Type of Accounts Receivables	Neither Past Due nor Impaired	Past Due not Impaired			Past Due Accts & Items in Litigation	Total
		61-90 days	91-120 days	Over 180 days		
	(Peso)		(Peso)	(Peso)	(Peso)	(Peso)
a Trade Receivables						
1) PCSO	-	-	-	-	-	-
2) Guest/City Ledger	2,478,066	216,831	154,879	247,807	-	3,097,583
3) Vehicle Debtor	325,563,749	59,193,409	88,790,113	118,386,818	-	591,934,090
3) Others	-	-	-	-	-	-
Subtotal	328,041,816	59,410,240	88,944,993	118,634,625	-	595,031,673
Less: Allow. For Doubtful Acct.	-	-	-	22,938,351	-	22,938,351
Net Trade receivable	328,041,816	59,410,240	88,944,993	95,696,274	-	572,093,322
b Non - Trade Receivables						
1) Deposits	1,773,750,900	-	-	-	-	1,773,750,900
2) Payment for future acquisition of inv	1,268,636	-	-	-	-	1,268,636
3) Other Receivables	872,320,094	-	-	-	-	872,320,094
	-	-	-	-	-	-
Subtotal	2,647,339,630	-	-	-	-	2,647,339,630
Less: Allow. For Doubtful Acct.	-	-	-	-	-	-
Net Non - trade receivable	2,647,339,630	-	-	-	-	2,647,339,630
Net Receivables (a + b)	2,975,381,446	59,410,240	88,944,993	95,696,274	-	3,219,432,952

Notes:

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

2 Accounts Receivable Description

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

3 Normal Operating Cycle:

365 days

For the Fiscal Year Currency	June 2023 Philippine Peso		June 2022 Philippine Peso		June 2022 Philippine Peso	
	Current year 3 mos ended March 31, 2023	Current year to date 9 mos ended March 31, 2023	Previous year 3 mos ended March 31, 2022	Previous year to date 9 mos ended March 31, 2022	12 mos ended June 30 2022	
Balance Sheet						
Current Assets	14,330,477,908.00	14,330,477,908	12,066,197,539	12,066,197,539	12,102,209,984	
Total Assets	27,381,176,600.00	27,381,176,600	23,560,678,145	23,560,678,145	24,148,053,174	
Current Liabilities	12,320,169,632.00	12,320,169,632	9,780,178,770	9,780,178,770	9,531,202,249	
Total Liabilities	17,006,694,853.90	17,006,694,854	13,809,984,670	13,809,984,670	14,228,918,909	
Retained Earnings	7,731,788,906.00	7,731,788,906	7,372,594,235	7,372,594,235	7,440,543,532	
Stockholders Equity	10,374,481,746.00	10,374,481,746	9,750,693,475	9,750,693,475	9,919,134,265	
Stockholders Equity-Parent	10,367,554,115.00	10,367,554,115	9,746,376,136	9,746,376,136	9,913,863,996	
Book Value Per Share	2.34	2.34	2.20	2.20	2.24	
Income Statement						
Gross Revenue	10,812,049,449	27,320,967,774	10,946,101,578	27,206,267,061	36,583,444,303	
Gross Expense	10,686,300,664	27,012,715,801	10,541,791,985	26,336,891,024	35,531,752,810	
Non Operating Income	108,730,543	346,396,853	106,756,896	335,889,141	452,087,746	
Non Operating Expense	146,013,158	302,261,870	63,202,949	177,859,546	299,437,332	
Profit/(Loss) Before Income Tax	88,466,170	352,386,956	447,863,540	1,027,405,632	1,204,341,907	
Income Tax Expense	18,418,985	54,269,588	93,737,404	208,667,757	263,462,336	
Net Income/(Loss) After Tax	70,047,185	298,117,368	354,126,136	818,737,875	940,879,571	
Net Income/(Loss) Attributable to Parent						
Equity Holder	69,626,337	296,460,005	353,760,148	816,214,566	938,005,536	
Earnings/(Loss) Per Share (Basic)	0.02	0.07	0.08	0.19	0.22	
Earnings/(Loss) Per Share (Diluted)						
Financial Ratios						
Liquidity Analysis Ratios:						
Current Ratio or Working Capital Ratio						
Current Assets/	14,330,477,908	14,330,477,908	12,066,197,539	12,066,197,539	12,102,209,984	1.27
Current Liabilities	12,320,169,632	12,320,169,632	9,780,178,770	9,780,178,770	-	
Quick Ratio						
Current Assets-Inventory-Prepayments/	6,545,234,199	6,545,234,199	6,177,064,040	6,177,064,040	6,633,418,000	0.65
Current Liabilities	12,320,169,632	12,320,169,632	9,780,178,770	9,780,178,770	-	
Solvency Ratio						
Total Assets/	27,381,176,600	27,381,176,600	23,560,678,145	23,560,678,145	24,148,053,174	1.70
Total Liabilities	17,006,694,854	17,006,694,854	13,809,984,670	13,809,984,670	-	
Financial Leverage Ratios						
Debt Ratio						
Total Debt/	17,006,694,854	17,006,694,854	13,809,984,670	13,809,984,670	14,228,918,909	0.59
Total assets	27,381,176,600	27,381,176,600	23,560,678,145	23,560,678,145	-	
Debt to Equity Ratio						
Total Debt/	17,006,694,854	17,006,694,854	13,809,984,670	13,809,984,670	14,228,918,909	1.43
Total Stockholder's Equity	10,374,481,746	10,374,481,746	9,750,693,475	9,750,693,475	-	
Interest Coverage						
Earnings Before Interest and Taxes (EBIT)/	88,466,170	352,386,956	447,863,540	1,027,405,632	1,204,341,907	5.62
Interest Charges	108,813,190	283,106,949	63,253,249	174,293,759	299,437,332	
	108,813,190	283,106,949	63,253,249	174,293,759	-	
Assets to Equity Ratio						
Total assets/	27,381,176,600	27,381,176,600	23,560,678,145	23,560,678,145	24,148,053,174	2.43
Total Stockholders Equity	10,374,481,746	10,374,481,746	9,750,693,475	9,750,693,475	-	
Profitability Ratios						
Gross Profit Margin						
Sales-Cost of Goods Sold or Cost of Service/	10,812,049,449	27,320,967,774	10,946,101,578	27,206,267,061	36,583,444,303	0.31
Sales	(9,488,351,816)	(23,719,248,464)	(9,522,671,283)	(23,455,709,644)	-	
	10,812,049,449	27,320,967,774	10,946,101,578	27,206,267,061	-	
Net Profit Margin						
Net Profit/	70,047,185	298,117,368	354,126,136	818,737,875	940,879,571	2.57%
Sales	10,812,049,449	27,320,967,774	10,946,101,578	27,206,267,061	-	
Return of Assets						
Net Income/	70,047,185	298,117,368	354,126,136	818,737,875	940,879,571	3.90%
Total Assets	27,381,176,600	27,381,176,600	23,560,678,145	23,560,678,145	-	
Return of Equity						
Net Income/	70,047,185	298,117,368	354,126,136	818,737,875	940,879,571	9.49%
Total Stockholders Equity	10,374,481,746	10,374,481,746	9,750,693,475	9,750,693,475	-	
Price/Earnings Ratio						
Price Per Share/	7.95	7.95	7.00	7.00	7.00	25.46
Earnings Per Common Share	0.016	0.068	0.081	0.188	-	
Current year trailing 12 mos						
Current year to date Net Income+Latest Annual		420,259,064	0.10	970,818,418	0.22	
Net Income-Previous Year Net Income		4,341,280,693		4,341,280,855		
Weighted average no of outs shares						

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

Financial Indicators
 March 31, 2023

Financial Indicators	Computation		Ratios		Computation		Ratios	
	March 2023	March 2022	March 2023	March 2022	June 2022	June 2022	June 2022	June 2022
Quick ratio								
Cash and cash equivalents +	1,210,210,987	1,317,418,283			1,665,883,672			
Financial asset at fair value through profit or loss	615,710	3,090,650			1,876,575			
Trade and other receivables - net +	3,219,432,952	2,739,333,395			2,439,472,423			
Advances to associates	2,114,974,550	2,117,221,712	0.53	0.63	2,091,457,052			0.65
Total Current Liabilities	12,320,169,632	9,780,178,770			9,531,202,249			
Current/liquidity ratio								
Total Current Assets	14,330,477,908	12,066,197,539	1.16	1.23	12,102,209,984			1.27
Total Current Liabilities	12,320,169,632	9,780,178,770			9,531,202,249			
Debt-to-equity ratio								
Total Liabilities	17,006,694,854	13,809,984,670	1.64	1.42	14,228,918,909.00			1.43
Total Equity	10,374,481,746	9,750,693,475			9,919,134,265.00			
Debt-to-assets ratio								
Total Liabilities	17,006,694,854	13,809,984,670	0.62	0.59	14,228,918,909.00			0.59
Total Assets	27,381,176,600	23,560,678,145			24,148,053,174.00			
Equity-to-assets ratio								
Total Equity	10,374,481,746	9,750,693,475	0.38	0.41	9,919,134,265.00			0.41
Total Assets	27,381,176,600	23,560,678,145			24,148,053,174.00			
Annualized PPE Turnover								
Net Revenue	27,320,967,774	27,206,267,061	10.26	12.77	29,469,459,653.00			5.85
PPE	6,237,908,056	4,692,752,705			5,041,233,749			
Annualized Return on assets								
Net Profit	298,117,368	818,737,875	2.55%	7.65%	539,157,744.00			2.23%
Total Assets	27,381,176,600	23,560,678,145			24,148,053,174.00			
Annualized Return on equity								
Net Profit	298,117,368	818,737,875	6.73%	18.49%	539,157,744.00			5.44%
Total Equity	10,374,481,746	9,750,693,475			9,919,134,265.00			
Annualized	2.34	2.20			1			
Earnings per share								
Net Profit Attributable to Owners of the Parent Company	296,460,005	816,214,566	0.07	0.19	528,956,479.00			0.12
Weighted Average Number of Outstanding Common Shares	4,341,280,693	4,341,280,855			4,341,280,693			