

NOTICE OF 2020 ANNUAL STOCKHOLDERS' MEETING

Notice is hereby given that the 2020 Annual Stockholders' Meeting ("2020 ASM") of MJC INVESTMENTS CORPORATION (Doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino) (the "Company") will be conducted virtually through <http://mjinvestmentscorp.com/ASM2020.php> on 04 December 2020 at 9:00 a.m.

AGENDA

1. Call to Order
2. Certification of Notice and of Quorum
3. Approval of the Minutes of the Annual Stockholders' Meeting held on 27 June 2019
4. Report of the President
5. Approval of the Annual Report and Audited Financial Statements of the Company for the period ended 31 December 2019
6. Approval and Ratification of Acts of the Board of Directors, Board Committees and Management since the last Annual Stockholders' Meeting
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

Only stockholders of record as of **30 October 2020** shall be entitled to notice of, and to vote at, the 2020 ASM, and any adjournment thereof.


Given the COVID-19 situation, stockholders of record may only participate via remote communication, and vote *in absentia* or by proxy.

Stockholders of record who intend to participate via remote communication, or to vote *in absentia* or by proxy, shall notify the Company via email at asm2020@winfordmanila.com no later than **23 November 2020**. The procedures for participating via remote communication, and for voting *in absentia* or by proxy are set forth in the Definitive Information Statement.

Votes can be only be cast through Ballots or Proxies. The Ballot/Proxy can be downloaded at <http://mjinvestmentscorp.com/ASM2020.php>. All Ballots and Proxies shall be submitted via email at asm2020@winfordmanila.com no later than **24 November 2020**. Validation of proxies is set for **27 November 2020 at 5:00 p.m.**

We are not asking for proxies and stockholders are requested not to send us a proxy.

Pasig City, 20 October 2020.


Atty. Ferdinand A. Domingo
Corporate Secretary

MJC Investments Corporation
2020 Annual Stockholders' Meeting

Rationale for Agenda Items

1. **Call to Order.** The Chairman of the Board, Atty. Alfonso R. Reyno, Jr., will formally open the 2020 Annual Stockholders' Meeting ("**2020 ASM**") of **MJC Investments Corporation** (the "**Company**").
2. **Certification of Notice and of Quorum.** The Corporate Secretary, Atty. Ferdinand A. Domingo, will certify the notice requirements of the 2020 ASM have been complied with in accordance with SEC Notice dated 20 April 2020 on *Alternative Mode for Distributing and Providing Copies of the Notice of Meeting, Information Statement, and Other Documents in Connection with the Holding of Annual Stockholders' Meeting for 2020*, and will attest whether a quorum is present in accordance with the Company's By-Laws and the Revised Corporation Code (RCC).
3. **Approval of the Minutes of the Annual Stockholders' Meeting held on 27 June 2019.** Copies of the Minutes are included in the Information Statement posted in the Company website and PSE EDGE.
4. **Report of the President.** The President's Report shall include the results of the Company's operations in 2019.
5. **Approval of the Annual Report and Audited Financial Statements of the Company for the period ended 31 December 2019.** Copies of the Annual Report and Audited Financial Statements are posted in the Company website and PSE EDGE.
6. **Approval and Ratification of Acts of the Board of Directors, Board Committees and Management since the last Annual Stockholders' Meeting.** The acts submitted for approval and ratification are contained in the Information Statement posted in the Company website and PSE EDGE.
7. **Election of Directors.** The Chairman and Corporate Secretary will present the nominees for election as members of the Board of Directors, including the independent directors. The profiles of the nominees to the Board of Directors are contained in the Information Statement posted in the Company website and PSE EDGE.
8. **Appointment of External Auditor.** The recommended external auditor will be presented to the stockholders' approval.
9. **Other Matters.** All other matters that arise after the Notice and Agenda and Information Statement have been sent out, may be presented to the stockholders for consideration. Stockholders may raise such matters as may be relevant.
10. **Adjournment.** After consideration of all business, the Chairman shall declare the 2020 ASM adjourned.

**PROCEDURES FOR PARTICIPATING VIA REMOTE COMMUNICATION,
AND FOR VOTING IN ABSENTIA OR BY PROXY**

The 2020 Annual Stockholders' Meeting ("2020 ASM") of **MJC INVESTMENTS CORPORATION (Doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino)** (the "Company") will be conducted virtually through <http://mjinvestmentscorp.com/ASM2020.php> on **04 December 2020** at **9:00 a.m.**

Given the COVID-19 situation, stockholders of record as of **30 October 2020** may only participate via remote communication, and vote *in absentia* or by proxy.

A. Registration Procedure

A stockholder who intends to participate via remote communication, or to vote *in absentia* or by proxy, must submit the following documentary requirements to the Company via email at asm2020@winfordmanila.com no later than **23 November 2020**.

- Certificated Stockholders (Individual)

1. Stockholder's valid government-issued ID (e.g., Passport, Driver's License) showing photo, signature and personal details, preferably with residential address;
2. A valid and active e-mail address and contact number of the Individual Stockholder;
3. Stock Certificate Number/s; and
4. If appointing a proxy, duly accomplished and signed Proxy Form.

- Certificated Stockholders (Corporate)

1. Notarized Secretary's Certificate on the resolution attesting to the authority of the representative to vote for, and on behalf of the corporate stockholder;
2. Authorized Representative's valid government-issued ID (e.g., Passport, Driver's License), showing photo, signature and personal details, preferably with residential address;
3. A valid and active e-mail address and contact number of the Authorized Representative;
4. Stock Certificate Number/s; and
5. If appointing a proxy, duly accomplished and signed Proxy Form.

- Stockholders with Shares PCD Participant/Broker Account

1. Broker's Certification on the number of shares owned by the Stockholder;
2. Stockholder's valid government-issued ID (e.g., Passport, Driver's License), showing photo, signature and personal details, preferably with residential address;
3. A valid and active e-mail address and contact number of the Stockholder;
4. If appointing a proxy, duly accomplished and signed Proxy Form.

All documents submitted shall be subject to the verification and validation of the Company. Stockholders who have successfully registered shall receive an email providing the link and log-in credentials to access the meeting room for the 2020 ASM.

Only stockholders who have notified the Company of their intention to participate, and vote in the 2020 ASM by remote communication, and have been validated to be stockholders of record of the Company will be considered in computing stockholder attendance in the ASM.

B. Voting Procedure

Stockholders who have successfully registered may cast their votes on each Agenda item through Ballots or Proxies.

The Ballot/Proxy can be downloaded at <http://mjcinvestmentscorp.com/ASM2020.php>.

All Ballots or Proxies shall be submitted via email at asm2020@winfordmanila.com no later than **24 November 2020**.

Below are the voting instructions.

1. ***For each Agenda item other than the Election of Directors***, the stockholder or proxy has the option to vote: "For", "Against", or "Abstain".
2. **For the Election of Directors**, the stockholder or proxy has the option to: (i) vote for all nominees, (ii) withhold vote for any of the nominees, or (iii) vote for certain nominees only. A stockholder may (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares owned, or (c) distribute them on the same principle among as many candidates as may be seen fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the number of directors to be elected.

The Corporate Secretary will count and tabulate the votes cast by Ballot or Proxy.

C. ASM Participation via Remote Communication

Stockholders who have successfully registered can participate in the 2020 ASM via remote communication. Stockholders who have successfully registered shall receive an email providing the and log-in credentials to access the meeting room for the 2020 ASM.

Stockholders may send their questions related to the agenda by email to asm2020@winfordmanila.com no later than the schedule of the 2020 ASM. The Company will endeavor to answer the questions during the Annual Meeting. For questions received but not entertained during the Annual Meeting due to time constraints, the Company will endeavor to answer said questions via email at a later time.

The proceedings of the 2020 ASM shall be recorded in audio and video format.

BALLOT/PROXY

Please mark as applicable:

- Vote by ballot: The undersigned stockholder of **MJC Investments Corporation** (the “**Company**”) casts his/her vote on the Agenda items for the 2020 Annual Stockholders’ Meeting (“**2020 ASM**”), as expressly indicated with “X” below.
- Vote by proxy: The undersigned stockholder of the Company hereby names, constitutes, and appoints _____ or in his/her/its absence, the Chairman of the Meeting, as attorney-in-fact and proxy, to represent and vote all shares registered in his/her/its name at the 2020 ASM, and any adjournment(s) thereof, as fully as the undersigned can if present and voting in person, ratifying all action taken on matters that may properly come before such meeting or its adjournment(s). The undersigned directs the proxy to vote on the Agenda items which have been expressly indicated with “X” below.

Agenda Items for Approval		FOR	AGAINST	ABSTAIN
1.	Approval of the Minutes of the Annual Stockholders’ Meeting held on 27 June 2019			
2.	Approval of the Annual Report and Audited Financial Statements for the year ended 31 December 2019			
3.	Approval and Ratification of the acts of the Board of Directors, Board Committees and Management since the last Annual Stockholders’ Meeting			
4.	Appointment of Sycip Gorres Velayo & Co. (SGV) as external auditor of the Company for the year 2020 to 2021			
5.	Election of Directors	VOTE FOR ALL	WITHHOLD FOR ALL	No. of Shares Voted
	(1) Alfonso R. Reyno, Jr.			
	(2) Chai Seo Meng			
	(3) Jeffrey Rodrigo L. Evora			
	(4) Alfonso Victorio G. Reyno III			
	(5) Jose Alvaro D. Rubio			
	(6) John Anthony B. Espiritu			
	(7) Gabriel A. Dee			
	(8) Walter L. Mactal			
	(9) Dennis Ryan C. Uy			
	(10) Victor P. Lazatin (Independent Director)			
	(11) Adan T. Delamide (Independent Director)			

Signed this _____ 2020, at _____.

PRINTED NAME OF STOCKHOLDER

SIGNATURE OF STOCKHOLDER/
AUTHORIZED SIGNATORY

This Ballot/Proxy should be received by the Corporate Secretary of MJC Investments Corporation via email at asm2020@winfordmanila.com no later than 24 November 2020. This Ballot/Proxy, when properly executed, will be voted in the manner as marked/directed herein by the stockholder. If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting as recommended by the Chairman. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised. Notarization of the proxy is not required. For corporate stockholders, please attach to this proxy form the secretary’s certificate on the authority of the signatory to appoint the proxy and sign this form.

COVER SHEET

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S.E.C. Registration Number

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W	I	N	F	O	R	D		H	O	T	E	L		A	N	D		C	A	S	I	N	O					

(Company's Full Name)

W	I	N	F	O	R	D		H	O	T	E	L		A	N	D		C	A	S	I	N	O	,		M	J	C
D	R	I	V	E	,	S	T	A	.		C	R	U	Z	,		M	A	N	I	L	A						

(Business Address : No. Street City / Town / Province)

ATTY. LEMUEL M. SANTOS

Contact Person

8632-7373

Company's Telephone Number

DEFINITIVE INFORMATION STATEMENT - 2020

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Month	Day	Fiscal Year	

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FORM TYPE				

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Month	Day	Annual Meeting	

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Secondary License Type, If Applicable

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Amended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

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File Number

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Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC Form 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:
[] Preliminary Information Statement
[✓] Definitive Information Statement
2. Name of Registrant as specified in its charter: **MJC INVESTMENTS CORPORATION
(doing business under the name and style of
WINFORD LEISURE AND ENTERTAINMENT
COMPLEX and WINFORD HOTEL AND CASINO)**
3. Province, Country or other jurisdiction of
incorporation or organization: **Philippines**
4. SEC Identification Number: **10020**
5. BIR Tax Identification Number: **000-596-509**
6. Address of principal office: **Winford Hotel and Casino
MJC Drive, Sta. Cruz, Manila 1014**
7. Registrant's telephone number, including area code: **(632) 8632-7373**
8. Date, Time and Place of the meeting of security holders:

**December 4, 2020 at 9:00 A.M.
via Remote Communication at
<http://mjcinvestmentscorp.com/ASM2020.php>**

9. Approximate date on which the
Information Statement is first to be sent
or given to security holders: **November 12, 2020**

10. Securities registered pursuant to Section 8 and 12 of the Securities Regulation:

<u>Title of Each Class Outstanding</u>	<u>Number of Shares of Common Stock Outstanding</u>
Common	3,174,405,821

11. Are any or all of registrant's securities listed on the Philippine Stock Exchange?

Yes [✓] No []

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

Philippine Stock Exchange – Common Shares

MJC INVESTMENTS CORPORATION

INFORMATION STATEMENT

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

A. GENERAL INFORMATION

Item 1. Date, time and place of Meeting of Security Holders (the “Annual Meeting”)

(a) Date: **December 4, 2020**

Time: **9:00 a.m.**

Place: Due to the COVID-19 pandemic and the Community Quarantine imposed within the National Capital Region, including the City of Manila where the Company’s principal office is located, the physical and actual holding of the Annual Meeting cannot be conducted. The Annual Meeting shall be conducted via remote communications at the Company website: <http://mjcinvestmentscorp.com/ASM2020.php>

Principal Office: **Winford Hotel and Casino
MJC Drive, Sta. Cruz, 1014, Manila**

(b) Approximate date on which the Information Statement will first be sent or given to Security Holders:

This Information Statement shall be available beginning **November 12, 2020** at the Company’s website: <http://mjcinvestmentscorp.com/ASM2020.php>

Item 2. Dissenters’ Right of Appraisal

Section 80 of the Revised Corporation Code (“RCC”) provides that any stockholder of the Company shall have the right to dissent and demand payment of the fair value of his shares in in the following instances: (1) in case an amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the terms of corporate existence; (2) in case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code; (3) in case of merger or consolidation; and (4) in case of investment of corporate funds for any purpose other than the primary purpose of the Company.

Pursuant to Section 81 of the RCC, the appraisal right may be exercised by the dissenting stockholder who votes against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken, for payment of the fair market value of shares held. Failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the Company shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder’s shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two (2) thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made. No payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment. Upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer the shares to the Company.

No matter will be presented for stockholders' approval during the Annual Meeting that may occasion the exercise of the right of appraisal.

Item 3. Interest of Certain Persons in Matters to be Acted Upon

No director or officer of the Company since the beginning of the last fiscal year, or any nominee for election as director, or any of their associates, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon at the Annual Meeting, other than election to office.

No director of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company at the Annual Meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. Voting Securities and Principal Holders Thereof

(a) Voting securities entitled to vote at the Annual Meeting

As of 30 October 2020, the total number of common shares outstanding and entitled to vote at the Annual Meeting is 3,174,405,821 shares.

(b) Record Date

Only stockholders of record at the close of business on **October 30, 2020** (the "Record Date") are entitled to notice of, and to vote at, the Annual Meeting.

(c) Election of directors

Cumulative voting is allowed for election of members of the Board of Directors. Please refer to Item 19 (Voting Procedures) of the Information Statement.

(d) Security Ownership of Certain Record and Beneficial Owners and Management

(1) Security Ownership of Record and Beneficial Owners of more than 5% of voting securities

As of 30 October 2020, the following are the persons or groups known to the Company to be directly or indirectly the record and/or beneficial owner of more than 5% of the Company's voting securities:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent of Class
Common	PCD Nominee Corporation 37F Tower 1, The Enterprise Center, 6766 Ayala Ave. cor. Paseo de Roxas, Makati City Stockholder	PCD Participants*	Filipino	2,285,210,568	71.99%

*PCD Nominee Corporation ("PCNC") is a wholly owned subsidiary of Philippine Central Depository, Inc. ("PCD") and is registered owner of the shares in the books of the Company's transfer agent. PCD participants deposit eligible securities in PCD through a process of lodgment, where legal title to the securities is transferred and held in trust by PCNC. The participants of PCD are the beneficial owners of such shares.

The table below shows persons or groups known to the Company as of 30 October 2020 to be directly or indirectly the record or beneficial owner of more than 5% of the Company's voting securities under the PCD Nominee Corporation:

Title of Class	PCD Participant	Citizenship	No. Shares Held	Percent
Common	BDO Securities Corporation 27/F Tower I & Exchange Plaza Ayala Ave., Makati City	Filipino	2,235,254,480	70.41%

As of 30 October 2020, the number of shares held by foreign stockholders is 1,119,503 common shares, or 0.04% of the Company's total issued and outstanding shares.

(2) Security Ownership of Management

As of 30 October 2020, the following are the securities beneficially owned by all directors and officers of the Company:

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	%
Common	Alfonso R. Reyno, Jr.	26,320,408 (Direct)	Filipino	0.83%
Common	Chai Seo Meng	1 (Direct)	Singaporean	Nil
Common	Jeffrey Rodrigo L. Evora	1 (Direct)	Filipino	Nil
Common	Alfonso Victorio G. Reyno III	100,000 (Direct)	Filipino	Nil
Common	Jose Alvaro D. Rubio	1 (Direct)	Filipino	Nil
Common	John Anthony B. Espiritu	1,000 (Direct)	Filipino	Nil
Common	Gabriel A. Dee	1 (Direct)	Filipino	Nil
Common	Walter L. Mactal	1 (Direct)	Filipino	Nil
Common	Dennis Ryan C. Uy	1 (Direct)	Filipino	Nil
Common	Victor P. Lazatin	10,000 (Direct)	Filipino	Nil
Common	Adan T. Delamide	1 (Direct)	Filipino	Nil
Common	Ferdinand A. Domingo	240,022 (Direct)	Filipino	0.01%
Common	Lemuel M. Santos	1 (Direct)	Filipino	Nil

Directors and executive officers as a group hold a total of **26,671,438** common shares, equivalent to approximately **0.84%** of the Company's issued and outstanding capital stock.

(3) Voting Trust Holders of 5% or More

The Corporation is not aware of any voting trust or similar agreement involving persons who hold more than 5% of the Corporation's securities.

(4) Changes in Control

The Company is not aware of any change in control or arrangement that may result in a change in the control of the Company since the beginning of the Company's last fiscal year.

Item 5. Directors and Executive Officers

(a) The Board of Directors

The following are the incumbent members of the Board:

Names	Citizenship	Age	Year First Elected
Alfonso R. Reyno, Jr.	Filipino	76	2009
Chai Seo Meng	Singaporean	57	2017
Jeffrey Rodrigo L. Evora	Filipino	51	2018
Alfonso Victorio G. Reyno III	Filipino	50	2009
Jose Alvaro D. Rubio	Filipino	67	2014
John Anthony B. Espiritu	Filipino	57	2012
Gabriel A. Dee	Filipino	56	2013
Walter L. Mactal	Filipino	37	2017
Dennis Ryan C. Uy	Filipino	42	2014
Victor P. Lazatin (<i>Independent Director</i>)	Filipino	70	2009
Adan T. Delamide* (<i>Independent Director</i>)	Filipino	44	2020

*Atty. Adan T. Delamide was appointed as Independent Director on 22 May 2020, upon the resignation of Atty. Bernadette V. Quiroz on even date.

Set forth below are the business experience of the members of the Board during the past five (5) years.

ALFONSO R. REYNO, JR., holds a Bachelor of Arts degree in Political Science from the University of the Philippines and a Bachelor of Laws from the same university. He formerly occupied the following government positions: Deputy Minister of Defense (1984-1986), Member of the Batasang Pambansa (1984-1986), Vice Governor of Cagayan (1980-1984), Member of the Board of Trustees of the Cagayan State University (1979-1986). He presently occupies the following positions in various entities: *Chairman and President*, Arco Management & Development Corporation; *Chairman*, Arco Equities, Inc.; *Chairman*, Arco Ventures, Inc.; *Chairman and President*, Bonaventure Development Corporation (1983 to present); *Chairman*, Palos Verdes Realty Corporation; *Chairman*, PGR Development Holdings, Inc., *Managing Partner*, Reyno Tiu Domingo & Santos Law Offices (1976 to present); *Chairman*, Manila Jockey Club, Inc. (1997 to present).

CHAI SEO MENG, holds a degree of Bachelor of Business Administration from the graduated from the National University of Singapore in 1987. He formerly occupied the following position in various institutions: Senior Trader for Foreign Exchange at United Overseas Bank limited (1992 to 2004); Head Foreign Exchange at Nomura Singapore Limited (2004 to 2009). Presently, he practices Private Constitution and provides various wealth managements and financial advisories to various business sector.

JEFFREY RODRIGO L. EVORA is an accomplished hospitality professional with more than 20 years' experience in the United States and a pioneer in the integrated resort industry in the Philippines. After graduating from Philippine Science High School, Mr. Evora continued his tertiary education with an Associate in Science (AS) degree in Hotel Operations at the University of Hawaii Maui College, and earned his Bachelor of Science (BSc) degree in Business Administration from the University of Phoenix. He started his professional career in the hospitality industry at a restaurant in Wailuku, Hawaii, before working as a Night Auditor at Maui Kai Condominiums. He also worked as an Auditor of Hyatt Regency Maui, before moving to Las Vegas in 1993 where he started his career in the casino industry at the Flamingo Hilton Las Vegas. Mr. Evora held key positions in various casinos in the United States, such as Lady Luck Gaming Corporation, Boyd Gaming Corporation, Ameristar Gaming Corporation, Harrah's Entertainment Corporation, and ultimately for Seneca Niagara Casino & Hotel, before accepting a position in a private corporation in Manila as Vice President of Marketing in 2009. In 2017, Mr. Evora assumed the role of Chief Operating Officer of Winford Manila Resort & Casino and was subsequently appointed President of the Corporation in August 2018.

ALFONSO VICTORIO G. REYNO III, holds a degree of Bachelor of Arts and Commerce from De La Salle University and a Bachelor of Laws from the University of the Philippines. He was previously a Junior Associate at ACCRA Law Offices (1997-1999). He presently occupies the following positions in various entities: *President*, Arco Ventures, Inc. (1995 to present); *Vice President and Corporate Secretary*, Arco Management & Development Corporation; *Corporate Secretary*, Bonaventure Development Corporation; *President*, Arco Equities, Inc.; *President*, Palos Verdes Realty Corporation; *Director*, PGR Development Holdings, Inc.; *Junior Partner*, Reyno Tiu Domingo & Santos Law Offices (1999 to present); *President and COO*, Manila Jockey Club, Inc. (1997 to 2019); *President and CEO*, Manila Jockey Club, Inc. (2019 to present).

JOSE ALVARO D. RUBIO, holds a degree of Bachelor of Science in Business Administration Major in Accounting (Cum Laude) from the University of the East. A Certified Public Accountant, he formerly occupied the following positions at Philippine National Bank: Senior Vice President for six (6) years and had thirty-five (35) years of experience in banking, including international operations, remittance, budgeting, corporate planning, controllership, systems design/improvement, branch banking, audit and lending operations (including 14 years as Head of Corporate Banking). He was also a Director of the Bank Administration Institute of the Philippines, an association of local and foreign banks.

JOHN ANTHONY B. ESPIRITU, holds a degree of Bachelor of Business Administration from the University of Michigan, and a Masters degree in Business Administration from the same university. He presently occupies the following positions in various entities: Director, DATEM, Inc.; Chairman; Belares Food Corporation; Director, American Eye Correction Center.

GABRIEL A. DEE, holds a degree of Bachelor of Arts major in History (1984) from the University of the Philippines, and a Bachelor of Laws (1988) from the same university. He was admitted to the Philippine Bar in 1989 and is currently the Managing Partner of the Picazo Buyco Tan Fider & Santos Law Offices. He joined the firm in 1988 and was admitted to the partnership in 1994. He is also a professional lecturer at the University of the Philippines, College of Law.

WALTER L. MACTAL, holds a degree of A. B. Economics from the Ateneo De Manila University in 2004. He obtained his Juris Doctor from the Ateneo de Manila University - School of Law in 2008. He was admitted to the Philippine Bar in 2009 and he continued working in a private law firm in Makati City until March 2012. Presently, Mr. Mactal works as a general counsel in a private company in the Philippines. He has broad legal experience in litigation, labor relations, contract drafting and negotiation, intellectual property, and various corporate compliance services.

DENNIS RYAN C. UY, holds a degree of B.S. Industrial Engineering from the Mapua Institute of Technology, and a Master of Business administration degree from the Ateneo de Manila University. For the last fourteen (14) years of his career, he spent in the areas of systems improvement and automation, investment planning, asset management, and cost engineering across various multinational firms.

VICTOR P. LAZATIN, holds a degree of AB Economics from the University of the Philippines and a Bachelor of Laws degree from the same university in 1971 (Cum Laude). He obtained a Masters of Law from University of Michigan in 1974. He occupies the following positions in various institutions, viz: *Director*, ACCRA Investment Corporation (2007-present); *Corporate Secretary/Director*, WWW Express Corporation (2003-present); *Chairman*, Timog Silangan Development Corp. (1978-present); *Chairman*, Trillan Services, Inc. (2009-present); *President*, Davinelle Provident Lands, Inc. (1986-present); *Chairman*, Anvidan Realty Inc. (2015-present); *Director*, Kenram Industrial Development Inc. (2009-present); *Chairman/Director*, Kenram Palmoil Plantations, Inc. (2019-present); *Corporate Secretary*, SPC Power Corporation (2019-present). He is currently Of Counsel at Angara Abello Concepcion Regala & Cruz Law Offices.

ADAN T. DELAMIDE, holds a degree of Bachelor of Science in Accountancy from the Polytechnic University of the Philippines – Taguig (1997) and a Juris Doctor from the Ateneo De Manila University. He previously occupied the following positions, viz: *Associate Director*, Tax Services, Sycip Gorres Velayo & Co. (November 1997 – March 2006); *Director II and Head of Technical*, Congressional Oversight Committee on Comprehensive Tax Reform Program – Secretariat (April 2006 – March 2007); Salvador & Associates (October 2007 – February 2015). He is currently the Managing Partner at Delamide & Lock, Certified Public Accountants. He is affiliated with the following companies or organizations: *Director/Corporate Secretary*, Solutions Foundry Inc. (2016-present); *Director*, Elite Sales Force International Inc. (2017-present); *Director and Corporate Secretary*, Mindteck Solutions Philippines, Inc. (2016-present); *Corporate Secretary*, Feilo Sylvania Philippines, Inc. (2017-present) and *Director*, Oculus Digital Info Tech Corporation (2018-present).

Nomination of Directors for 2020-2021

The directors of the Company elected at the Annual Meeting shall hold office for one (1) year and until their respective successors have been elected and qualified.

The following are the nominees to the Board of Directors:

1. Alfonso R. Reyno, Jr.
2. Chai Seo Meng
3. Jeffrey Rodrigo L. Evora
4. Alfonso Victorio G. Reyno III
5. Jose Alvaro D. Rubio
6. John Anthony B. Espiritu
7. Gabriel A. Dee
8. Walter L. Mactal
9. Dennis Ryan C. Uy

10. Victor P. Lazatin (Independent Director)
11. Adan T. Delamide (Independent Director)

The Company has no reason to believe that any of the aforesaid nominees will be unwilling or unable to serve if elected as a director.

Paolo Roxas nominated Atty. Victor P. Lazatin while Dennis Espejo nominated Atty. Adan T. Delamide as Independent Directors of the Company. Messrs. Roxas and Espejo and are not related to either Attys. Lazatin and Delamide by consanguinity or affinity, and has no professional or business dealings with any of them. Messrs. Roxas and Espejo are neither officers nor substantial shareholders of the Company.

The nominees for independent directors possess the qualifications and none of the disqualifications of independent directors under relevant rules of the Securities Regulation Code (the "SRC") and its implementing rules and regulations (the "SRC Rules").

The respective business experiences of Attys. Victor P. Lazatin and Adan T. Delamide are set forth above.

The matter of the nomination and election of Independent Directors form part of a set of guidelines for the Nomination Committee. These guidelines define qualifications, disqualifications and procedures for the screening and short listing of candidates nominated to the Board.

The members of the Nomination Committee are as follows:

1. Gabriel A. Dee - Chairman
2. Alfonso Victorio G. Reyno III - Member
3. Walter L. Mactal - Member
4. Victor P. Lazatin (Independent Director) - Member

For this Annual Meeting, the Nomination Committee shall screen and evaluate the candidates for Independent Directors, using the committee's guidelines, pertinent provisions of the Company's Revised Manual on Corporate Governance, its By-Laws and relevant issuances under the SRC and the SRC Rules. The Company's By-laws incorporates the procedures for the nomination and election of independent directors in accordance with SRC Rule 38, as amended.

(b) The Executive Officers

The following are the Executive Officers of the Company:

Position	Name	Citizenship	Age
Chairman & Chief Executive Officer	Alfonso R. Reyno, Jr.	Filipino	76
President & Chief Operating Officer	Jeffrey Rodrigo L. Evora	Filipino	51
Vice President	Alfonso Victorio G. Reyno III	Filipino	50
Treasurer & Chief Finance Officer	Jose Alvaro D. Rubio	Filipino	67
Corporate Secretary & General Counsel	Ferdinand A. Domingo	Filipino	68
Asst. Corporate Secretary	Gabriel A. Dee	Filipino	56
Corporate Information Officer and Compliance Officer	Lemuel M. Santos	Filipino	69

The business experience of Msrs. Alfonso R. Reyno, Jr., Jeffrey Rodrigo L. Evora, Alfonso Victorio G. Reyno III, Jose Alvaro D. Rubio and Gabriel A. Dee during the last five (5) years is provided above. Set forth below are the business experience of the Company's other executive officers during the last five (5) years:

FERDINAND A. DOMINGO, holds a degree of Bachelor of Arts in Political Science from the University of the Philippines, and a Bachelor of Laws from the same university. He previously occupied the following positions in various companies: *Director*, CICI General Insurance Corporation; *Director*, United Overseas Bank (May 2001 to July 2002); *Corporate Secretary*, Westmont Bank (May 17, 2000 to January 16, 2004); *Director*, PNB Holdings Ltd. and PNB Hongkong Branch (1998 to February 2000); *Bank Attorney*, Philippine National Bank (1978-1984); *Corporate Secretary*, Philippine Racing Club, Inc. (1994-1997); *Legal Counsel and Corporate Secretary*, National Steel Corporation (May 3, 1995 to March 1997). He currently occupies the following positions: *Senior Partner*, Reyno Tiu Domingo & Santos Law Offices; *Corporate Secretary and General Counsel*; Manila Jockey Club, Inc.

LEMUEL M. SANTOS, holds a degree of Bachelor of Arts and Political Science from the University of the Philippines and a Bachelor of Laws degree from the same university. He presently occupies the following positions in various entities: *Partner*, Reyno, Tiu, Domingo & Santos Law Offices (1991 up to present); *Assistant Corporate Secretary*, Manila Jockey Club, Inc.

(c) Significant Employees

The following are the employees of the Company who are expected to make significant contributions to the business of the Company and their business experience during the past five (5) years.

DARWIN L. CUSI, Filipino, 46 years of age, is currently the Director for Gaming Compliance and Operations and has been employed with the company starting 09 November 2015. He is a Marine Engineering graduate of the Technological Institute of the Philippines (1994) and has more than 25 years of solid experience and expertise in gaming operations specifically in Cruise line operations and Hotel/Casino operations. Darwin is a former AVP for Casino Operations at Famous City Holdings Ltd. - ROHQ.

ALLAN S. ABESAMIS, Filipino, 49 years of age, is currently the Director for Facilities Management and has been employed with the company starting 16 November 2015. He is an Electrical Engineering graduate of the Mapua Institute of Technology (1993) and has more than 23 years of plant operations/facilities management experience in the areas of engineering and production management in manufacturing plants. Prior to joining the Company, Allan was a former Manufacturing Manager at Supa Nova Foods Incorporated.

RYAN KHIMPY G. RABE, Filipino, 40 years of age, is currently the Director for Hotel Operations and has been employed with the company starting 24 October 2016. He is a Hotel, Restaurant and Institution Management graduate of De La Salle – College of Saint Benilde (2020), San Sebastian College (1999) and Philippine Women's University (1998) and has more than 19 years of hotel experience in cruise line operations specifically in Concierge, Butler Services, and Hotel Operations at Norwegian Cruise Lines. He also had experience working in Hotel/Casino operations handling VIP Relations as Director for Gaming Support and Services at in an integrated resort.

JOEMAR L. ONNAGAN, Filipino, 36 years of age, is currently the Director for Finance and Administration and has been employed with the company starting 16 November 2016. He is a Certified Public Accountant and a graduate of Mariano Marcos State University (2005) with more than 12 years of experience in General Accounting specifically in areas of Accounts Payable, Hotel Revenue Audit and Financial Reporting in a multinational and Shared Services environment as a Senior Finance Manager.

TAYFUN BAYAR, Turkish, 47 years of age, is currently the Director for Gaming Operations and Marketing and has been employed with the company since 01 September 2017. He had more than 20 years' gaming experience in various hotels and cruise lines in Asia, South America, and Europe.

COL. ANICETO VICENTE, Filipino, 59 years of age, is currently the Director for Safety and Security and 34 years in the Armed Forces of the Philippines. Aside from security matters, he was assigned in various fields including personnel management, intelligence, operations, logistics, and training. His last assignment was as Group Commander with the main task of developing and utilizing the Reserve Force in the five provinces of Region 1 and Cordillera Autonomous region.

JOSE MARIA C. LEDESMA III, Filipino, 47 years of age, is currently the Director for Corporate Communications and has been employed with the company since 03 December 2018. He graduated from the University of West London with a Bachelor of Arts degree in Design and Media Management. He has more than 20 years' experience in the fields of advertising, marketing, and public relations. Prior to working at the Company, he was Assistant Director for Public Relations in an integrated resort.

(d) Family Relationships

Alfonso Victorio G. Reyno III is the son of Alfonso R. Reyno, Jr.

Aside from the abovementioned, no other members of the Board of Directors nor any Executive Officer of the Company is related by affinity or consanguinity.

(e) Involvement in Certain Legal Proceedings

To the knowledge and/or information of the Company, the present members of the Board of Directors or the Executive Officers are not, presently, or during the last five (5) years, involved or have been involved in criminal, bankruptcy or insolvency investigations or proceedings.

(f) Description of Any Pending Material Legal Proceedings

There is no pending material legal proceeding during the last five (5) years to which the Company or any of its subsidiaries or affiliates is a party.

(g) Certain Relationships and Related Transactions

For the discussion on related party transactions, please see Note 21 (Related Party Transactions) of the Notes to the Consolidated Financial Statements incorporated herein by reference.

(h) Disagreement with a Director

No director has resigned or declined to stand for re-election to the Board since the date of the last annual stockholders' meeting because of a disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Item 6. Compensation of Directors and Executive Officers

Information as to the aggregate compensation paid or accrued during the last two fiscal years and estimated to be paid in the ensuing year to the Company's Chief Executive Officer (CEO) and four (4) most highly compensated executive officers is presented below. Also included in the tabular presentation is the compensation paid to or accrued for other officers and directors. The stated annual salary includes the mandatory thirteenth (13th) month pay.

Summary Compensation Table (in thousand PHP)

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
The CEO and four most highly compensated Executive Officers:	2020	8,465	-	-
. CEO- Alfonso R. Reyno, Jr.	2019	10,865	-	-
.Vice President - Alfonso Victorio G. Reyno III				
. Corporate Secretary- Ferdinand A. Domingo	2018	10,865	-	-
. Corporate Information and Compliance Officer - Lemuel M. Santos				
All other Executive Officers and Directors as a group unnamed	2020	18,207	-	-
	2019	24,233	-	-
	2018	22,592	-	-

All directors are entitled to a per diem ranging from ₱10,000.00 to ₱15,000.00 plus a ₱3,000.00 allowance to cover their transportation, communication and other expenses for every board meeting attended. Other than directors' per diem, the directors of the Company do not receive any other compensation from the Company. There are no contracts with the named executive officers for any compensation plan or arrangement that will result from the resignation, retirement or any other termination of employment of said executive officers. There are no outstanding warrants or options being held by the named executive officers or directors and neither are there any changes in control arrangements made with the named executive officers and the directors.

Item 7. Independent Public Accountants

For year 2020, the accounting firm of Sycip Gorres Velayo & Co. (SGV), with Ms. Adeline D. Lumbres as partner-in charge, is being recommended by the Audit Committee for re-appointment by the stockholders at the Annual Meeting. SGV has accepted the Company's invitation to stand for re-appointment this year. Representatives of said firm are expected to be present at the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions. SGV has been the Company's independent public accountant/external auditor for the last five (5) years.

The Company complies with SRC Rule 68, Part I, Item 3(B)(iv)(ix) on (i) the rotation after every five (5) years of engagement of the independent auditor or in case of an audit firm, the signing partner, and (ii) the two-year cooling-off period on the re-engagement of the same signing partner or individual auditor. For year 2017, 2018 and 2019, Ms. Adeline D. Lumbres was the partner-in-charge of SGV for the examination of the Company's financial statements.

External Audit Fees

The aggregate fees billed for each of the last two (2) fiscal years for professional services rendered by SGV was ₱1,232,000.00 for year 2019 and ₱1,120,000.00 for the year 2018. These fees cover services rendered by SGV for audit of the financial statements of the Company and other services in connection with statutory and regulatory filings for the years 2019 and 2018. The Company did not engage SGV for tax and other services in 2019 and 2018.

There are no other assurance and related services extended by the external auditors that are reasonably related to performance of audit or review of the Company's financial statements.

The Company has not had any disagreements on accounting and financial disclosures with SGV during the last five (5) years or any subsequent interim periods.

The audit findings are presented to the Company's Audit Committee which reviews and makes recommendations to the Board on actions to be taken thereon. The Board passes upon and approves the Audit Committee's recommendations.

The members of the Audit Committee of the Company are as follows:

- | | |
|---|------------|
| 1. Adan T. Delamide* (Independent Director) | - Chairman |
| 2. Jose Alvaro D. Rubio | - Member |
| 3. John Anthony B. Espiritu | - Member |
| 4. Walter L. Mactal | - Member |
| 5. Victor P. Lazatin (Independent Director) | - Member |

*Atty. Bernadette Quiroz resigned as Independent Director on 22 May 2020. To fill the vacancy, the Board appointed Atty. Adan T. Delamide as Independent Director as member of the Executive, Audit and Compensation and Remuneration Committees effective immediately.

Item 8. Compensation Plans

No action is to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. Authorization or Issuance of Securities other than for Exchange

Not applicable.

Item 10. Modification or Exchange of Securities

Not applicable.

Item 11. Financial and Other Information

The Company's consolidated audited financial statements for the period ended December 31, 2019 and interim unaudited financial statements for the periods ended March 31, 2020 and June 30, 2020 are attached to this Information Statement as **Annexes "A" and "B"**. Management's Discussion and Analysis of Financial Condition and Results of Operations are incorporated in the Management Report.

Item 12. Mergers, Consolidations, Acquisitions and Similar Matters

No action is to be taken with respect to any mergers, consolidations, acquisitions or similar matters.

Item 13. Acquisition or Disposition of Property

No action is to be taken with respect to any acquisition or disposition of property.

Item 14. Restatement of Accounts

No action is to be taken with respect to the restatement of any of the Company's assets, capital or surplus account.

D. OTHER MATTERS

Item 15. Action with Respect to Reports and Other Proposed Action

There is no action to be taken with respect to any report of the Company or of its directors, officers or committees, except the approval of (i) the minutes of the previous annual stockholders' meeting, a copy of which is attached to this Information Statement as **Annex "C"**, and (ii) the Annual Report and Audited Financial Statements of the Company for the period ended December 31, 2019, all of which will be submitted for approval of the stockholders.

Other proposed actions include ratification of all acts, investments, proceedings and resolutions of the Board, the Board Committees and the acts of the officers and management since the date of the last annual meeting. The matters for stockholders' ratification are acts of the Board, the Board Committees, officers and management from the previous stockholders' meeting up to the date of the Annual Meeting which were entered into or made in the ordinary course of business and the following transactions covered by appropriate disclosures with the PSE and SEC:

Date of Report	Subject
June 27, 2019	<ul style="list-style-type: none">Results of the Annual Stockholders' Meeting and Organizational Meeting held on 27 June 2019
February 13, 2020	<ul style="list-style-type: none">Resignation of the Company's Stock Transfer Agent, Rizal Commercial Banking Corporation-Trust and Investments GroupEngagement of Stock Transfer Service, Inc. as new Stock Transfer Agent

Date of Report	Subject
March 16, 2020	<ul style="list-style-type: none"> • Filing of current report under Section 17 of the Securities Regulation Code amid COVID-19 pandemic, in compliance with SEC Notice dated 12 March 2020
May 22, 2020	<ul style="list-style-type: none"> • Meeting of the Board of Directors on 22 May 2020 on the following: <ol style="list-style-type: none"> (1) Postponement of the Company’s Annual Stockholders’ Meeting scheduled on the 2nd to the last business day of June of each year pursuant to the Company’s By-Laws, to a later date to be determined by the Board; and (2) Acceptance of the resignation of Atty. Bernadette V. Quiroz, and appointment of Atty. Adan T. Delamide, as Independent Director and member of the Executive Committee, Compensation and Remuneration Committee and Audit Committee, effective immediately.
July 3, 2020	<ul style="list-style-type: none"> • Meeting of the Board of Directors on 03 July 2020 via Zoom videoconferencing, on the approval of the Company’s Audited Financial Statements for year 2019
October 14, 2020	<ul style="list-style-type: none"> • Meeting of the Board of Directors on the approval of the following matters: <ol style="list-style-type: none"> (1) Setting the 2020 Annual Stockholders’ Meeting (“2020 ASM”) on 04 December 2020 at 9:00 a.m.; (2) Fixing 30 October 2020 as the Record Date for determining the shareholders entitled to notice of and to vote at the 2020 ASM; (3) Agenda of the 2020 ASM; (4) Conduct of the 2020 ASM via remote communication, the participation by the stockholders via remote communication, and voting by the stockholders in absentia or by proxy; and (5) Delegation to Management of the approval of the procedures for the 2020 ASM via remote communication.
October 16, 2020	<ul style="list-style-type: none"> • Material Related Party Transaction Policy filed with the SEC on 16 October 2020

The approval of the minutes, Annual Report and audited financial statements for the period ended December 31, 2019, and ratification of all acts, proceedings and resolutions of the Board, the Board Committees, officers and management since the date of the last annual meeting require the affirmative vote of a majority of the votes cast at the Annual Meeting by the stockholders entitled to vote.

Item 16. Matters Not Required to be Submitted

There is no action to be taken with respect to any matter which is not required to be submitted to a vote of security holders.

Item 17. Amendment of Charter, By-Laws or Other Documents

There is no action to be taken with respect to any amendment of the Company's Articles of Incorporation, By-Laws or other documents.

Item 18. Other Proposed Action

The following actions are also proposed to be taken up during the Annual Meeting:

1. Election of directors for 2020-2021; and
2. Appointment of external auditor.

Item 19. Voting Procedures

(a) Vote Required

Matters for Stockholders' Approval

At each stockholders' meeting of the Company, a quorum shall consist of a majority of the outstanding capital stock of the Company, except where otherwise provided by law. The majority of such quorum shall decide any matter submitted to the stockholders, except in those cases where the law requires a greater number. A majority of the quorum at the Annual Meeting shall decide the matters taken up at the meeting.

Election of Directors

Pursuant to Section 23 of the RCC, every stockholder entitled to vote shall have the right to vote in person or by proxy the number of shares of stock standing, as of the record date, in his own name in the stock and transfer book of the Company.

A stockholder may (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of shares owned, or (c) distribute them on the same principle among as many candidates as may be seen fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of the Company multiplied by the number of directors to be elected.

(b) Method of counting votes

Stockholders may vote at all meetings either in person or by proxy. All proxies must be in the hands of the Corporate Secretary before the time set for the meeting.

Unless required by law or demanded by a stockholder present or represented at the meeting and entitled to vote thereat, voting need not be by ballot and may be done by show of hands.

The Corporate Secretary will primarily be responsible for counting votes based on the number of shares entitled to vote owned by the stockholders who are present or represented by proxies at the Annual Meeting of the stockholders.

(c) Participation via Remote Communication and Voting in Absentia or by Proxy

On 14 October 2020, the Board of Directors approved the (i) conduct of the 2020 ASM via remote communication, (ii) the participation by the stockholders via remote communication, and (iii) voting by the stockholders *in absentia* or by proxy.

The procedures for participating via remote communication, and for voting *in absentia* or by proxy is attached to this Information Statement as **Annex "D"**.

The agenda for the Annual Meeting is as follows:

1. Call to order
2. Certification of Notice and of Quorum
3. Approval of the minutes of the Annual Stockholders' Meeting held on June 27, 2019
4. Report of the President
5. Approval of the Annual Report and the Audited Financial Statements of the Company for the period ended December 31, 2019
6. Approval and ratification of all acts, investments, proceedings and resolutions of the Board, Board Committees and Management since the last annual stockholders' meeting
7. Election of the members of the Board of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Pasig, Metro Manila, on 10 NOV 2020.

MJC INVESTMENTS CORPORATION

By:


ATTY. FERDINAND A. DOMINGO
Corporate Secretary

MJC INVESTMENTS CORPORATION

MANAGEMENT REPORT

I. Consolidated Audited Financial Statements and Interim Financial Statements

MJC Investments Corporation's ("MIC" or the "Company") consolidated audited financial statements for the year ended December 31, 2019 and interim unaudited financial statements for the period ended March 31, 2020, June 30, 2020 and September 30, 2020 attached to the Information Statement are incorporated herein by reference.

II. Changes in and Disagreements with Accountants on Accounting and Financing Disclosures

There was no event in the past five (5) years where Sycip Gorres Velayo & Co. (SGV) and the Company had any disagreement with regard to any matter relating to accounting principles or practices, financial statement disclosure or auditing scope or procedure.

III. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Consolidated Audited Financial Statements as of December 31, 2019

(1) Plan of Operation

MJC Investment Corporation (MJIC) is a publicly-listed company whose primary business is in the tourism and entertainment industries. Listed in the Philippine Stock Exchange (PSE) under the ticker symbol "MJIC", the company is majority-owned by a group of strategic investors with substantial experience in financial and tourism-related projects, with the Manila Jockey Club, Inc., also a listed company, as the biggest single stockholder.

MJIC owns and operates Winford Manila Resort and Casino (WMRC) which was launched in 2017. WMRC is a luxury hotel and tourism complex located in Sta. Cruz, Manila, offering world-class accommodations within its 0.75-hectare property, an 18-storey high-rise development with 128 premium hotel rooms, fine dining restaurants, a pillar-less 900+ capacity ballroom, and over 9,000 square meters of internationally-designed indoor entertainment space that regularly hosts well-known Filipino artists.

As of Q1 2020, WMRC's three-floor gaming area operates 32 gaming tables and 527 electronic table games. Casino plans to increase table games from 32 to 40 by year-end, and slots from 527 to 600. Ground floor casino will be renovated within the last quarter to expand gaming area to accommodate additional slot machines and electronic table games. Renovation of four WMRC parking floors for conversion to business process outsourcing (BPO) space is currently ongoing for third party leasing by Q4.

For Q2 to Q4 2020, WMRC's marketing strategies cover promotions, tournaments and events, membership drives, and VIP player offers. Themed property and casino decor is set-up in observance of various local and international celebrations, promotions, and holidays. Themes include Mother's Day, Father's Day, Chinese New Year, and the Holiday Season. Gaming tournaments are either free, by invitation, by qualification, or by entry fee for new and existing members of WMRC; or are hosted by WMRC for a partner or third-party organizer. Entertainment includes live performances by top local bands, solo artists, exhibits, fashion shows, and other showcases for the general public, members only, or both, wherein admission is granted free of charge or at a discount through payment or points.

Both new and existing members continue to enjoy rewards, discounts, and freebies. Membership acquisition strategies include on-site and off-site events such as exhibitions, malls, and trade shows. Rewards include accrual of loyalty points, discounts, freebies, and other deals from game play and patronage of WMRC's and partners' products and services. VIP guests are given gifts, discounts, prize items, and invitations to events, primarily based on attendance and accrual of points. Other perks include complimentary/discounts rewards such as complimentary hotel room accommodation, food and beverage, and other special offers.

Additional sales and marketing strategies slated for 2H 2020 include partnerships with airline companies, digital marketing campaigns, virtual events, website optimization, medical tourism, presence in online booking campaigns of online travel agents, seasonal & bundled packages, and tie-ups with companies with established membership databases.

Following the COVID-19 pandemic, and in preparation for the "new normal", WMRC implemented and strictly enforces new health standards and safety protocols in partnership with ECOLAB, the global leader in hygiene technologies. The Casino introduced safety measures on all gaming floors, which include the expansion of the gaming area and utilization of the 3/F in order to position slot machines one meter apart; placement of acrylic barriers for table games and electronic table games; and restrictions such as a maximum of three patrons per gaming table and a no bystander rule for slots.

Other safety measures introduced throughout the property are the mandatory wearing of face masks by all guests and employees; express check-in and cashless payment options; foot disinfecting mats at all entry points; thermal scanning of all incoming guests and employees; hourly disinfection of all public areas; rapid testing of all employees including concessionaires; and thorough cleaning and disinfection of hotel rooms of every departing guest using high grade disinfectants, fogging machines, and UV lighting to ensure the health and safety of all WMRC guests and employees.

(2) Financial Condition and Results of Operations

The following discussion and analysis relate to the consolidated financial position and results of operations of MJC Investments Corporation [Doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino] and Subsidiary and should be read in conjunction with the accompanying audited consolidated financial statements and related notes as of December 31, 2019, 2018 and 2017 and for each of the three years in the period ended December 31, 2019.

Discussion on Results of Operations

The following table shows a summary of results of the operations for the years ended December 31, 2019, 2018 and 2017:

	For the Year Ended December 31			% Change 2019 vs. 2018	% Change 2018 vs. 2017
	2019	2018	2017		
	<i>Amount in Millions of Philippine peso except EPS</i>				
Revenue					
Revenue share in gaming operations	₱494.5	₱365.9	₱283.2	35.1%	29.2%
Food and beverage	86.0	78.6	49.9	9.4%	57.5%
Hotel	67.4	90.1	76.8	(25.2%)	17.3%
Bingo operations	51.5	45.8	25.9	12.4%	76.8%
Rental	25.1	27.4	22.3	(8.4%)	22.9%
Other revenue	18.6	15.2	11.3	22.4%	34.5%
	743.1	623.0	469.4	19.3%	32.7%

Operating costs and expenses	(1,199.5)	(1,179.6)	(1,050.1)	1.7%	12.3%
Operating loss	(456.4)	(556.6)	(580.7)	(18.0%)	(4.2%)
Other income (expenses)					
Interest expense	(201.2)	(189.5)	(209.3)	6.2%	(9.5%)
Gain on sale of kitchen and bar equipment	13.4			100.0%	0.0%
Interest income	0.3	0.5		(40.0%)	66.7%
Miscellaneous income (expenses) - net	1.9	(0.4)	(0.5)	(575.0%)	(20.0%)
	(185.6)	(189.4)	(209.5)	(2.0%)	(9.6%)
Loss before income tax	(642.0)	(746.0)	(790.2)	(13.9%)	(5.6%)
Provision for income tax	(0.1)	(0.1)	(0.1)	0.0%	0.0%
Net loss	(642.1)	(746.1)	(790.2)	(13.9%)	(5.6%)
Other comprehensive income (loss)	(2.0)	1.6		(225.0%)	128.6%
Total comprehensive loss	(₱644.1)	(₱744.4)	(₱789.5)	(13.5%)	(5.7%)
Basic/diluted loss per share	₱0.202	₱0.235	₱0.249	(14.0%)	(5.6%)

Comparison of Operating Results for the Years Ended December 31, 2019 and 2018

Revenue and Operating Costs and Expenses

Revenue includes 40% share in gaming operations, revenue from operations of hotel, food and beverages, bingo operations, rental and other revenue. Total revenue for years ended December 31, 2019 and 2018 amounted to ₱743.1 million and ₱623.0 million, respectively.

The significant accounts that contributed to the increase are as follows:

- Revenue share in gaming operations increased by ₱128.6 million or 35% from ₱365.9 million in 2018 to ₱494.5 million in 2019. The increase is the result of additional gaming tables and electronic gaming machine (slot machines). Gaming tables increased from 28 in 2018 to 32 in 2019 and slot machines increased from 416 in 2018 to 521 in 2019. In addition, foot traffic in the property increased from 1.6 million in 2018 to 2.0 million in 2019.
- Revenue from food and beverage increased by ₱7.4 million or 9% from ₱78.6 million in 2018 to ₱86.0 million in 2019. The increase is attributable to the increase in foot traffic due to the increase in hotel guests and casino players in 2019.
- Revenue from hotel rooms decreased by ₱22.7 million or 25% from ₱90.1 million in 2018 to ₱67.4 million in 2019. The decrease is attributable to the decrease in occupancy rate during the year from 72% in 2018 to 32% in 2019. Of the 123 rooms available each day, average occupied paying rooms per day is 42 rooms in 2019, which is lower than 91 rooms in 2018. This is related to the marketing strategy implemented by the Group to allot more complimentary rooms for casino players.
- Revenue from bingo operations increased by ₱5.7 million or 12% from ₱45.8 million in 2018 to ₱51.5 million in 2019. The increase is attributable to the introduction of Personal Handheld Device (PHD) with 24 total handsets that allows players to purchase additional bingo cards carried in the handsets aside from manual cards. Furthermore, holding monthly and quarterly events which offers attractive prizes and rewards increased its playerbase for the current year.

- Revenue from rental decreased by ₱2.3 million or 8% from ₱27.4 million in 2018 to ₱25.1 million in 2019. The decrease is due to lessees amending their contracts during the year which lowered its monthly basic/fixed rental fee.

Total operating costs and expenses for the years ended December 31, 2019 and 2018 amounted to ₱1,199.5 million and ₱1,179.6 million, respectively. The significant increase in the total operating costs and expenses is due to higher contracted services, salaries and wages, repairs and maintenance, cost of food, beverage and tobacco, taxes and licenses, security services, service fee, cost of hotel rooms and supplies, and other expenses which is partially offset by the decrease in depreciation and amortization and gaming fees.

The significant accounts that contributed to the increase are as follows:

- Depreciation and amortization decreased by ₱83.9 million or 16% from ₱515.0 million in 2018 to ₱431.1 million in 2019. This is due to several equipment becoming fully depreciated during the year.
- Contracted services increased by ₱15.8 million or 21% from ₱73.6 million in 2018 to ₱89.4 million in 2019. The increase is due to increase in number of required manpower for its hotel and food and beverage operations.
- Salaries and wages expense increased by ₱21.9 million or 34% from ₱63.9 million in 2018 to ₱85.8 million in 2019. This is attributable to additional 27 employees hired during the year to support the steadily increase of its operations. In addition, in 2019, the operation of its subsidiary, Trafalgar Square Leisure Corporation (TSLC), resumed but subsequently stopped in July 2019 upon expiration of its license. The Group incurred additional costs for the salary of TSLC employees.
- Gaming fees decreased by ₱11.8 million or 18% from ₱65.8 million in 2018 to ₱54.0 million in 2019. This is attributable to lesser fees paid to PAGCOR as compared to prior year due to expiration of TSLC's license in July 2019.
- Repairs and maintenance expense increased by ₱4.3 million or 11% from ₱40.4 million in 2018 to ₱44.7 million in 2019. This is attributed to the increase in cost for the maintenance of aircon/ventilation as the Group engaged itself to additional service providers for the maintenance of motor controller and pump equipment and inspection of air quality systems.
- Food, beverage and tobacco increased by ₱13.4 million or 43% from ₱31.0 million in 2018 to ₱44.4 million in 2019. This is due to the increase in number of guests in hotel, casino, concert, banquet and bingo events throughout the year. The cost for food and beverage increased by ₱10.9 million and ₱2.4 million, respectively. This movement is also directly attributable to the increase in revenue from food and beverage for the year.
- Taxes and licenses significantly by ₱9.0 million or 26% from ₱35.2 million in 2018 to ₱44.1 million in 2019. This is due to higher real property tax amounting to ₱36.0 million which is ₱7 million higher than last year.
- Security services expense increased by ₱5.5 million or 15% from ₱36.5 million in 2018 to ₱42.0 million in 2019. The Group changed its security service provider with higher personnel cost. In

addition, the Group increased its security personnel due to increasing number of foot traffic in gaming and hotel operations.

- Service fee increased by ₱3.2 million or 10% from ₱31.6 million in 2018 to ₱34.8 million in 2019. This is mainly due to the increase in management fee charged by a service provider, engaged in providing consultancy, advisory, and technical services in relation to the operation, management and development of the casino amounting to ₱2.2 million. In addition, there is an increase in management fee from a service provider for the strategy and planning development conceptualization, production of advertising materials and marketing of the Group's banquet and hotel rooms amounting to ₱1.2 million.
- Hotel room and supplies increased by ₱6.9 million or 45% from ₱15.3 million in 2018 to ₱22.2 million in 2019. The increase is attributed to additional expenses incurred for laundry cost and hotel room supplies due to higher number of guests.
- Entertainment expense increased by ₱2.3 million or 20% from ₱11.7 million in 2018 to ₱14.0 million in 2019. This is attributable to higher number of locally well-known performers whose rates per performance are higher among others.
- Other expenses increased by ₱35.2 million in 2019. This is due to losses from refinancing options, fines and penalties and other insignificant purchases.

Comparison of Operating Results for the Years Ended December 31, 2018 and 2017

Revenue

Revenue includes revenue share in gaming operations, revenue from operation of hotel, food and beverages, bingo, rental and other revenue. Total revenue for years ended December 31, 2018 and 2017 amounted to ₱623.0 million and ₱469.4 million, respectively.

The significant accounts that contributed to the increase are as follows:

- Revenue share in gaming operations increased by 82.7 million or 29% from ₱283.2 million in 2017 to ₱365.9 million in 2018. The increase is a result of the opening of the third floor area of the casino in 2018, which enabled the increase in gaming tables from 24 in 2017 to 28 in 2018 and the increase in electronic gaming machine (slot machines) from 326 units in 2017 to 416 units in 2018. In addition, foot traffic in the property increased from 1.0 million in 2017 to 1.6 million in 2018.
- Revenue from hotel rooms increased by ₱13.3 million or 17% from ₱76.8 million in 2017 to ₱90.1 million in 2018. The increase is attributable to the increase in occupancy rate during the year from 62% in 2017 to 72% in 2018. Of the 128 rooms available each day, average occupied room per day is 91 room in 2018, which is higher than the 76 rooms in 2017.
- Revenue from food and beverage increased by ₱28.7 million or 58% from ₱49.9 million in 2017 to ₱78.6 million in 2018. The increase is attributable to the increase in foot traffic due to the increase in hotel guests and casino players in 2018.
- Revenue from bingo operations increased by ₱19.9 million or 77% from ₱25.9 million in 2017 to ₱45.8 million in 2018. The increase is attributable to the introduction of monthly and quarterly events which offers attractive prizes and rewards.

- Revenue from rental increased by ₱5.1 million or 23% from ₱22.3 million in 2017 to ₱27.4 million in 2018. The increase is due to the additional lessees within the hotel. In addition, since most of the rental agreement with the lessees includes a variable portion, which are mostly based on sales, the Group benefited from the additional revenue generated by the lessees which is significantly higher due to the increase in foot traffic in the property.

Total operating costs and expenses for the years ended December 31, 2018 and 2017 amounted to ₱1,179.6 million and ₱1,050.1 million, respectively. The significant increase in the total operating costs and expenses is due to higher taxes and licenses, gaming fees, contracted services, salaries and wages, costs of food, beverages and tobacco, security services, repairs and maintenance, utilities and other expense.

The significant cost and expenses that contributed to the increase are as follows:

- Contracted services increased by ₱14.6 million or 25% from ₱59.0 million in 2017 to ₱73.6 million in 2018. The increase is due to increase in number of required manpower for its hotel and food and beverage operations and gaming marketing and membership services attributable to the increased in Group's operations.
- Gaming fees increased by ₱17.7 million or 37% from ₱48.1 million in 2017 to ₱65.8 million in 2018. Gaming fees consist of the revenue share of PAGCOR in the Group's bingo revenue and the Group's subsidiary's manpower cost for its gaming operations. Furthermore, gaming fees also include prizes and rewards distributed for the monthly and quarterly bingo special events. The increase in gaming fees is directly attributable to the related increase in revenue from bingo operations.
- Salaries and wages increased by ₱11.6 million or 22% from ₱52.3 million in 2017 to ₱63.9 million in 2018. The increase in salaries and wages is attributable to the Group's employment of the two key management positions. In addition, the Group also employed additional employees as the Group's operation has been steadily increasing.
- Bad debt expense in 2018 resulted from the assessment made by management on certain nontrade receivables of the Company, which management assessed to be with higher likelihood of not being collected.
- Repairs and maintenance increased by ₱7.4 million or 22% from ₱33.0 million in 2017 to ₱40.4 million in 2018. The increase can be attributable to the cost for the maintenance of air condition/ventilation as the Group engages itself to additional service providers engaged for the maintenance of motor controller and pump equipment found in the casino and hotel and the inspection of air quality systems. Another factors are the increase of electrical and mechanical expenses which can be attributed to the various repairs to the building and the increase of system and software maintenance.
- Security services increased by ₱9.0 million or 33% from ₱27.5 million in 2017 to ₱36.5 million in 2018. The increase is due to the full year implementation of the minimum wage hike ordered on October 16, 2017. In addition, during the year, the Group increased its security line personnel and K9 handler due to the increase in the foot traffic the hotel and casino have experienced.
- Taxes and licenses increased by ₱31.4 million from ₱3.7 million in 2017 to ₱35.2 million in 2018. The significant increase is due to the amortization of the prepaid real property tax amounting to ₱29.0 million. In addition, there is an amortization of filing and listing fees paid in advance amounting to ₱3.1 million.

- Service fee increased by ₱5.9 million or 23% from ₱25.7 million in 2017 to ₱31.6 million in 2018. The increase is due to the management fee being charged by service provider, engaged in providing consultancy, advisory, and technical services in relation to the operation, management and development of the casino amounting to ₱4.9 million. In addition, the Group enters into a new contract with a service provider for the strategy and planning development, conceptualization, production of advertising materials and marketing of the Group's banquet and hotel rooms. This increased the expense incurred by ₱1.0 million.
- Advertising and marketing expenses decreased by ₱6.4 million or 17% from ₱37.7 million in 2017 to ₱31.3 million in 2018. The decrease is due to the decline in the advertising from TV, radio and social media directly paid by the Group since it employs a service provider to do much of its promotion during the year as well as the transactions with various advertising companies in exchange of their goods and services and reduction of complimentary food and beverages given to guests.
- The cost of food, beverage and tobacco increased by ₱10.0 million or 48% from ₱21.0 million in 2017 to ₱31.0 million in 2018. The increase is due to the increase in the number of guests in hotel, casino, concert, banquet and bingo events throughout the year. The cost rise by ₱5.5 million and ₱4.1 million for food and beverage, respectively. This is also directly attributable to the increase in revenue from food and beverage for the year.
- Banquet expenses increased by ₱6.4 million or 40% from ₱16.2 million in 2017 to ₱22.6 million in 2018. The increase is due to the significant increase in the number of banquet events from 149 events in 2017 to 192 events in 2018.
- Other expenses of the Group decreased by 87% or ₱45.4 million. The decrease is due to the cost containment measure implemented by the Group.

Interest Expense

Total interest expense amounting to ₱189.5 million is lower by ₱19.8 million or 9% as compared to prior year's ₱209.3 million. Interest expense decreased as a result of the payment of ₱700 million principal amount in 2018.

Comparison of Operating Results for the Years Ended December 31, 2017 and 2016

Revenue and Operating Costs and Expenses

Revenue includes 40% share in gaming operations, from operations of hotel, food and beverages, from bingo operations, rentals and others. Total revenue for years ended December 31, 2017 and 2016 amounted to ₱469.4 million and ₱222.0 million, respectively. The commencement of the full operations of the Group started in October 2016 and the grand opening held in April 2017.

Total operating costs and expenses for the years ended December 31, 2017 and 2016 amounted to ₱1,050.1 million and ₱541.0 million, respectively. The significant increase in the total operating costs and expenses is due to higher depreciation, salaries and manpower cost, utilities, service fees and marketing and promotions, various maintenance, security services and hotel operating supplies.

The significant increase is due to the following:

- Depreciation and amortization amounting to ₱517.5 million compared to prior year's ₱242.2 million is 49.3% of the total operating cost and expenses. Increase is due to depreciation of building improvements and acquisition of property and equipment during the year.
- Salaries and manpower contract services amounting to ₱111.3 million compared to prior year's ₱95.4 million is 10.6% of the total operating costs and expenses. The increase is due to additional key management personnel and manpower this year.
- Utilities amounting to ₱86.6 million compared to prior year's ₱66.0 million is 8.2% of the total operating cost and expenses. Increase is due to higher gaming capacity, increase in the number of slot machines and hotel occupancy this year. Further, the Group has fully utilized its resources as operations became completely functional, i.e. ballroom. Also, continuous increase of water bills for the months is due to the increasing number of hotel guests and occupants.
- Service fees amounting to ₱25.7 million compared to prior year's ₱17.4 million is 2.5% of the total operating costs and expenses. The increase is due to the recognition of consultancy, advisory and technical services in relation to the operation, management and development of the casino.
- Gaming fees amounting to ₱48.1 million compared to prior year's ₱22.8 million is 4.6% of the total operating costs and expenses. The increase is due to the full year minimum guaranteed fees paid to PAGCOR as compared to 2016.
- Advertising and marketing amounting to ₱37.7 million, security expense amounting to ₱27.5 million, repairs and maintenance amounting to ₱33.0 million, and hotel operating supplies amounting to ₱53.8 million compared to prior year's ₱6.5 million, ₱27.6 million, ₱1.7 million, and ₱15.9 million, respectively. The increase is due to various marketing activities implemented this year to further promote gaming and hotel operations, higher security expenses, various facility and software maintenance and higher hotel operating costs due to higher room occupancy and increase in the number of banquet events.

Interest Expense

Total interest expense amounting to ₱209.3 million compared to prior year's ₱128.2 million. Interest expense increased as compared to prior year because a portion of the interest expense was capitalized as borrowing cost in the prior year.

Analysis of Statement of Financial Position

	For the Year Ended December 31				
	2019	2018	2017	% Change	% Change
	<i>Amount in Millions of Philippine peso except EPS</i>			2019 vs. 2018	2018 vs. 2017
ASSETS					
Current Assets					
Cash	₱41.8	₱472.4	₱558.9	(91.2%)	(15.5%)
Receivables	238.2	212.4	181.0	12.1%	17.3%
Inventories	25.2	20.6	28.3	22.3%	(27.2%)
Current portion of input value added tax (VAT)	16.8	33.3	24.8	(49.5%)	34.3%
Prepayments and other current assets	175.5	19.7	42.2	790.9%	(53.3%)
Total Current Assets	497.5	758.4	835.2	(34.4%)	(9.2%)
Noncurrent Assets					
Property and equipment	4,002.1	5,132.8	5,630.3	(22.0%)	(8.8%)
Investment property	774.4	-	-	100.0%	0.0%
Input VAT- net of current portion	418.6	367.1	337.8	14.0%	8.7%
Other noncurrent assets	404.3	442.3	145.7	(8.6%)	203.6%
Total Noncurrent Assets	5,599.4	5,942.2	6,113.8	(5.8%)	(2.8%)
	₱6,096.9	₱6,700.6	₱6,949.0	(9.0%)	(3.6%)
LIABILITIES AND EQUITY					
Accounts payable and other current liabilities	₱502.9	₱554.2	₱310.9	(9.3%)	78.3%
Retention payable	8.8	138.5	279.1	(93.6%)	(50.4%)
Interest payable	13.6	15.9	19.1	(14.5%)	(16.8%)
Current portion of loans payable	185.3	694.4	692.9	(73.3%)	0.2%
Contract liabilities	15.9	12.5	-	27.2%	100.0%
Total Current Liabilities	726.5	1415.5	1,302.0	(48.7%)	8.7%
Noncurrent Liabilities					
Advances from stockholders	345.2	-	-	100.0%	0.0%
Loans payable - net of current portion	2,152.4	2,092.2	2,786.5	2.9%	(24.9%)
Deposit for future stock subscription	2,426.5	2,142.2	1,086.1	13.3%	97.2%
Other noncurrent liabilities	47.9	8.2	5.6	484.1%	46.4%
Total Noncurrent Liabilities	4,972.0	4,242.6	3,878.2	17.2%	9.4%
Total Liabilities	5,698.5	5,658.1	5,180.2	0.7%	9.2%
Equity					
Capital stock	3,174.4	3,174.4	3,174.4	0.0%	0.0%
Deficit	(2,776.3)	(2,134.2)	(1,406.3)	30.1%	51.8%
Actuarial gains on retirement liability	0.3	2.3	0.7	(87.0%)	228.6%
Total Equity	398.4	1,042.5	1,768.8	(61.8%)	(41.1%)
	₱6,096.9	₱6,700.6	₱6,949.0	(9.0%)	(3.6%)

Discussion on Some Significant Change in Financial Condition as of December 31, 2019 and 2018

Total assets amounting to ₱6,096.9 million, decreased by ₱603.7 million or 9% from ₱6,700.6 million in 2018.

1. Cash decreased by ₱430.6 million or 91%, from ₱472.4 million in 2018 to ₱41.8 million in 2019 due to the following:
 - a) The negative cash flows from operating activities amounting to ₱205.8 million resulted from the difference in operating income generated amounting to ₱34.9 million and changes in the working capital amounting to ₱240.7 million of which mainly due from payment of retention payable during the year . Although the Group's revenue increased this year as compared to prior year, the cash outflows for payment of operating expenses is still higher.
 - b) Net cash flows used in investing activities amounting to ₱38.9 million is significantly affected by the acquisition of building improvements, machineries and non-gaming equipment amounting to ₱54.1 million during the year and the decreased in other noncurrent asset amounting to ₱15.2 million.
 - c) Negative net cash flows from financing activities amounted to ₱185.9 million for the current year. The Group made payments amounting to ₱2.8 billion and ₱187.8 million for loan principal payment and interest and other financing charges, respectively. On the other hand, the Group received proceeds from advances to stockholders amounting to ₱343.6 million, deposit for future stocks subscription amounting to ₱284.3 million, availment of loans amounting to ₱2.3 billion.
2. The ₱25.8 million or 12% increase in receivables is primarily due to:
 - a) Increase in trade receivables from non-related parties amounting to ₱55.2 million. It includes the reclass of long deposit pertaining to cash bond for junket operation of TSLC amounting to ₱20.9 million.
 - b) Increase in receivable arising from its PTO related to gaming equipment and gaming facilities amounting to ₱14.1 million and ₱12.6 million, respectively.

This is partially offset by:

- a) Recognition of allowance for doubtful account with its nontrade receivables amounting to ₱55.2 million.
3. The increase in inventories of ₱4.6 million or 22% from ₱20.6 million in 2018 to ₱25.2 million in 2019 is mainly due to the growing demand in food and beverage, and hotel services of the Group. In addition, the Group increased its inventory purchase to address the increasing number of foot traffic during the year.
 4. The increase in input VAT amounting to ₱35.0 million is the result of the current services rendered to the Group and acquisition of property and equipment.
 5. Prepayments and other current assets increased by ₱155.8 million or 791% from ₱19.7 million in 2018 to ₱175.5 million in 2019. The significant increase is mainly due to setting up the debt service account as required by loan facility amounting to ₱163.3 million.

6. The decrease in property and equipment of ₱1.1 billion or 22% from ₱5.1 billion in 2018 to ₱4.0 billion in 2019 is mainly due to reclassification of portion of its building as investment property costing ₱781.8 million and recorded depreciation expense amounted to ₱400.8 million. In addition, the Group acquired additional property and equipment amounted to ₱54.1 million in 2019.
7. Investment property increased by ₱774.4 million or 100% due to the Group reclassifying a portion of its building as investment property in 2019.
8. Other noncurrent assets decreased by ₱38.0 million or 9% from ₱442.3 million in 2018 to ₱404.3 million in 2019 due to reclassification of long-term deposits of TSLC to receivables and amortization of operating equipment amounting ₱20.9 million and ₱22.8 million, respectively.
9. The accounts payable and other current liabilities decreased by ₱51.3 million or 9% from ₱554.2 million in 2018 to ₱502.9 million in 2019. This is because the Group has paid off its liabilities from creditors providing non-recurring transactions such as, structural and architectural services, cabling services purchase of alarms, air compressors, door accessories, decorations, and their Micro Workstation software.
10. Retention payable decreased by ₱129.7 million or 94% from ₱138.5 million in 2018 to ₱8.8 million in 2019. The decrease in retention payable is due to completion and settlement of the Group's projects.
11. Contract liabilities increased by ₱3.4 million or 27% from ₱12.5 million in 2018 to ₱15.9 million in 2019. The increase in contract liabilities is due to new contract agreements with third parties.
12. Loans payable decreased by ₱448.9 million or 16% from ₱2,786.6 million in 2018 to ₱2,337.7 million in 2019. The Parent Company entered into 7-year loan agreement amounting ₱2.4 billion with BDO Unibank. The proceeds from the loan was availed solely to refinance the outstanding balance of its ₱3.5 billion loan with Unionbank. This new loan agreement provides lower principal payments amounting to ₱47.1 million as compared to original loan of ₱175.0 million. In addition, the Parent Company paid principal payments during the year resulting to the decrease of total loans payable.
13. Advances from stockholders increased due to Parent Company entering into a loan agreement with its stockholders amounting to ₱345.2 million in 2019. The proceeds of these loans were used to pay the maturing loan obligation and to support its working capital requirements.
14. Deposit for future stock subscription increased by ₱284.3 million or 13% from ₱2.1 billion in 2018 to ₱2.4 billion in 2019. Additional deposits were provided by shareholders in anticipation of the planned stock rights offering.
15. Other noncurrent liability increased by ₱39.7 million or 484% from ₱8.2 million in 2018 to ₱47.9 million in 2019. The increase is due to security deposit received from its new lessee amounting to ₱35.4 million.

Discussion on Significant Change in Financial Condition as of December 31, 2018 and 2017

Total assets amounted to ₱6,700.6 million as of December 31, 2018, which decreased by ₱248.4 million or 3.6% from ₱6,949.0 million as of December 31, 2017.

1. For the year ended December 31, 2018, cash and cash equivalents amounting to ₱472.4 million, decreased by ₱86.5 million or 15.5% from ₱558.9 million in 2017 due to the following:
 - a) In 2018, net cash flows from operating activities amounting to ₱70.6 million, which resulted from the difference in revenue generated during the period amounting to ₱623.0 million, cash operating expenses amounting to ₱664.7 million, and changes in the working capital amounting to ₱112.3 million.

Cash operating expense in 2018 mainly pertains to utilities expenses (₱93.7 million), contracted services (₱73.6 million), gaming fees (₱65.8 million), salaries and wages (₱63.9 million), among others.
 - b) Net cash flows used in investing activities amounting to ₱328.3 million comprise mainly of acquisition of property, plant and equipment amounting to ₱239.3 million and increase on other noncurrent assets amounting to ₱141.9 million which was partially offsets to the decrease on advances to contractors, amortization of operating equipment and recognition of receivable arising from its permit to operate (PTO) related to gaming equipment with a total of ₱52.9 million.
 - c) Net cash flows from financing activities amounting to ₱170.6 million comprise mainly the receipt of deposit for future stock subscription amounting to ₱1,056.1 million and payment of the principal and interest of its loan payable amounting to ₱885.5 million.
2. Receivable increased by ₱31.4 million or 17.3% from ₱212.4 million in 2017 to ₱181.0 million in 2018. The increase is primarily due to the increase in trade receivables from non-related parties amounting to ₱29.6 million. This increase is brought by the increase in the Group's receivable to its lessee. Also, the group reconized receivable arising from PTO related to gaming equipment amounting to ₱57.1 million. The increase in the receivables account is partially offset by the recognition of allowance for doubtful account with its nontrade receivables amounting to ₱57.1 million and decrease in the receivable arising from its PTO related to gaming equipment amounting to ₱2.2 million.
3. Inventories decreased by ₱7.7 million or 27% from ₱28.3 million in 2017 to ₱20.6 million in 2018. The decrease is the result of consumption of playing cards used in its gaming operation. In 2017, the Group maintained a large number of inventories related to playing cards that are carried forward this year. This number of playing cards sustained the 2018 operations.
4. Prepayment and other current assets decreased by ₱22.5 million or 53% from ₱42.2 million in 2017 to ₱19.7 million in 2018. The significant decrease mainly pertains to the amortization of real property tax which was paid in 2017 amounting to ₱29.6 million. This is partially offset by the down payments made for playing cards and operating equipment amounting to ₱7.1 million
5. The increase of ₱37.8 million of the Group's input VAT is the result of the current year services rendered to the Group and purchase of various supplies for operations.

6. Other noncurrent assets increased by ₱296.6 million or 204% from ₱145.7 million in 2017 to ₱442.3 million in 2018. The increase is mainly due to recognition of noncurrent portion of receivable arising from PTO related to gaming equipment amounting to ₱382.2 million which partially offset by the decrease in advances to contractors and suppliers and the amortization for operating equipment amounting to ₱85.6 million.
7. Accounts payable and other current liabilities increased by ₱243.3 million or 78% from ₱310.9 million in 2017 to ₱554.2 million in 2018. The increase is mainly attributed by the additional unpaid service fee for the year amounting to ₱41.3 million, unpaid gaming equipment amounting to ₱185.7 million and the remaining came from additional billings from contractors.
8. Retention payable decreased by 50.4% due to completion of the Group's projects during the year and payment of the Group amounting to ₱140.7 million.
9. Contract liabilities increased by ₱12.5 million as a result of the adoption of the new revenue recognition standard.
10. Loans payable decreased by ₱692.9 million or 20% from ₱3,479.4 million in 2017 to ₱2,786.5 million in 2018. The decrease is due to the payment of the principal amount amounting to ₱700.0 million and the accretion of interest amounting to ₱7.1 million.
11. Increase in deposit for future stock subscription increased by ₱1.0 billion or 97% from ₱1.1 billion to ₱2.1 billion in 2018 resulted from the additional cash provided by the shareholders in anticipation of the planned stock rights offering.

Discussion on Significant Change in Financial Condition as of December 31, 2017 and 2016

Total assets amounting to ₱6,949.0 million, increased by ₱257.6 million or 3.8% from ₱6,691.4 million in 2016.

1. For the year ended December 31, 2017, cash and cash equivalents amounting to ₱558.9 million, increased by ₱433.9 million or 347.1% from ₱125.0 million in 2016 due to the following:
 - a) In 2017, net cash flows used in operating activities amounted to ₱149.5 million, which resulted from the difference in revenue generated during the period amounting to ₱469.4 million, cash operating expense amounting to ₱532.6 million and changes in working capital of ₱86.3 million.

Cash operating expense in 2017 mainly pertains to utilities expenses (₱86.6 million), service fee (₱25.7 million), salaries and wages (₱52.3 million), gaming fees (₱48.1 million), security expenses (₱27.5 million), advertising and marketing (₱37.7 million), among others.
 - b) Cash flow used in investing activities amounting to ₱300.4 million comprise mainly of acquisition of property, plant and equipment amounting to ₱361.1 million for building improvements of the casino floor, and other non-gaming equipment purchases, partially offset by the application of advances amounting to ₱61.4 million and increase amounting to ₱0.7 million for purchases of uniforms and linens.

- c) Net cash flows provided by financing activities amounted to ₱884.3 million comprise mainly of deposit for future stock subscription amounting to ₱1,086.1 million and payment of interest amounting to ₱201.8 million.
2. Receivable increased by ₱43.1 million from ₱137.9 million as of December 31, 2016 to ₱181.0 million as of December 31, 2017 primarily due to the increase in the receivable from PAGCOR amounting to ₱26.8 million as a result of the increase in share of the Group from the net gaming revenue. In 2017, PAGCOR reverted the provision for progressive jackpot increments to winnings which was previously recognized as deduction in the share in net gaming revenue. In addition, other trade receivable increased due to the increase in hotel bookings towards the end of the year and the increase in number of concessionaire and lessees.
 3. Inventories amounting to ₱28.2 million is increased by ₱6.9 million or 32.4% from ₱21.3 million in 2016. The increase resulted from the acquisition of gaming cards, seals and dice used in gaming operation. This is in anticipation of the expansion of the gaming operation in 2018 as the Company is planning to open the third floor area of the casino.
 4. Prepayment and other current assets amounting to ₱105.0 million, decreased by ₱19.5 million or by 15.7% from ₱124.5 million in 2016 due to the decrease in advances to contractors amounting to ₱61.4 million that were applied to the payment to contractors upon completion of the building. This was offset by the increase in the prepaid real property taxes of ₱29.6 million for 2018, increase in prepayments, creditable withholding taxes, and deposits of ₱4.1 million, ₱1.0 million, and ₱7.2 million, respectively.
 5. Property and equipment amounting to ₱5,630.3 million is decreased by ₱123.7 million or by 2.1% from ₱5,754.0 million in 2016 primarily due to the full year recognition of depreciation of the building that was completed in December 2016.
 6. Other noncurrent assets amounting to ₱83.0 million, decreased by ₱32.0 million or by 27.8% from ₱115.0 million in 2016 which primarily relates to the depreciation for operating equipment.
 7. Total liabilities amounting to ₱5,180.2 million is increased by ₱1,047.1 million or by 25.3% from ₱4,133.1 million in 2016. The increase primarily relates to higher trade and accrued payables and deposit for future stock subscription.

Key Performance Indicators

The following are the comparative key performance indicators of the Group and the manner of its computation for the year ended:

Indicators	Manner of Computation	2019	2018
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.68:1	0.54:1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	1.16:1	1.10:1
Asset-Liability Ratio	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.07:1	1.18:1
Return on Assets	$\frac{\text{Net Income (Loss)}}{\text{Total Assets}}$	(11%)	(11%)

Indicators	Manner of Computation	2019	2018
Basic Earnings (Loss) per share	<u>Net Income (Loss)</u> Outstanding Common Shares	(₱0.202)	(₱0.235)

Current ratio is regarded as a measure of the Group's liquidity or its ability to meet maturing obligations. For the year ended December 31, 2019, the current ratio is 0.68:1 compared to 0.54:1 of the prior year. The outstanding liabilities in 2019 mostly consist of balances of payables to contractors and suppliers for the services and/or goods provided for the Group's day-to-day operations; accruals pertaining to payroll, employee benefits, utilities, travel and transportation, meeting and conferences, security service fees, professional fees and others wherein billings/settlements thereof are expected to be provided/resolved in the next financial year; and the current portion of loans arrangement with local banks. The Group has ₱0.68 current assets to support every ₱1.00 of their current liabilities, which means that the Group's current assets are insufficient to meet its current liabilities.

The debt to equity ratio measures the riskiness of the Group's capital structure in terms of relationship between funds supplied to creditors (debt) and investors (equity). For the year ended December 31, 2019, the debt to equity ratio has increased by 0.16 from 1.10 in 2018 to 1.16 in 2019. This indicates a higher risk on the Group's perspective, as debt holders may have higher claims than investors on the Group's assets in case of liquidation.

The asset-liability ratio, exhibits the relationship of the total assets of the Group with its total liabilities. For the year ended December 31, 2019, the asset-liability ratio is 1.07:1 from 1.18:1 as of that of December 31, 2018. The ratio indicates that the Group has ₱1.07 of assets to satisfy every ₱1.00 of liability to creditors/suppliers through asset facilitation. Moreover, the effect of high assets to liabilities ratio indicates that the Group can still take additional financing through credit arrangements with banks and financial institutions.

Return on assets allowed the Group to see how much income (loss) generates per peso asset. For the year ended December 31, 2019 and 2018, the return on asset is negative 11%. This means that the Group is neither effective nor efficient in utilizing its economic resources.

For the year ended December 31, 2018, the Group's loss per share amounts to ₱0.202 which decreased from ₱0.235 that of prior year.

Significant Disclosures

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No.929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed community quarantine. As a result, PAGCOR issued a memorandum dated March 15, 2020 to suspend all gaming operations in Metro Manila until the end of the community quarantine. On June 7, 2020, the hotel resumed its operations after receiving the approval from the Department of Tourism. The hotel catered to foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers. To ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors, the casino conducted dry run operations from June 16, 2020 to July 03, 2020, resumed last August 21, 2020 up to date operating at 30% capacity.

The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations. To address such condition, the Group implemented cost-saving measures to reduce its fixed and variable costs. The Group also continuously boosts its marketing efforts to increase foot traffic within the property, while closely working with PAGCOR for the resumption of its operations and exploring new business opportunities. In addition, the Group has revisited its refinancing options and has ongoing discussions with the bank and its creditors to amend the payment terms

There are no events that will trigger contingent financial obligation.

There are substantial commitments worth on capital expenditures.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events, or uncertainties which are reasonably expected to have a favorable or unfavorable impact from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

The Company is not aware of any seasonal aspects or known events or uncertainties which will have a material effect on the sales and overall financial condition or results of operations of the Company.

Key Performance Indicators

Indicators	Manner of Computation	2017	2016
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.69:1	1.21:1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equity}}$	1.43:1	1.62:1
Asset-Liability Ratio	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.34:1	1.62:1
Basic Earnings (Loss) per share	$\frac{\text{Net Income (Loss)}}{\text{Outstanding Common Shares}}$	(₱0.25)	(₱0.14)

Current ratio is regarded as a measure of the company's liquidity or its ability to meet currently maturing obligations. As of December 31, 2017, current ratio has decreased to 0.69 from 1.21. As such, the Company has ₱0.69 current assets to support one peso of its current liabilities. Current ratio for 2015 is 3.46.

The debt to equity ratio measures the riskiness of the Company's capital structure in terms of relationship between the funds supplied by the creditors (debt) and investors (equity). As of December 31, 2017, the debt to equity ratio has changed to 1.43 from 1.62 as of December 31, 2016 due to the deposit for future subscription. Debt to equity ratio for 2015 is 1.05.

The asset to liability ratio exhibits the relationship of the total assets of the Company with its total liabilities. As of December 31, 2017, the ratio increase to 1.34 from 1.62 as of December 31, 2016 due to the collection for future subscription. This indicates that for every ₱1.00 of liability, the Company has ₱1.69 of its assets. Asset to liability ratio for 2015 is 1.96.

As of December 31, 2017, the company's loss per share is ₱0.25 which increased from ₱0.14 of the same period in 2016. In 2015, the loss per share is ₱0.02.

Significant Disclosures

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on liquidity.

There are no events that will trigger contingent financial obligation.

There are substantial commitments worth on capital expenditures.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events, or uncertainties which are reasonably expected to have a favorable or unfavorable impact from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

The Company is not aware of any seasonal aspects or known events or uncertainties which will have a material effect on the sales and overall financial condition or results of operations of the Company.

IV. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Interim Financial Statements as of March 31, 2020 and 2019

The following discussion and analysis relate to the consolidated financial position and results of operation of MJC Investments Corporation and Subsidiary and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and related notes as of and for the periods ended March 31, 2020 and 2019.

Discussion on Results of Operations

The following table shows a summary of results of the operations for the three months ended March 31, 2020 and 2019:

	<u>For the Three months Ended</u>		Amount Change	% Change
	March 31, 2020	March 31, 2019		
<i>Amount in Millions of Philippine peso except EPS</i>				
Revenue				
Revenue share in gaming operation	116.9	116.0	0.9	0.8%
Hotel	15.1	16.0	(0.9)	(5.6%)
Food and Beverage	15.5	19.5	(4.0)	(20.5%)
Bingo Operations	8.9	11.4	(2.5)	(21.9%)
Rental	7.9	6.4	1.5	23.4%
Other revenue	2.7	4.7	(2.0)	(42.6%)
	167.0	174.0	(7.0)	(4.0%)
Operating cost and expenses	(223.1)	(271.1)	48.0	(17.7%)
Operating loss	(56.1)	(97.1)	41.0	(42.2%)
Other income (expenses)				
Interest expense	(39.2)	(41.0)	1.8	(4.4%)
Interest income	0.03	0.21	(0.18)	(85.7%)
Miscellaneous income (expenses)	0.7	0.3	0.4	133.3%
	(38.5)	(40.5)	2.0	(4.9%)
Loss before income Tax	(94.6)	(137.6)	43.0	(31.3%)
Provision for income tax	(0.01)	(0.04)	0.03	(75.0%)
Net loss	(94.6)	(137.6)	43.0	(31.3%)
Other comprehensive income				
Actuarial Gains on retirement liability	0.2	0.2	-	0.0%
Total comprehensive loss	(94.4)	(137.4)	43.0	(31.3%)
Basic/diluted loss per share	(0.03)	(0.04)	0.01	(31.3%)

Comparison of Operating Results for the Three Months Ended March 31, 2020 and 2019

Revenue

Revenue includes revenue share in gaming operations, revenue from operation of hotel, food and beverages, bingo, rental and other revenue. Total revenue for the three months ended March 31, 2020 and 2019 amounted to ₱ 167 million and ₱ 174 million, respectively.

The significant accounts that contributed to the increase or decrease are as follows:

- Revenue share in gaming operations increased by ₱0.9 million or 0.8% from ₱116.0 million in 2019 to ₱116.9 million in 2020.

First Quarter			
Figures in (PHP' million)	2020	2019	%
VOLUME			
Table Drops	796.8	891.2	-10.6%
Slots Turnover	4,604.7	3,937.0	+17.0%
Total Volume	5,401.5	4,828.2	+11.9%

First Quarter			
Average Capacity	2020	2019	%
Table	30	28	+7.1%
Slots	525	441	+19.0%

First Quarter			
Average Win	2020	2019	%
Win/Table/Day	68,888	64,360	+7.0%
Win/Machine/Day	6,921	5,910	+17.1%

Despite temporary suspension of gaming operation for more than half month last March 2020, overall gaming volume for the first quarter of 2020 is still higher by 11.9% to ₱5.40 billion comparing to ₱4.83 billion from first quarter with full operation last year. Average number of gaming tables and slot machines were 30 and 525, as compared to 28 and 441 respectively for last year. Average win per table per day increased by 7.0% from ₱64 thousand in 2019 to ₱69 thousand in 2020. Average win per slot machine per day increased by 17.1% from ₱6 thousand in 2019 to ₱7 thousand in 2020.

- Revenue from hotel rooms decreased by ₱0.9 million or 5.6% from ₱16.0 million in 2019 to ₱15.1 million in 2020. The decrease is due to the temporary suspension of hotel operation last March 19, 2020. However, average daily revenue from hotel rooms is 51.9% higher, from ₱0.52 million in 2019 to ₱0.79 million in 2020.

Occupancy rate during the year declined by 6% from 80% in 2019 to 74% in 2020. Of the 128 rooms available each day, average occupied room per day is 95 rooms in 2020, which is lower than the 102 rooms in 2019.

- Revenue from food and beverage decreased by ₱4.0 million or 20.5% from ₱19.5 million in 2019 to ₱15.5 million in 2020. The decrease is attributable to the cancelled corporate and other banquet events due to community lockdown.
- Revenue from bingo operations decreased by ₱2.5 million or 21.9% from ₱11.4 million in 2019 to ₱8.9 million in 2020. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020.
- Rental and other revenues decreased by ₱0.5 million or 4.5% from ₱11.1 million in 2019 to ₱10.6 million in 2020. The decrease is due to lower percentage rental because of temporary

suspension of lessee's operation. The Group also grant rental holidays to lessees during the community lockdown.

Operating Costs and Expenses

Total operating costs and expenses for the three months ended March 31, 2020 and 2019 amounted to ₱223.1 million and ₱271.1 million, respectively. The significant decrease in the total operating costs and expenses is due to fully depreciated assets this year, lower costs of food, beverages and tobacco, contract services, advertising and marketing expenses; reduced by higher salaries and wages, repairs and maintenance, taxes and other expenses.

The significant accounts that contributed to the decrease are:

- Depreciation and amortization decreased by a margin of ₱43.5 million or 37.5% from prior year's ₱116.0 million to ₱72.5 million this year. The decrease is mainly attributable to the fully depreciated computer equipment, software, kitchen utensils and art and decorations as of this quarter.
- Cost of food, beverage and tobacco decreased by a margin of ₱1.0 million or 11.2% from prior year's ₱8.9 million to ₱7.9 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the quarter. This is also directly attributable to the decrease in revenue from food and beverage for the quarter due to temporary suspension of operation.
- Contracted services amounting to ₱18.4 million is lower by ₱2.2 million or 10.7% as compared to prior period's ₱20.6 million. The decrease is due to lower work days of outsourced manpower because of temporarily suspension of its hotel and other operations last March 2020.
- Advertising and marketing expenses decreased by a margin of ₱1.9 million or 21.1% from prior year's ₱9.0 million to ₱7.1 million this year. The decrease is due to lower marketing promotions because of temporary suspension of operations.
- Salaries and wages increased by a margin of ₱2.1 million or 10.6% from prior period's ₱19.9 million to ₱22.0 million this year. The increase in salaries and wages is attributable to accrual of leave credits and service fees.
- Repairs and maintenance increased by ₱2.9 million or 32.6% from ₱8.9 million in 2019 to ₱11.8 million in 2020. This is attributable to the increased repairs and maintenances of the building, property, various equipment, tools and air-condition for safety, efficiency and sustainability.
- Taxes and licenses increased by ₱1.9 million or 23.5% from ₱8.1 million in 2019 to ₱10.0 million in 2020. The increase corresponds with the higher property taxes for the year.

Interest Expense

Total interest expense amounting to ₱39.2 million is lower by ₱1.8 million or 4.4% as compared to prior period's ₱41.0 million. Interest expense decreased because the principal value of the loans payable diminished upon payments made during the period.

Analysis of Statements of Financial Position

	For the Period Ended		Amount Change	% Change
	March 31, 2020 <i>(Unaudited)</i>	December 31, 2019 <i>(Audited)</i>		
<i>Amount in Millions of Philippine peso</i>				
Assets				
Cash and cash equivalents	103.2	41.8	61.4	146.9%
Receivables	217.8	238.2	(20.4)	(8.6%)
Inventories	25.6	25.2	0.4	1.6%
Current portion of input value added tax (VAT)	24.8	16.8	8.0	47.6%
Prepayments and other current assets	178.2	175.5	2.7	1.5%
Property and equipment	3,939.9	4,002.1	(62.2)	(1.6%)
Investment Property	766.9	774.4	(7.5)	(1.0%)
Input VAT- net of current portion	418.1	418.6	(0.5)	(0.1%)
Other noncurrent asset	385.6	404.3	(18.7)	(4.6%)
Total Assets	6,060.1	6,096.9	(36.8)	(0.6%)
Liabilities				
Accounts payable and other current Liabilities	541.9	502.9	39.0	7.8%
Retention payable	7.9	8.8	(0.9)	(10.2%)
Interest payable	16.4	13.6	2.8	20.6%
Contract Liabilities	17.3	15.9	1.4	8.8%
Advances from Stockholders	407.0	345.2	61.8	17.9%
Loans payable	2,291.3	2,337.7	(46.4)	(2.0%)
Deposit for future subscription	2,426.5	2,426.5	-	0.0%
Other noncurrent liabilities	47.8	47.9	(0.1)	(0.2%)
Total Liabilities	5,756.1	5,698.5	57.6	1.0%
Equity				
Capital stock	3,174.4	3,174.4	-	0.0%
Deficit	(2,870.9)	(2,776.3)	(94.6)	3.4%
Actual gains on retirement liability	0.5	0.3	0.2	66.7%
Total Equity	304.0	398.4	(94.4)	(23.7%)
Total Liabilities and Equity	6,060.1	6,096.9	(36.8)	(0.6%)

Discussion on some Significant Change in Financial Condition as of March 31, 2020 and December 31, 2019

Total assets amounted to ₱6,060.1 million as of March 31, 2020, which decreased by ₱36.7 million or 0.6% from ₱6,096.9 million as of December 31, 2019.

1. For the period ended March 31, 2020, cash and cash equivalents amounting to ₱103.2 million, increased by ₱61.4 million or 146.9% from ₱41.8 million in 2019 due to the following:
 - a) In 2020, net cash flows from operating activities amounting to ₱66.2 million, which resulted from the difference in revenue generated during the period amounting to ₱167.0 million, cash operating expenses amounting to ₱148.8 million, and changes in the working capital amounting to ₱48.0 million.

Cash operating expense in 2020 mainly pertains to salaries and wages (₱22.0 million), utilities expenses (₱21.5 million), contracted services (₱18.4 million), repairs and maintenance (₱11.8 million), security services (₱9.4 million), advertising expenses (₱7.1 million), gaming fees (₱6.0 million), among others.
 - b) Net cash flows from investing activities amounting to ₱15.9 million comprise mainly of amortization of non-current portion of receivable arising from its permit to operate (PTO) related to gaming equipment amounting to ₱18.7 million reduced by acquisition of property, plant and equipment amounting to ₱2.8 million.
 - c) Net cash flows used in financing activities amounting to ₱20.7 million comprise mainly of the payment of principal and interest of its loan payable amounting to ₱82.4 million reduced by the receipt of advances from stockholders amounting to ₱61.7 million.
2. Receivable decreased by ₱20.4 million or 8.6% from ₱238.2 million in 2019 to ₱217.8 million in 2020. The decrease is primarily due to the decrease in receivable from PAGCOR amounting to ₱25.8 million reduced by the increase in receivable arising from PTO related to gaming equipment amounting to ₱1.9 million. There was also an increase in trade receivables from non-related parties amounting to ₱3.5 million.
3. Inventories increased by ₱0.4 million or 1.6% from ₱25.2 million in 2019 to ₱25.6 million in 2020. The increase is mainly attributable to the additional purchases made for food, beverages and tobacco to sustain daily operations of hotel and casino.
4. Prepayments and other current assets increased by ₱2.7 million or 1.5% from ₱175.5 million in 2019 to ₱178.2 million in 2020. The increase is mainly due to deposits made to suppliers amounting to ₱2.1 million and prepaid business taxes amounting to ₱0.7 million.
5. The decrease in property and equipment of ₱62.2 million or 1.6% from ₱4.0 billion in 2019 to ₱3.9 billion in 2020 is mainly due to the recorded depreciation expense amounting to ₱64.9 million. In addition, the Group acquired additional property and equipment amounting to ₱2.7 million in 2020.
6. Investment property of ₱766.9 million decreased by ₱7.5 million or 1.0% from ₱774.4 million in 2019 due to the recorded depreciation expense for the year.
7. Other noncurrent assets decreased by ₱18.7 million or 4.6% from ₱404.3 million in 2019 to ₱385.6 million in 2020. The decrease is mainly due to the decrease in the non-current portion of receivable arising from PTO related to gaming equipment amounting to ₱18.7 million.
8. Accounts payable and other current liabilities increased by ₱39.0 million or 7.8% from ₱502.9 million in 2019 to ₱541.9 million in 2020. The increase is mainly attributed to unpaid billings and accrued services to various contractors and suppliers in 2020.

9. Retention payable decreased by 10.2% due to completion of the Group's projects during the year and payment of the Group amounting to ₱0.9 million.
10. Loans payable decreased by ₱46.4 million or 2.0% from ₱2,337.7 million in 2019 to ₱2,291.3 million in 2020. The decrease is due to the partial payment of the principal amount amounting to ₱47.1 million and the accretion of interest amounting to ₱0.8 million.
11. Advances from stockholders increased by ₱61.8 million or 17.9% from ₱345.2 million in 2019 to ₱407.0 million in 2020 due to the receipt of additional advances during the period.

Key Performance Indicators

The following are the comparative key performance indicators of the Corporation and the manner of its computation for the three months ended March 31, 2020 and 2019:

Indicators	Manner of Computation	For the three months ended March 31	
		2020	2019
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.72:1	0.36:1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equities}}$	1.22:1	1.03:1
Asset Liability Ratio	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.05:1	1.17:1
Return on Assets	$\frac{\text{Net Income (Loss)}}{\text{Total Assets}}$	(2%)	(2%)
Basic Earnings (losses per share)	$\frac{\text{Net Income (Loss)}}{\text{Outstanding Common Shares}}$	(₱0.03)	(₱0.04)

Current ratio is regarded as a measure of the Group's liquidity or its ability to meet maturing obligations. For the three months ended March 31, 2020, the current ratio is 0.72:1 compared to 0.36:1 of the prior year. The outstanding liabilities in 2020 mostly consist of balances of payables to contractors and suppliers for the services and/or goods provided for the Group's day-to-day operations; accruals pertaining to payroll, employee benefits, utilities, travel and transportation, meeting and conferences, security service fees, professional fees and others wherein billings/settlements thereof are expected to be provided/resolved in the next financial year; and the current portion of loans arrangement with local banks. The Group has ₱0.72 current assets to support every ₱1.00 of their current liabilities.

The debt to equity ratio measures the riskiness of the Group's capital structure in terms of relationship between funds supplied to creditors (debt) and investors (equity). For the three months ended March 31, 2020, the debt to equity ratio has increased by 0.19 from 1.03 of 2019 to 1.22 of 2020.

The asset-liability ratio, exhibits the relationship of the total assets of the Group with its total liabilities. For the three months ended March 31, 2020, the asset-liability ratio is 1.05:1 from 1.17:1 as of that of March 31, 2019. The ratio indicates that the Group has ₱1.05 of assets to satisfy every ₱1.00 of liability to creditors/suppliers through asset facilitation. Moreover, the effect of high assets to liabilities ratio indicates that the Group can still take additional financing through credit arrangements with banks and financial institutions.

Return on assets allowed the Group to see how much income (loss) generates per peso asset. For the three months ended March 31, 2020 and 2019, the return on assets is both (2%).

For the three months ended March 31, 2020, the Group's loss per share amounts to (₱0.03) which decreased from (₱0.04) that of prior year.

Significant Disclosures

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No.929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed community quarantine. As a result, PAGCOR issued a memorandum dated March 15, 2020 to suspend all gaming operations in Metro Manila until the end of the community quarantine. On June 7, 2020, the hotel resumed its operations after receiving the approval from the Department of Tourism. The hotel catered to foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers. To ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors, the casino conducted dry run operations from June 16, 2020 to July 03, 2020, resumed last August 21, 2020 up to date operating at 30% capacity.

The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations. To address such condition, the Group implemented cost-saving measures to reduce its fixed and variable costs. The Group also continuously boosts its marketing efforts to increase foot traffic within the property, while closely working with PAGCOR for the resumption of its operations and exploring new business opportunities. In addition, the Group has revisited its refinancing options and has ongoing discussions with the bank and its creditors to amend the payment terms

There are no events that will trigger contingent financial obligation.

There are substantial commitments worth on capital expenditures.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events, or uncertainties which are reasonably expected to have a favorable or unfavorable impact from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

The Company is not aware of any seasonal aspects or known events or uncertainties which will have a material effect on the sales and overall financial condition or results of operations of the Company.

V. Management’s Discussion and Analysis of Financial Condition and Results of Operations of the Interim Financial Statements as of June 30, 2020 and 2019

The following discussion and analysis relate to the consolidated financial position and results of operation of MJC Investments Corporation and Subsidiary and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and related notes as of and for the periods ended June 30, 2020 and 2019.

Discussion on Results of Operations

The following table shows a summary of results of the operations for the six months ended June 30, 2020 and 2019:

	For the Six months Ended		Amount Change	% Change
	June 30, 2020	June 30, 2019		
	<i>Amount in Millions of Philippine peso except EPS</i>			
Revenue				
Revenue share in gaming operation	119.0	229.6	(110.6)	(48.2%)
Hotel	15.3	30.3	(15.0)	(49.5%)
Food and Beverage	15.6	40.5	(24.9)	(61.5%)
Bingo Operations	8.9	24.1	(15.2)	(63.1%)
Rental	8.8	12.3	(3.5)	(28.5%)
Other revenue	3.1	8.6	(5.5)	(64.0%)
	170.7	345.4	(174.7)	(50.6%)
Operating cost and expenses	(373.9)	(562.9)	189.0	(33.6%)
Operating loss	(203.2)	(217.5)	14.3	(6.6%)
Other income (expenses)				
Interest expense and other financing charges	(77.2)	(80.2)	3.0	(3.7%)
Interest income	0.1	0.3	(0.2)	(66.7%)
Miscellaneous income (expenses)	0.5	0.7	(0.2)	(28.6%)
	(76.6)	(79.2)	2.6	(3.3%)
Loss before income Tax	(279.8)	(296.8)	17.0	(5.7%)
Provision for income tax	-	(0.1)	0.1	(100.0%)
Net loss	(279.8)	(296.9)	17.1	(5.8%)
Other comprehensive income				
Actuarial Gains on retirement Liability	0.5	0.5	-	0.0%
Total comprehensive loss	(279.3)	(296.4)	17.1	(5.8%)
Basic/diluted loss per share	(0.088)	(0.094)	0.006	(5.8%)

Comparison of Operating Results for the Six Months Ended June 30, 2020 and 2019

Revenue

Revenue includes revenue share in gaming operations, revenue from operation of hotel, food and beverages, bingo, rental and other revenue. Total revenue for the six months ended June 30, 2020 and 2019 amounted to ₱ 170.7 million and ₱ 345.4 million, respectively.

The significant accounts that contributed to the decrease are as follows:

- Revenue share in gaming operations decreased by ₱110.6 million or 48.2% from ₱229.6 million in 2019 to ₱119.0 million in 2020. The decrease is due to the temporary suspension of casino operation due to community lockdown.

Six Months Ended			
Figures in (PHP' million)	June 30, 2020	June 30, 2019	%
VOLUME			
Table Drops	812.7	1,861.9	-56.4%
Slots Turnover	4,670.8	8,281.0	-43.6%
Total Volume	5,483.5	10,142.9	-45.9%

Six Months Ended			
Average Capacity	June 30, 2020	June 30, 2019	%
Table	27	28	-3.6%
Slots	464	445	+4.3%

Six Months Ended			
Average Win	June 30, 2020	June 30, 2019	%
Win/Table/Day	65,632	70,897	-7.4%
Win/Machine/Day	6,542	5,684	+15.1%

Overall gaming volume for the six months of 2020 decreased by 45.9% from ₱10.1 billion last year to ₱5.5 billion this year. In line with the community lockdown, gaming operation was temporarily suspended since March 2020. However, last June 16, 2020 until July 03, 2020 the casino conducted dry run operations operating at 30% capacity to ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors,

As of June 30, 2020, total number of gaming tables and slots machines were 30 and 527. But the company is allowed only to operate on limited capacity thus average number of operational gaming tables and slot machines were 27 and 464, as compared to 28 and 445 respectively for last year. Average win per table per day decreased by 7.4% from ₱70.9 thousand in 2019 to ₱65.6 thousand in 2020. Average win per slot machine per day increased by 15.1% from ₱5.7 thousand in 2019 to ₱6.5 thousand in 2020.

- Revenue from hotel rooms decreased by ₱15.0 million or 49.5% from ₱30.3 million in 2019 to ₱15.3 million in 2020. The decrease is due to the temporary suspension of hotel operation last March 19, 2020.

Occupancy rate during the year declined by 10% from 84% in 2019 to 74% in 2020. Of the 128 rooms available each day, average occupied room per day is 95 rooms in 2020, which is lower than the 105 rooms in 2019.

As to date, the hotel is operating on limited capacity, caters foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers.

- Revenue from food and beverage decreased by ₱24.9 million or 61.5% from ₱40.5 million in 2019 to ₱15.6 million in 2020. The decrease is attributable to the cancelled corporate and other banquet events due to community lockdown.
- Revenue from bingo operations decreased by ₱15.2 million or 63.1% from ₱24.1 million in 2019 to ₱8.9 million in 2020. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020.
- Rental and other revenues decreased by ₱9.0 million or 43.1% from ₱20.9 million in 2019 to ₱11.9 million in 2020. The decrease is due to lower percentage rental because of temporary suspension of lessee's operation. The Group also grant rental holidays to lessees during the community lockdown.

Operating Costs and Expenses

Total operating costs and expenses for the six months ended June 30, 2020 and 2019 amounted to ₱373.8 million and ₱562.9 million, respectively. The significant decrease in the total operating costs and expenses is due to fully depreciated assets this year, lower costs of food, beverages and tobacco, contract services, advertising and marketing expenses; reduced by higher salaries and wages, repairs and maintenance, taxes and other expenses.

The significant accounts that contributed to the decrease are:

- Depreciation and amortization decreased by a margin of ₱85.2 million or 37.4% from prior year's ₱227.8 million to ₱142.6 million this year. The decrease is mainly attributable to the fully depreciated computer equipment, software, kitchen utensils and art and decorations as of this quarter.
- Gaming fees amounting to ₱6.6 million is lower by ₱27.8 million or 80.8% as compared to prior period's ₱34.4 million. Gaming fees consist of the revenue share of PAGCOR in the Group's bingo revenue and the Group's subsidiary's manpower cost for its gaming operations. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020.
- Contracted services amounting to ₱22.5 million is lower by ₱22.5 million or 50.0% as compared to prior period's ₱45.0 million. The decrease is due to lower work days of outsourced manpower because of temporary suspension of its hotel and other operations last March 2020.
- Utilities decreased by a margin of ₱14.2 million or 30.8% from prior year's ₱46.1 million to ₱31.9 million this year. The decrease is due to lower consumption caused by the temporary suspension of operations.

- Cost of food, beverage and tobacco decreased by a margin of ₱9.6 million or 51.9% from prior year's ₱18.5 million to ₱8.9 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the quarter. This is also directly attributable to the decrease in revenue from food and beverage for the quarter due to temporary suspension of operation.
- Hotel room supplies and banquet expenses decreased by a margin of ₱9.5 million or 45.9% from prior year's ₱20.7 million to ₱11.2 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the temporary suspension of operation.
- Salaries and wages decreased by a margin of ₱8.1 million or 16.1% from prior period's ₱44.1 million to ₱36.0 million this year. The decrease is due to reduced work days because of temporarily suspension of ssits hotel and other operations last March 2020.
- Advertising and marketing expenses decreased by a margin of ₱5.7 million or 34.8% from prior year's ₱16.4 million to 10.7 million this year. The decrease is due to lower marketing promotions because of temporary suspension of operations.
- Security services decreased by ₱5.1 million or 26.2% from ₱19.5 million in 2019 to ₱14.4 million in 2020. The decrease is due to lower work days of security services because of temporarily suspension of its hotel and other operations last March 2020.
- Entertainment expenses decreased by a margin of ₱4.8 million or 64.0% from prior year's ₱7.5 million to ₱2.7 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the temporary suspension of operation.
- Taxes and licenses increased by ₱4.1 million or 25.2% from ₱16.3 million in 2019 to ₱20.4 million in 2020. The increase corresponds with the higher property taxes for the year.

Interest Expense and Other Financing Charges

Total interest expense amounting to ₱76.3 million is lower by ₱3.9 million or 4.9% as compared to prior period's ₱80.2 million. Interest expense decreased because the principal value of the loans payable diminished upon payments made during the period. Financing charges amounting to ₱0.9 million was recognized as the lender approved the extension of instalment payment of principal for some period.

Discussion on Results of Operations

The following table shows a summary of results of the operations for the three months ended June 30, 2020 and 2019:

	For the Three months Ended		Amount Change	% Change
	June 30, 2020	June 30, 2019		
<i>Amount in Millions of Philippine peso except EPS</i>				
Revenue				
Revenue share in gaming operation	2.1	113.6	(111.5)	(98.2%)
Hotel	0.2	14.3	(14.1)	(98.6%)
Food and Beverage	-	21.0	(21.0)	(100.0%)
Bingo Operations	-	12.7	(12.7)	(100.0%)
Rental	1.0	5.9	(4.9)	(83.1%)
Other revenue	0.4	3.9	(3.5)	(89.7%)
	3.7	171.4	(167.7)	(97.8%)
Operating cost and expenses	(150.8)	(291.9)	141.1	(48.3%)
Operating loss	(147.1)	(120.5)	(26.5)	(22.0%)
Other income (expenses)				
Interest expense	(38.0)	(39.2)	1.2	(3.1%)
Interest income	0.1	-	0.1	(100.0%)
Miscellaneous income (expenses)	(0.2)	0.4	(0.6)	(150.0%)
	(38.1)	(38.8)	0.7	(1.8%)
Loss before income Tax	(185.2)	(159.2)	(26.0)	16.3%
Provision for income tax	-	-	-	0.0%
Net loss	(185.2)	(159.2)	(26.0)	16.3%
Other comprehensive income				
Actuarial Gains on retirement Liability	0.2	0.2	-	0.0%
Total comprehensive loss	(185.0)	(159.0)	(26.0)	16.3%
Basic/diluted loss per share	(0.058)	(0.050)	0.008	16.3%

Comparison of Operating Results for the Three Months Ended June 30, 2020 and 2019

Revenue

Revenue includes revenue share in gaming operations, revenue from operation of hotel, food and beverages, bingo, rental and other revenue. Total revenue for the three months ended June 30, 2020 and 2019 amounted to ₱ 3.7 million and ₱ 171.4 million, respectively.

The significant accounts that contributed to the decrease are as follows:

- Revenue share in gaming operations decreased by ₱111.5 million or 98.2% from ₱113.6 million in 2019 to ₱2.1 million in 2020. The decrease is due to the temporary suspension of casino operation due to community lockdown.

Second Quarter			
Figures in (PHP' million)	2020	2019	%
VOLUME			
Table Drops	15.9	970.7	-98.4%
Slots Turnover	66.2	4,344.0	-98.5%
Total Volume	82.1	5,314.0	-98.5%

Second Quarter			
Average Capacity	2020	2019	%
Table	9	28	-67.9%
Slots	158	449	-64.8%

Second Quarter			
Average Win	2020	2019	%
Win/Table/Day	32,737	77,434	-57.7%
Win/Machine/Day	1,745	5,462	-68.0%

Overall gaming volume for the second quarter of 2020 is lower by 98.5% from ₱5.3 billion last year compared to ₱82.1 million this year. In line with the community lockdown, gaming operation was temporarily suspended since March 2020. However, last June 16, 2020 through July 03, 2020 the casino conducted dry run operations operating at 30% capacity to ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors,

As of June 30, 2020, total number of gaming tables and slots machines were 30 and 527. But the company is allowed only to operate on limited capacity thus average number of operational gaming tables and slot machines were 9 and 158, as compared to 28 and 449 respectively for last year. Average win per table per day decreased by 57.7% from ₱77 thousand in 2019 to ₱33 thousand in 2020. Average win per slot machine per day decreased by 68.0% from ₱5 thousand in 2019 to ₱2 thousand in 2020.

- Revenue from hotel rooms decreased by ₱14.1 million or 98.6% from ₱14.3 million in 2019 to ₱0.2 million in 2020. The decrease is due to the temporary suspension of hotel operation last March 19, 2020.

Occupancy rate during the year declined by 84% from 88% in 2019 to 4% in 2020. Of the 128 rooms available each day, average occupied room per day is 5 rooms in 2020, which is lower than the 109 rooms in 2019.

As to date, the hotel is operating on limited capacity, caters only foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers.

- No revenue from food and beverage were generated this quarter due to the cancelled corporate and other banquet events due to community lockdown.
- No revenue from bingo operations were generated this quarter due to the temporary suspension of bingo operations last March 13, 2020.

- Rental and other revenues decreased by ₱8.4 million or 85.7% from ₱9.8 million in 2019 to ₱1.4 million in 2020. The decrease is due to lower percentage rental because of temporary suspension of lessee's operation. The Group also grant rental holidays to lessees during the community lockdown.

Operating Costs and Expenses

Total operating costs and expenses for the three months ended June 30, 2020 and 2019 amounted to ₱150.7 million and ₱291.9 million, respectively. The significant decrease in the total operating costs and expenses is due to fully depreciated assets this year, lower costs of food, beverages and tobacco, contract services, advertising and marketing expenses; reduced by higher salaries and wages, repairs and maintenance, taxes and other expenses.

The significant accounts that contributed to the decrease are:

- Depreciation and amortization decreased by a margin of ₱41.7 million or 37.3% from prior year's ₱111.8 million to ₱70.1 million this year. The decrease is mainly attributable to the fully depreciated computer equipment, software, kitchen utensils and art and decorations as of this quarter.
- Contracted services amounting to ₱4.1 million is lower by ₱20.3 million or 83.2% as compared to prior period's ₱24.4 million. The decrease is due to lower work days of outsourced manpower because of temporarily suspension of its hotel and other operations last March 2020.
- Gaming fees amounting to ₱0.6 million is lower by ₱17.1 million or 96.6% as compared to prior period's ₱17.7 million. Gaming fees consist of the revenue share of PAGCOR in the Group's bingo revenue and the Group's subsidiary's manpower cost for its gaming operations. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020.
- Utilities decreased by a margin of ₱14.9 million or 58.9% from prior year's ₱25.3 million to ₱10.4 million this year. The decrease is due to lower consumption caused by the temporary suspension of operations.
- Hotel room supplies and banquet expenses decreased by a margin of ₱10.5 million or 84.7% from prior year's ₱12.4 million to ₱1.9 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the temporary suspension of operation.
- Salaries and wages decreased by a margin of ₱10.2 million or 42.1% from prior period's ₱24.2 million to ₱14.0 million this year. The decrease is due to reduced work days because of temporarily suspension of its hotel and other operations last March 2020.
- Cost of food, beverage and tobacco decreased by a margin of ₱8.6 million or 89.6% from prior year's ₱9.6 million to ₱1.0 million in total this period. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the temporary suspension of operation.
- Security services decreased by ₱5.5 million or 52.4% from ₱10.5 million in 2019 to ₱5.0 million in 2020. The decrease is due to lower work days of security services because of temporarily suspension of its hotel and other operations last March 2020.

- No entertainment expenses were incurred this quarter due to the cancellation of concert and other events caused by the temporary suspension of operation. Entertainment expenses incurred from prior year of the same period amounted to ₱3.9 million.
- Advertising and marketing expenses decreased by a margin of ₱3.8 million or 51.4% from prior year's ₱7.4 million to ₱3.6 million this year. The decrease is due to lower marketing promotions because of temporary suspension of operations.
- Taxes and licenses increased by ₱2.2 million or 26.8% from ₱8.2 million in 2019 to ₱10.4 million in 2020. The increase corresponds with the higher property taxes for the year.

Interest Expense

Total interest expense amounting to ₱37.1 million is lower by ₱2.1 million or 5.4% as compared to prior period's ₱39.2 million. Interest expense decreased because the principal value of the loans payable diminished upon payments made during the period. Financing charges amounting to ₱0.9 million was recognized as the lender approved the extension of instalment payment of principal for some period.

Analysis of Statements of Financial Position

	<u>For the Period Ended</u>		Amount Change	% Change
	June 30, 2020 <i>(Unaudited)</i>	December 31, 2019 <i>(Audited)</i>		
<i>Amount in Millions of Philippine peso</i>				
Assets				
Cash and cash equivalents	65.1	41.8	23.3	55.7%
Receivables	194.1	238.2	(44.1)	(18.5%)
Inventories	25.7	25.2	0.5	2.0%
Current portion of input value added tax (VA	13.7	16.8	3.1	18.5%
Prepayments and other current assets	156.7	175.5	(18.8)	(10.7%)
Property and equipment	3,877.4	4,002.1	(124.7)	(3.1%)
Investment Property	759.5	774.4	(14.9)	(1.9%)
Input VAT- net of current portion	429.8	418.6	11.2	2.7%
Other noncurrent asset	385.5	404.3	(18.8)	(4.7%)
Total Assets	5,907.5	6,096.9	(189.4)	(3.1%)
Liabilities				
Accounts payable and other current				
Liabilities	581.7	502.9	78.8	15.7%
Retention payable	7.9	8.8	(0.9)	(10.2%)
Interest payable	8.6	13.6	(5.0)	(36.8%)
Contract Liabilities	17.3	15.9	1.4	8.8%
Advances from Stockholders	406.7	345.2	61.5	17.8%
Loans payable	2,292.0	2,337.7	(45.7)	(2.0%)
Deposit for future subscription	2,426.5	2,426.5	-	0.0%
Other noncurrent liabilities	47.7	47.9	(0.2)	(0.4%)

Total Liabilities	5,788.4	5,698.5	89.9	1.6%
Equity				
Capital stock	3,174.4	3,174.4	-	0.0%
Deficit	(3,056.0)	(2,776.3)	(279.7)	10.1%
Actual gains on retirement liability	0.7	0.3	0.4	133.3%
Total Equity	119.1	398.4	(279.3)	(70.1%)
Total Liabilities and Equity	5,907.5	6,096.9	(189.4)	(3.1%)

Discussion on some Significant Change in Financial Condition as of June 30, 2020 and December 31, 2019

Total assets amounted to ₱5,907.5 million as of June 30, 2020, which decreased by ₱189.4 million or 3.1% from ₱6,096.9 million as of December 31, 2019.

1. For the period ended June 30, 2020, cash and cash equivalents amounting to ₱65.1 million, increased by ₱23.3 million or 55.7% from ₱41.8 million in 2019 due to the following:
 - a) In 2020, net cash flows from operating activities amounting to ₱73.3 million, which resulted from the difference in revenue generated during the period amounting to ₱170.7 million, cash operating expenses amounting to ₱229.9 million, and changes in the working capital amounting to ₱14.1 million.

Cash operating expense in 2020 mainly pertains to salaries and wages (₱36.0 million), utilities expenses (₱31.9 million), contracted services (₱22.5 million), repairs and maintenance (₱21.8 million), security services (₱14.4 million), advertising expenses (₱10.7 million), gaming fees (₱6.6 million), among others.
 - b) Net cash flows from investing activities amounting to ₱15.9 million comprise mainly of amortization of non-current portion of receivable arising from its permit to operate (PTO) related to gaming equipment amounting to ₱18.8 million reduced by acquisition of property, plant and equipment amounting to ₱2.8 million.
 - c) Net cash flows used in financing activities amounting to ₱65.8 million comprise mainly of the payment of principal and interest of its loan payable amounting to ₱127.5 million reduced by the receipt of advances from stockholders amounting to ₱61.7 million.
2. Receivable decreased by ₱44.1 million or 18.5% from ₱238.2 million in 2019 to ₱194.1 million in 2020. The decrease is primarily due to the decrease in receivable from PAGCOR amounting to ₱50.7 million reduced by the increase in receivable arising from PTO related to gaming equipment amounting to ₱1.9 million. There was also an increase in trade receivables from non-related parties amounting to ₱4.9 million.
3. Inventories increased by ₱0.5 million or 2.0% from ₱25.2 million in 2019 to ₱25.7 million in 2020. The increase is mainly attributable to the additional purchases made for food, beverages and tobacco to sustain daily operations of hotel and casino.

4. Prepayments and other current assets decreased by ₱18.8 million or 10.7% from ₱175.5 million in 2019 to ₱156.7 million in 2020. The decrease is mainly due to the payment of loan interest from the debt service reserve account amounting to ₱22.1 million and prepayments amortization amounting to ₱ 2.3 million reduced by the payment of electricity and other deposits to suppliers amounting to ₱5.4 million during the period.
5. The decrease in property and equipment of ₱124.7 million or 3.1% from ₱4.0 billion in 2019 to ₱3.9 billion in 2020 is mainly due to the recorded depreciation expense amounting to ₱ 127.4 million. In addition, the Group acquired additional property and equipment amounting to ₱2.7 million in 2020.
6. Investment property of ₱759.5 million decreased by ₱14.9 million or 1.9% from ₱774.4 million in 2019 due to the recorded depreciation expense for the year.
7. Other noncurrent assets decreased by ₱18.8 million or 4.7% from ₱404.3 million in 2019 to ₱385.5 million in 2020. The decrease is mainly due to the decrease in the non-current portion of receivable arising from PTO related to gaming equipment amounting to ₱18.7 million.
8. Accounts payable and other current liabilities increased by ₱78.8 million or 15.7% from ₱502.9 million in 2019 to ₱580.6 million in 2020. The increase is mainly due to the unpaid billings and accrued expenses from various contractors and suppliers in 2020.
9. Retention payable decreased by 10.2% due to completion of the Group's projects during the year and payment of the Group amounting to ₱0.9 million.
10. Loans payable decreased by ₱45.7 million or 2.0% from ₱2,337.7 million in 2019 to ₱2,292.0 million in 2020. The decrease is due to the partial payment of the principal amount amounting to ₱47.1 million and the accretion of interest amounting to ₱1.4 million.
11. Advances from stockholders increased by ₱61.5 million or 17.8% from ₱345.2 million in 2019 to ₱407.0 million in 2020 due to the receipt of additional advances during the period.

Key Performance Indicators

The following are the comparative key performance indicators of the Corporation and the manner of its computation for the three months and six months ended June 30, 2020 and 2019:

Indicators	Manner of Computation	For the three months ended June 30		For the six months ended June 30	
		2020	2019	2020	2019
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.69:1	0.30:1	0.69:1	0.30:1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equities}}$	1.32:1	0.95:1	1.32:1	0.95:1
Asset Liability Ratio	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	1.02:1	1.14:1	1.02:1	1.14:1
Return on Assets	$\frac{\text{Net Income (Loss)}}{\text{Total Assets}}$	(3%)	(3%)	(5%)	(5%)
Basic Earnings (losses per share)	$\frac{\text{Net Income (Loss)}}{\text{Outstanding Common Shares}}$	(₱0.06)	(₱0.05)	(₱0.09)	(₱0.09)

Current ratio is regarded as a measure of the Group's liquidity or its ability to meet maturing obligations. For the six months ended June 30, 2020, the current ratio is 0.69:1 compared to 0.30:1 of the prior year. The outstanding liabilities in 2020 mostly consist of balances of payables to contractors and suppliers for the services and/or goods provided for the Group's day-to-day operations; accruals pertaining to payroll, employee benefits, utilities, travel and transportation, meeting and conferences, security service fees, professional fees and others wherein billings/settlements thereof are expected to be provided/resolved in the next financial year; and the current portion of loans arrangement with local banks. The Group has ₱0.69 current assets to support every ₱1.00 of their current liabilities.

The debt to equity ratio measures the riskiness of the Group's capital structure in terms of relationship between funds supplied to creditors (debt) and investors (equity). For the six months ended June 30, 2020, the debt to equity ratio has increased by 0.37 from 0.95 of 2019 to 1.32 of 2020.

The asset-liability ratio, exhibits the relationship of the total assets of the Group with its total liabilities. For the six months ended June 30, 2020, the asset-liability ratio is 1.02:1 from 1.14:1 as of that of June 30, 2019. The ratio indicates that the Group has ₱1.02 of assets to satisfy every ₱1.00 of liability to creditors/suppliers through asset facilitation. Moreover, the effect of high assets to liabilities ratio indicates that the Group can still take additional financing through credit arrangements with banks and financial institutions.

Return on assets allowed the Group to see how much income (loss) generates per peso asset. For the six months ended June 30, 2020 and 2019, the return on assets is both negative 5%. For the three months ended June 30, 2020 and 2019, the return on assets is negative 3%.

For the six months ended June 30, 2020 and 2019, the Group's loss per share amounts to both (₱0.09). For the three months ended June 30, 2020, the Group's loss per share amounts to (₱0.06) which increased from (₱0.05) that of prior year.

Significant Disclosures

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No.929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed community quarantine. As a result, PAGCOR issued a memorandum dated March 15, 2020 to suspend all gaming operations in Metro Manila until the end of the community quarantine. On June 7, 2020, the hotel resumed its operations after receiving the approval from the Department of Tourism. The hotel catered to foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers. To ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors, the casino conducted dry run operations from June 16, 2020 to July 03, 2020, resumed last August 21, 2020 up to date operating at 30% capacity.

The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations. To address such condition, the Group implemented cost-saving measures to reduce its fixed and variable costs. The Group also continuously boosts its marketing efforts to increase foot traffic within the property, while closely working with PAGCOR for the resumption of its operations and exploring new business opportunities. In addition, the Group has revisited its refinancing options and has ongoing discussions with the bank and its creditors to amend the payment terms

There are no events that will trigger contingent financial obligation.

There are substantial commitments worth on capital expenditures.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events, or uncertainties which are reasonably expected to have a favorable or unfavorable impact from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

The Company is not aware of any seasonal aspects or known events or uncertainties which will have a material effect on the sales and overall financial condition or results of operations of the Company.

VI. Management's Discussion and Analysis of Financial Condition and Results of Operations of the Interim Financial Statements as of September 30, 2020 and 2019

The following discussion and analysis relate to the consolidated financial position and results of operation of MJC Investments Corporation and Subsidiary and should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and related notes as of and for the periods ended September 30, 2020 and 2019.

Discussion on Results of Operations

The following table shows a summary of results of the operations for the nine months ended September 30, 2020 and 2019:

	For the Nine months Ended		Amount Change	% Change
	September 30, 2020	September 30, 2019		
<i>Amount in Millions of Philippine peso except EPS</i>				
Revenue				
Revenue share in gaming operation	138.1	366.7	(228.6)	(62.3%)
Hotel	21.2	42.8	(21.6)	(50.5%)
Food and Beverage	15.8	62.5	(46.7)	(74.7%)
Bingo Operations	8.9	39.8	(30.9)	(77.6%)
Rental	9.8	17.6	(7.8)	(44.3%)
Other revenue	3.6	13.0	(9.4)	(72.3%)
	197.4	542.4	(345.0)	(63.6%)
Operating cost and expenses	(515.2)	(848.3)	333.1	(39.3%)
Operating loss	(317.8)	(305.9)	(11.9)	3.9%
Other income (expenses)				
Interest expense and other financing charges	(115.4)	(116.5)	1.1	(0.9%)
Interest income	0.1	0.3	(0.2)	(66.7%)
Miscellaneous income (expenses)	0.7	0.9	(0.2)	(22.2%)
	(114.6)	(115.3)	0.7	(0.6%)
Loss before income Tax	(432.4)	(421.2)	(11.2)	2.7%
Provision for income tax	-	(0.1)	0.1	(100.0%)
Net loss	(432.4)	(421.3)	(11.1)	2.6%
Other comprehensive income				
Actuarial Gains on retirement Liability	0.7	0.7	-	0.0%
Total comprehensive loss	(431.7)	(420.6)	(11.1)	2.6%
Basic/diluted loss per share	(0.136)	(0.133)	(0.003)	2.6%

Comparison of Operating Results for the Nine Months Ended September 30, 2020 and 2019

Revenue

Revenue includes revenue share in gaming operations, revenue from operation of hotel, food and beverages, bingo, rental and other revenue. Total revenue for the nine months ended September 30, 2020 and 2019 amounted to ₱ 197.4 million and ₱ 542.4 million, respectively.

The significant accounts that contributed to the decrease are as follows:

- Revenue share in gaming operations decreased by ₱228.6 million or 62.3% from ₱366.7 million in 2019 to ₱138.1 million in 2020. The decrease is due to the temporary suspension of casino operation (from second-half of March 2020 to June 2020) due to community lockdown.

Nine Months Ended			
Figures in (PHP' million)	September 30, 2020	September 30, 2019	%
VOLUME			
Table Drops	917.9	3,011.1	-69.5%
Slots Turnover	5,255.4	13,198.4	-60.2%
Total Volume	6,173.3	16,209.5	-61.9%

Nine Months Ended			
Average Capacity	September 30, 2020	September 30, 2019	%
Table	27	29	-6.9%
Slots	368	461	-20.2%

Nine Months Ended			
Average Win	September 30, 2020	September 30, 2019	%
Win/Table/Day	48,307	70,665	-31.6%
Win/Machine/Day	6,255	5,826	+7.4%

Overall gaming volume for the nine months of 2020 decreased by 61.9% from ₱16.2 billion last year to ₱6.2 billion this year. In line with the community lockdown, gaming operation was temporarily suspended since March 2020. However, last June 16, 2020 until July 03, 2020 the casino conducted dry run operations to ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors. On August 21, 2020, the casino resumed operations up to date operating at 30% capacity.

As of September 30, 2020, total number of gaming tables and slots machines were 30 and 545. But the company is allowed only to operate on limited capacity thus average number of operational gaming tables and slot machines were 27 and 368, as compared to 29 and 461 respectively for last year. Average win per table per day decreased by 31.6% from ₱70.7 thousand in 2019 to ₱48.3 thousand in 2020. Average win per slot machine per day increased by 7.4% from ₱5.8 thousand in 2019 to ₱6.3 thousand in 2020.

- Revenue from hotel rooms decreased by ₱21.6 million or 50.5% from ₱42.8 million in 2019 to ₱21.2 million in 2020. The decrease is due to the temporary suspension of hotel operation and limited guest allowed to stay during the pandemic.

Occupancy rate during the year declined by 30% from 83% in 2019 to 53% in 2020. Of the 128 rooms available each day, average occupied room per day is 68 rooms in 2020, which is lower than the 105 rooms in 2019.

As to date, the hotel is operating on limited capacity, caters foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers.

- Revenue from food and beverage decreased by ₱46.7 million or 74.7% from ₱62.5 million in 2019 to ₱15.8 million in 2020. The decrease is attributable to the cancelled corporate and other banquet events due to the pandemic.
- Revenue from bingo operations decreased by ₱30.9 million or 77.6% from ₱39.8 million in 2019 to ₱8.9 million in 2020. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020 up to date.
- Rental and other revenues decreased by ₱17.2 million or 56.2% from ₱30.6 million in 2019 to ₱13.4 million in 2020. The decrease is due to lower percentage rental because of temporary suspension of lessee's operation. The Group also grant rental holidays to lessees during the community lockdown.

Operating Costs and Expenses

Total operating costs and expenses for the nine months ended September 30, 2020 and 2019 amounted to ₱515.2 million and ₱848.3 million, respectively. The significant decrease in the total operating costs and expenses is due to fully depreciated assets this year, lower costs of food, beverages and tobacco, contract services, advertising and marketing expenses, salaries and wages, repairs and maintenance, reduced by higher taxes and other expenses.

The significant accounts that contributed to the decrease are:

- Depreciation and amortization decreased by a margin of ₱125.3 million or 37.1% from prior year's ₱338.0 million to ₱212.7 million this year. The decrease is mainly attributable to the fully depreciated computer equipment, software, kitchen utensils and art and decorations as of this quarter.
- Contracted services amounting to ₱24.6 million is lower by ₱43.0 million or 63.6% as compared to prior period's ₱67.6 million. The decrease is due to lower number of outsourced manpower because of temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Gaming fees amounting to ₱6.7 million is lower by ₱37.7 million or 84.9% as compared to prior period's ₱44.4 million. Gaming fees consist of the revenue share of PAGCOR in the Group's bingo revenue and the Group's subsidiary's manpower cost for its gaming operations. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020 up to date.

- Utilities decreased by a margin of ₱27.7 million or 39.1% from prior year's ₱70.8 million to ₱43.1 million this year. The decrease is due to lower consumption caused by the temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Cost of food, beverage and tobacco decreased by a margin of ₱21.6 million or 67.7% from prior year's ₱31.9 million to ₱10.3 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the quarter. This is also directly attributable to the decrease in revenue from food and beverage for the quarter due to temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Hotel room supplies and banquet expenses decreased by a margin of ₱18.4 million or 58.6% from prior year's ₱31.4 million to ₱13.0 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the of temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Salaries and wages decreased by a margin of ₱17.5 million or 26.9% from prior period's ₱65.1 million to ₱47.6 million this year. The decrease is due to reduced work days because of temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Security services decreased by ₱16.1 million or 52.1% from ₱30.9 million in 2019 to ₱14.8 million in 2020. The decrease is due to lower work days of security services because of temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Advertising and marketing expenses decreased by a margin of ₱9.4 million or 37.3% from prior year's ₱25.2 million to 15.8 million this year. The decrease is due to lower marketing promotions because of temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Entertainment expenses decreased by a margin of ₱7.9 million or 74.5% from prior year's ₱10.6 million to ₱2.7 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the temporary suspension of its gaming, hotel and other operations last second quarter; and limited allowable capacity to operate this third quarter.
- Repairs and maintenance decreased by ₱3.2 million or 9.7% from ₱33.1 million in 2019 to ₱29.9 million in 2020. The decrease is attributable to lower aircon maintenance charges granted by service provider due to the community lockdown.
- Taxes and licenses increased by ₱6.3 million or 25.7% from ₱24.5 million in 2019 to ₱30.8 million in 2020. The increase corresponds with the higher property taxes for the year.

Interest Expense and Other Financing Charges

Total interest expense amounting to ₱114.5 million is lower by ₱2.0 million or 1.7% as compared to prior period's ₱116.5 million. Interest expense decreased because the principal value of the loans payable diminished upon payments made during the period. Financing charges amounting to ₱0.9

million was recognized as the lender approved the extension of instalment payment of principal for some period.

Discussion on Results of Operations

The following table shows a summary of results of the operations for the three months ended September 30, 2020 and 2019:

	For the Three months Ended		Amount Change	% Change
	September 30, 2020	September 30, 2019		
<i>Amount in Millions of Philippine peso except EPS</i>				
Revenue				
Revenue share in gaming operation	19.0	137.1	(118.1)	(86.1%)
Hotel	5.9	12.5	(6.6)	(52.8%)
Food and Beverage	0.3	22.1	(21.8)	(98.6%)
Bingo Operations	-	15.7	(15.7)	(100.0%)
Rental	1.0	5.3	(4.3)	(81.1%)
Other revenue	0.5	4.4	(3.9)	(88.6%)
	26.7	197.1	(170.4)	(86.5%)
Operating cost and expenses	(141.3)	(285.4)	144.1	(50.5%)
Operating loss	(114.6)	(88.3)	(26.3)	29.8%
Other income (expenses)				
Interest expense	(38.2)	(36.3)	(1.9)	5.2%
Interest income	-	-	-	0.0%
Miscellaneous income (expenses)	0.2	0.2	-	0.0%
	(38.0)	(36.1)	1.9	5.3%
Loss before income Tax	(152.6)	(124.4)	(28.2)	22.7%
Provision for income tax	-	-	-	0.0%
Net loss	(152.6)	(124.4)	(28.2)	22.7%
Other comprehensive income				
Actuarial Gains on retirement Liability	0.2	0.2	-	0.0%
Total comprehensive loss	(152.4)	(124.2)	(28.2)	22.7%
Basic/diluted loss per share	(0.048)	(0.039)	0.009	22.7%

Comparison of Operating Results for the Three Months Ended September 30, 2020 and 2019

Revenue

Revenue includes revenue share in gaming operations, revenue from operation of hotel, food and beverages, bingo, rental and other revenue. Total revenue for the three months ended September 30, 2020 and 2019 amounted to ₱ 26.7 million and ₱ 197.1 million, respectively.

The significant accounts that contributed to the decrease are as follows:

- Revenue share in gaming operations decreased by ₱118.1 million or 86.1% from ₱137.1 million in 2019 to ₱19.0 million in 2020. The decrease is due to the limited capacity of casino operations due to community lockdown.

Third Quarter			
Figures in (PHP' million)	2020	2019	%
VOLUME			
Table Drops	105.2	1,149.1	-90.8%
Slots Turnover	584.6	4,917.4	-88.1%
Total Volume	689.8	6,066.5	-88.6%

Third Quarter			
Average Capacity	2020	2019	%
Table	22	32	-31.3%
Slots	170	492	-65.4%

Third Quarter			
Average Win	2020	2019	%
Win/Table/Day	15,796	67,964	-76.8%
Win/Machine/Day	4,709	6,081	-22.6%

Overall gaming volume for the third quarter of 2020 is lower by 98.5% from ₱6.1 billion last year compared to ₱689.8 million this year. In line with the community lockdown, gaming operation was temporarily suspended since March 2020. However, last June 16, 2020 until July 03, 2020 the casino conducted dry run operations to ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors. On August 21, 2020, the casino resumed operations up to date operating at 30% capacity.

As of September 30, 2020, total number of gaming tables and slots machines were 30 and 545. But the company is allowed only to operate on limited capacity thus average number of operational gaming tables and slot machines were 22 and 170, as compared to 32 and 492 respectively for last year. Average win per table per day decreased by 76.8% from ₱68.0 thousand in 2019 to ₱15.8 thousand in 2020. Average win per slot machine per day decreased by 22.6% from ₱6.1 thousand in 2019 to ₱4.7 thousand in 2020.

- Revenue from hotel rooms decreased by ₱6.6 million or 52.8% from ₱12.5 million in 2019 to ₱5.9 million in 2020. The decrease is due to the temporary suspension of hotel operation and limited guest allowed to stay during the pandemic.

Occupancy rate during the year declined by 50% from 80% in 2019 to 30% in 2020. Of the 128 rooms available each day, average occupied room per day is 38 rooms in 2020, which is lower than the 109 rooms in 2019.

As to date, the hotel is operating on limited capacity, caters only foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers.

- Revenue from food and beverage decreased by ₱21.8 million or 98.6% from ₱22.1 million in 2019 to ₱0.3 million in 2020. The decrease is due to the cancelled corporate and other banquet events due to community lockdown.
- No revenue from bingo operations were generated this quarter due to the temporary suspension of bingo operations last March 13, 2020 up to date.
- Rental and other revenues decreased by ₱8.2 million or 84.5% from ₱9.7 million in 2019 to ₱1.5 million in 2020. The decrease is due to lower percentage rental because of temporary suspension of lessee's operation. The Group also grant rental holidays to lessees during the community lockdown.

Operating Costs and Expenses

Total operating costs and expenses for the three months ended September 30, 2020 and 2019 amounted to ₱141.3 million and ₱285.4 million, respectively. The significant decrease in the total operating costs and expenses is due to fully depreciated assets this year, lower costs of food, beverages and tobacco, contract services, advertising and marketing expenses, salaries and wages, repairs and maintenance, reduced by higher taxes and other expenses.

The significant accounts that contributed to the decrease are:

- Depreciation and amortization decreased by a margin of ₱40.0 million or 36.3% from prior year's ₱110.2 million to ₱70.2 million this year. The decrease is mainly attributable to the fully depreciated computer equipment, software, kitchen utensils and art and decorations as of this quarter.
- Contracted services amounting to ₱2.1 million is lower by ₱20.5 million or 90.7% as compared to prior period's ₱22.6 million. The decrease is due to lower number of outsourced manpower because limited allowable capacity to operate this third quarter.
- Utilities decreased by a margin of ₱13.5 million or 54.7% from prior year's ₱24.7 million to ₱11.2 million this year. The decrease is due to lower consumption caused by the limited allowable capacity to operate this third quarter.
- Cost of food, beverage and tobacco decreased by a margin of ₱12.0 million or 89.6% from prior year's ₱13.4 million to ₱1.4 million in total this period. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the community lockdown or limited allowable capacity to operate this third quarter.
- Security services decreased by ₱11.1 million or 96.5% from ₱11.5 million in 2019 to ₱0.4 million in 2020. The decrease is due to lower work days of security services caused by the limited capacity of its gaming, hotel and other operations during the pandemic.
- Gaming fees amounting to ₱0.1 million is lower by ₱9.9 million or 99.0% as compared to prior period's ₱10.0 million. Gaming fees consist of the revenue share of PAGCOR in the Group's bingo revenue and the Group's subsidiary's manpower cost for its gaming operations. The decrease is attributable to the temporary suspension of bingo operations last March 13, 2020 up to date.

- Salaries and wages decreased by a margin of ₱9.5 million or 45.2% from prior period's ₱21.0 million to ₱11.5 million this year. The decrease is due to reduced work days caused by the limited capacity of its hotel and other operations during the community lockdown.
- Hotel room supplies and banquet expenses decreased by a margin of ₱8.8 million or 82.2% from prior year's ₱10.7 million to ₱1.9 million in total this year. The decrease is due to the lower number of guests in hotel, casino, concert, banquet and bingo events throughout the period caused by the community lockdown or limited allowable capacity to operate this third quarter.
- Advertising and marketing expenses decreased by a margin of ₱3.8 million or 42.7% from prior year's ₱8.9 million to ₱5.1 million this year. The decrease is due to lower marketing promotions caused by the community lockdown or limited allowable capacity to operate this third quarter.
- Repairs and maintenance decreased by ₱3.6 million or 30.8% from ₱11.7 million in 2019 to ₱8.1 million in 2020. The decrease is attributable to lower aircon maintenance charges granted by service provider due to the community lockdown or limited allowable capacity to operate this third quarter.
- No entertainment expenses were incurred this quarter due to the cancellation of concert and other events caused by the community lockdown. Entertainment expenses incurred from prior year of the same period amounted to ₱3.1 million.
- Taxes and licenses increased by ₱2.2 million or 26.8% from ₱8.2 million in 2019 to ₱10.4 million in 2020. The increase corresponds with the higher property taxes for the year.

Interest Expense

Total interest expense amounting to ₱38.2 million is higher by ₱1.9 million or 5.2% as compared to prior period's ₱36.4 million. Interest expense increased because the repayment of principal value of the loans payable were delayed through debt restructuring.

Analysis of Statements of Financial Position

	For the Period Ended		Amount Change	% Change
	September 30, 2020 <i>(Unaudited)</i>	December 31, 2019 <i>(Audited)</i>		
<i>Amount in Millions of Philippine peso</i>				
Assets				
Cash and cash equivalents	30.1	41.8	(11.7)	(28.0%)
Receivables	195.6	238.2	(42.6)	(17.9%)
Inventories	23.9	25.2	(1.3)	(5.2%)
Current portion of input value added tax (VA	30.4	16.8	13.6	81.0%
Prepayments and other current assets	129.4	175.5	(46.1)	(26.3%)
Property and equipment	3,825.9	4,002.1	(176.2)	(4.4%)
Investment Property	752.0	774.4	(22.4)	(2.9%)
Input VAT- net of current portion	421.9	418.6	3.3	0.8%
Other noncurrent asset	386.2	404.3	(18.1)	(4.5%)
Total Assets	5,795.4	6,096.9	(301.5)	(4.9%)
Liabilities				
Accounts payable and other current				
Liabilities	578.8	502.9	75.9	15.1%
Retention payable	7.9	8.8	(0.9)	(10.2%)
Interest payable	10.8	13.6	(2.8)	(20.6%)
Contract Liabilities	16.6	15.9	0.7	4.4%
Advances from Stockholders	447.7	345.2	102.5	29.7%
Loans payable	2,292.8	2,337.7	(44.9)	(1.9%)
Deposit for future subscription	2,426.5	2,426.5	-	0.0%
Other noncurrent liabilities	47.7	47.9	(0.2)	(0.4%)
Total Liabilities	5,828.8	5,698.5	130.3	2.3%
Equity				
Capital stock	3,174.4	3,174.4	-	0.0%
Deficit	(3,208.8)	(2,776.3)	(432.5)	15.6%
Actual gains on retirement liability	1.0	0.3	0.7	233.3%
Total Equity	(33.4)	398.4	(431.8)	(108.4%)
Total Liabilities and Equity	5,795.4	6,096.9	(301.5)	(4.9%)

Discussion on some Significant Change in Financial Condition as of September 30, 2020 and December 31, 2019

Total assets amounted to ₱5,795.4 million as of September 30, 2020, which decreased by ₱301.5 million or 4.9% from ₱6,096.9 million as of December 31, 2019.

1. For the period ended September 30, 2020, cash and cash equivalents amounting to ₱30.1 million, decreased by ₱11.7 million or 28% from ₱41.8 million in 2019 due to the following:

- a) In 2020, net cash flows from operating activities amounting to ₱44.0 million, which resulted from the difference in revenue generated during the period amounting to ₱197.4 million, cash operating expenses amounting to ₱301.2 million, and changes in the working capital amounting to ₱147.8 million.

Cash operating expense in 2020 mainly pertains to salaries and wages (₱47.6 million), utilities expenses (₱43.1 million), repairs and maintenance (₱29.9 million), contracted services (₱24.6 million), security services (₱14.8 million), advertising expenses (₱15.8 million), hotel and room supplies (₱8.8 million), gaming fees (₱6.7 million), among others.

- b) Net cash flows from investing activities amounting to ₱4.1 million comprise mainly of amortization of non-current portion of receivable arising from its permit to operate (PTO) related to gaming equipment amounting to ₱18.9 million and amortization of long-term deposit amounting to ₱0.7 million reduced by acquisition of property, plant and equipment amounting to ₱15.5 million.
 - c) Net cash flows used in financing activities amounting to ₱59.8 million comprise mainly of the payment of principal and interest of its loan payable amounting to ₱162.5 million reduced by the receipt of advances from stockholders amounting to ₱102.7 million.
2. Receivable decreased by ₱42.6 million or 17.9% from ₱238.2 million in 2019 to ₱195.6 million in 2020. The decrease is primarily due to the decrease in receivable from PAGCOR amounting to ₱37.1 million reduced by the increase in receivable arising from PTO related to gaming equipment amounting to ₱1.9 million. There is also a decrease in trade receivables from non related parties amounting to ₱8.1 million.
 3. Inventories decreased by ₱1.3 million or 5.2% from ₱25.2 million in 2019 to ₱23.9 million in 2020. The decrease is mainly attributable to the consumption of operating supplies amounting to ₱22.7 million reduced by the additional purchases made amounting to ₱21.4 million to sustain daily operations of hotel and casino.
 4. Prepayments and other current assets decreased by ₱46.1 million or 26.3% from ₱175.5 million in 2019 to ₱129.5 million in 2020. The decrease is mainly due to the payment of loan interest from the debt service reserve account amounting to ₱50.7 million reduced by the payment of insurance renewal amounting to ₱2.6 million during the period.
 5. The decrease in property and equipment of ₱176.2 million or 4.4% from ₱4.0 billion in 2019 to ₱3.8 billion in 2020 is mainly due to the recorded depreciation expense amounting to ₱189.8 million. In addition, the Group acquired additional property and equipment amounting to ₱13.6 million in 2020.
 6. Investment property of ₱752.0 million decreased by ₱22.4 million or 2.9% from ₱774.4 million in 2019 due to the recorded depreciation expense for the year.

7. Other noncurrent assets decreased by ₱18.1 million or 4.5% from ₱404.3 million in 2019 to ₱386.2 million in 2020. The decrease is mainly due to the decrease in the non-current portion of receivable arising from PTO related to gaming equipment amounting to ₱18.7 million and depreciation of operating equipment amounting to ₱0.5 million. These was reduced by the additional acquisition of operating equipment amounting to ₱1.8 million.
8. Accounts payable and other current liabilities increased by ₱75.9 million or 15.1% from ₱502.9 million in 2019 to ₱578.8 million in 2020. The increase is mainly due to the unpaid billings and accrued expenses from various contractors and suppliers in 2020.
9. Retention payable decreased by 10.2% due to completion of the Group's projects during the year and payment of the Group amounting to ₱0.9 million.
10. Loans payable decreased by ₱44.9 million or 1.9% from ₱2,337.7 million in 2019 to ₱2,292.8 million in 2020. The decrease is due to the partial payment of the principal amount amounting to ₱47.1 million and the accretion of interest amounting to ₱2.2 million.
11. Advances from stockholders increased by ₱102.5 million or 29.7% from ₱345.2 million in 2019 to ₱447.7 million in 2020 due to the receipt of additional advances during the period.

Key Performance Indicators

The following are the comparative key performance indicators of the Corporation and the manner of its computation for the three months and nine months ended September 30, 2020 and 2019:

Indicators	Manner of Computation	For the three months ended September 30		For the nine months ended September 30	
		2020	2019	2020	2019
Current ratio	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	0.58:1	0.28:1	0.58:1	0.28:1
Debt-to-Equity Ratio	$\frac{\text{Total Liabilities}}{\text{Total Equities}}$	1.42:1	1.01:1	1.42:1	1.01:1
Asset Liability Ratio	$\frac{\text{Total Assets}}{\text{Total Liabilities}}$	0.99:1	1.11:1	0.99:1	1.11:1
Return on Assets	$\frac{\text{Net Income (Loss)}}{\text{Total Assets}}$	(3%)	(2%)	(7%)	(7%)
Basic Earnings (losses per share)	$\frac{\text{Net Income (Loss)}}{\text{Outstanding Common Shares}}$	(₱0.05)	(₱0.04)	(₱0.14)	(₱0.13)

Current ratio is regarded as a measure of the Group's liquidity or its ability to meet maturing obligations. For the nine months ended September 30, 2020, the current ratio is 0.58:1 compared to 0.28:1 of the prior year. The outstanding liabilities in 2020 mostly consist of balances of payables to contractors and suppliers for the services and/or goods provided for the Group's day-to-day operations; accruals pertaining to payroll, employee benefits, utilities, travel and transportation, meeting and conferences, security service fees, professional fees and others wherein billings/settlements thereof are expected to be provided/resolved in the next financial year; and the current portion of loans arrangement with local banks. The Group has ₱0.58 current assets to support every ₱1.00 of their current liabilities.

The debt to equity ratio measures the riskiness of the Group's capital structure in terms of relationship between funds supplied to creditors (debt) and investors (equity). For the nine months ended September 30, 2020, the debt to equity ratio has increased by 0.41 from 1.01 of 2019 to 1.42 of 2020.

The asset-liability ratio, exhibits the relationship of the total assets of the Group with its total liabilities. For the nine months ended September 30, 2020, the asset-liability ratio is 0.99:1 from 1.11:1 as of that of September 30, 2019. The ratio indicates that the Group has ₱0.99 of assets to satisfy every ₱1.00 of liability to creditors/suppliers through asset facilitation. Moreover, the effect of high assets to liabilities ratio indicates that the Group can still take additional financing through credit arrangements with banks and financial institutions.

Return on assets allowed the Group to see how much income (loss) generates per peso asset. For the nine months ended September 30, 2020 and 2019, the return on assets is both negative 7%. For the three months ended September 30, 2020 and 2019, the return on assets is negative 3% and 2%, respectively.

For the nine months ended September 30, 2020 and 2019, the Group's loss per share amounts to (₱ 0.14) and (₱0.13), respectively. For the three months ended September 30, 2020, the Group's loss per share amounts to (₱0.05) which increased from (₱0.04) that of prior year.

Significant Disclosures

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No.929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed community quarantine. As a result, PAGCOR issued a memorandum dated March 15, 2020 to suspend all gaming operations in Metro Manila until the end of the community quarantine. On June 7, 2020, the hotel resumed its operations after receiving the approval from the Department of Tourism. The hotel catered to foreign guests who are staying temporarily in the Philippines, long staying guests, overseas Filipino workers, government employees and health care workers. To ensure that systems that were shut down during the Enhanced Community Quarantine operate properly, as well as to test and address the system capabilities after the reconfiguration of the casino floors, the casino conducted dry run operations from June 16, 2020 to July 03, 2020, resumed last August 21, 2020 up to date operating at 30% capacity.

The Group's ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its maturing obligations. To address such condition, the Group implemented cost-saving measures to reduce its fixed and variable costs. The Group also continuously boosts its marketing efforts to increase foot traffic within the property, while closely working with PAGCOR for the resumption of its operations and exploring new business opportunities. In addition, the Group has revisited its refinancing options and has ongoing discussions with the bank and its creditors to amend the payment terms

There are no events that will trigger contingent financial obligation.

There are substantial commitments worth on capital expenditures.

There are no material-off balance sheet transactions, arrangements, obligations and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, events, or uncertainties which are reasonably expected to have a favorable or unfavorable impact from continuing operations.

There are no significant elements of income or loss that did not arise from the Company's continuing operations.

The Company is not aware of any seasonal aspects or known events or uncertainties which will have a material effect on the sales and overall financial condition or results of operations of the Company.

VII. BUSINESS AND GENERAL INFORMATION

ITEM 1. BUSINESS

Description of Business

1) Business Development

- a) The Corporation is a publicly listed company that was incorporated with the Philippine Securities and Exchange Commission ("SEC") on 15 July 1995 as Palawan Consolidated Mining Company Inc. On 12 February 1997, the SEC approved the change in corporate name from Palawan Consolidated Mining Company Inc. to EBECOM Holdings, Inc. On 25 September 2003, the SEC approved another change in corporate name to ARIES Prime Resources Inc. On 15 October 2009, the corporate name was further changed to MJC Investments Corporation ("MJIC") [PSE: MJIC].

On 15 August 2012, SEC approved the increase in the authorized capital stock of the Corporation from Four Hundred Million Pesos (P400,000,000.00) to One Billion Five Million Pesos (P1,500,000,000.00) and the corresponding amendment to the Corporation's Articles of Incorporation as evidenced by the Certificate of Filing of Amended Articles of Incorporation (Amending Article VII thereof) and the Certificate of Approval of Increase of Capital Stock dated 15 August 2012 issued by the SEC on even date.

The increase in authorized capital stock was needed to accommodate the entry of new investors and new capital needed by the Corporation to build its first tourism project, i.e., a hotel, entertainment and tourism hub (the "Hotel Project"), to be located in San Lazaro Tourism and Business Park ("SLTBP") in Santa Cruz, Manila. Thus, on 24 October 2012, the Board of Directors of the Corporation authorized the Corporation to proceed to negotiate and accept new investments.

On 17 January 2013, the Board of Directors of the Corporation accepted the offer of a group of Hong Kong investors headed by Mr. Teik Seng Cheah, through their Philippine corporations, to subscribe to 450,000,000 shares of the Corporation's common shares with a lock-up period of two (2) years. Mr. Teik Seng Cheah is a Hong Kong-based investment banker and sits in the Board of various private equity companies in Hong Kong, China and Malaysia.

On 10 August 2015, the SEC approved the change of name of the Corporation to MJC Investments Corporation doing business under the name and style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino.

The total consideration for the subscription to 450,000,000 common shares of the Corporation is P450,000,000.00. The Investors paid the whole amount of their respective subscriptions in cash totaling to P450,000,000.00 upon the execution of their respective Subscription Agreements.

On 26 June 2013, during the annual stockholders meeting where 94% of the outstanding capital stock were present and/or represented by proxy, the stockholders (including the majority of the minority stockholders) unanimously approved the following:

1. Equity infusion by way of subscription to 450,000,000 primary shares of the Corporation by the group of investors headed by Mr. Teik Seng Cheah (Please note that this refers to the subscription made by the Strategic investors on 17 January 2013);
2. Additional equity infusion by way of subscription to primary shares by the group of investors headed by Mr. Teik Seng Cheah and other interested stockholders and related parties should the need arises under the Corporation's capital build-up program to have additional funds for the completion of the hotel and entertainment project at the SLTBP.

On 11 July 2013, the Board of Directors of the Corporation accepted the offer of the same group of Strategic Investors headed by Mr. Teik Seng Cheah, through their Philippine corporations, to subscribe to additional 875,000,000 shares of the Corporation's common shares with a lock-up period of two (2) years. The total consideration for the subscription to 875,000,000 common shares of the Corporation is P875,000,000.00.

The subscriptions to the 875,000,000 shares were made by the Strategic Investors on 3 October 2015. Additional subscription from non-related parties of 189,513,013 common shares was also made on the same day. All subscriptions made on this day were paid in cash.

None of the existing directors and controlling shareholders, and none of the officers or directors of the existing controlling corporate shareholders invested in the aforesaid 875,000,000 shares issued to the group led by Mr. Teik Seng Cheah.

On 23 September 2013, the SEC approved the Corporation's increase in authorized capital stock from One Billion Five Hundred Million Pesos (P1,500,000,000.00) to Five Billion Pesos (P5,000,000,000.00) and the corresponding amendment to the Corporation's Articles of Incorporation as evidenced by the Certificate of Filing of Amended Articles of Incorporation (Amending Article VII thereof) and the Certificate of Approval of Increase of Capital Stock dated 23 September 2013 issued by the SEC on even date.

On 14 January 2015, the group of Strategic Investors subscribed to additional 673,791,662 common shares. All subscriptions made on this day were paid in cash.

As of 31 December 2015, the Corporation has an outstanding capital stock of P3,174,405,821 out of the P5 billion authorized capital stock. The Manila Jockey Club, Inc. is the single biggest investor of the Corporation owning 22.31% of the shares of stock.

The Corporation has utilized the equity infusion by its stockholders for the construction of the Winford Hotel and Casino on a 0.75-hectare property in Sta. Cruz, Manila. The complex has a 21-storey hotel tower and an entertainment center consisting of 5,000 square meters with

parking spaces for 900 cars. The hotel will have 128 world class internationally-designed rooms with a grand ballroom, swimming pool and roof deck with helipad. The formal inauguration of the complex will be on April 21, 2017

The registered office address of the Company is Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila.

- b) The Corporation is not involved in any bankruptcy, receivership or similar proceedings.
 - c) No material reclassifications, merger, consolidation, or purchase or sale of significant amount of assets not in the ordinary course of business occurred during the calendar year ending December 31, 2019.
- 2) Business of Issuer

As provided for in its Amended Articles of Incorporation, the Corporation is formed primarily “to acquire by purchase, lease, or otherwise, lands or interest in lands and realty, and to own, hold, improve, develop said land or lands or real estate so acquired, and to build or cause to be built on any lands owned, held, occupied, or acquired, buildings, facilities, and other structures with their appurtenances, for residential, commercial, mixed-use, leisure, gaming, amusement, and entertainment purposes, and to rebuild, enlarge, alter, improve, or remodel any building or other structures now or hereafter erected on any lands or real estate so owned, held, or occupied, and to manage and operate, or otherwise dispose of any lands or real estate or interests in lands or real estates and in buildings and other structures at anytime owned or held by the corporation.”

ITEM 2. PROPERTIES

The Company acquired from Manila Jockey Club, Inc. a 7,510 square meters lot in Sta. Cruz, Manila where the Hotel and Entertainment Complex was constructed. On 6 January 2016, the company held the ceremonial opening of the ground floor gaming and entertainment of Winford Hotel located within the San Lazaro Tourism and Business Park in Sta. Cruz Manila. On 21 April 2017, the Company held the grand opening of the Winford Hotel and Casino, a five-star hotel with casino in the heart of Metro Manila in Greater Chinatown. The hotel consists of 128 internationally designed deluxe hotel rooms with a grand ballroom, swimming pool, gym and spa, coffee shop and dining area, retail outlets and a seven-level parking structure, among other amenities and services.

ITEM 3. LEGAL PROCEEDINGS

There are no legal proceedings involving the Corporation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Except for the matters taken up during the last annual meeting of the stockholders covered by the Corporation’s Information Statement, no matter was submitted to a vote of security holders through solicitation of proxies or otherwise during the calendar year covered by this report.

VIII. COMPANY'S DIRECTORS AND EXECUTIVE OFFICERS

Please refer to the Information Statement for the discussion of the identity of each of the Company's Board of Directors and Executive Officers including their principal occupation or employment, name and principal business of any organization by which such persons are employed.

IX. MARKET FOR ISSUER'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

1. Market Information

MJIC common shares are listed in the Philippine Stock Exchange (PSE). The high and low market prices of MJIC shares for each quarter of the past two calendar years, as reported by the PSE, are shown below:

Quarter Period	CY 2020		CY 2019		CY 2018	
	High	Low	High	Low	High	Low
1st Quarter	2.56	2.56	3.39	2.57	3.69	3.25
2nd Quarter	2.10	1.48	3.39	2.72	3.69	3.36
3rd Quarter	2.79	1.68	2.89	2.61	3.73	3.32
4th Quarter	-	-	2.60	2.60	3.50	2.56

Source: Philippine Stock Exchange, Inc.

As of the latest practicable trading date, 05 November 2020, the closing price of the Corporation's common shares in the PSE is at PhP 1.85 per share.

2. Holders

As of October 30, 2020, there are approximately **433** holders of the common shares of the Corporation. The Corporation has no other class of shares.

The list of the top twenty (20) stockholders of the Corporation as recorded by Stock Transfer Service Inc. (STSI), the Corporation's stock transfer agent, is as follows:

Top Twenty Stockholders As of 30 October 2020

	Name	No. of Shares	% of Shareholdings
1.	PCD NOMINEE CORPORATION (Filipino)	2,285,210,568	71.99%
2.	ONE WISTERIA LOOP HOLDINGS, INC.	63,892,500	2.01%
3.	ORCHARDSTAR HOLDINGS, INC..	61,285,000	1.93%
4.	MULBERRY ORCHID HOLDINGS INC.	61,285,000	1.93%
5.	FLYING HERON HOLDINGS, INC.	61,285,000	1.93%
6.	BELLTOWER LAKES HOLDINGS, INC.	61,285,000	1.93%
7.	BRANFORD RIDGE HOLDINGS, INC.	61,285,000	1.93%
8.	CHERRYGROVE HOLDINGS, INC.	61,285,000	1.93%
9.	EAST BONHAM HOLDINGS, INC.	61,285,000	1.93%
10.	PURPLE CASSADY HOLDINGS INC.	61,285,000	1.93%
11.	SAVILE ROW HOLDINGS INC.	61,285,000	1.93%
12.	BELGRAVE SQUARE HOLDINGS INC.	53,471,250	1.68%
13.	EVERDEEN SANDS HOLDINGS INC.	53,471,250	1.68%
14.	FAIRBROOKS HOLDINGS INC.	53,471,250	1.68%

	Name	No. of Shares	% of Shareholdings
15.	MONTBRECIA PLACE HOLDINGS INC.	53,471,250	1.68%
16.	PEPPERBERRY VISTA HOLDINGS INC.	53,471,250	1.68%
17.	ALFONSO R. REYNO, JR.	12,137,704	0.38%
18.	PALOS VERDES REALTY CORP.	446,300	0.01%
19.	TAN, JALANE CHRISTIE	215,698	0.01%
20.	EBE CAPITAL HOLDINGS, INC.	200,000	0.01%

3. Dividends

No cash dividends were declared for the three (3) most recent fiscal years. The lack of sufficient retained earnings limits the ability of the Corporation to declare and pay dividends.

4. Recent Sales of Unregistered Securities

There are no other securities sold by the Corporation within the past three (3) years which were not registered under the Securities Regulation Code (SRC).

X. CORPORATE GOVERNANCE

(a) Evaluation System to Measure Compliance with Revised Manual of Corporate Governance

The Company evaluates compliance with the Code of Corporate Governance for Publicly-Listed Companies ("CG Code") using the Integrated Annual Corporate Governance Report ("I-ACGR").

(b) Measures Being Undertaken to Fully Comply with Leading Practices on Good Corporate Governance

The Company exerts its best efforts to comply with the provisions of the CG Code and its Revised Manual on Corporate Governance (the "Manual"). The directors and key officers of the Company attend the Corporate Governance Seminar mandated by the SEC.

(c) Deviation from the Corporation's Manual of Corporate Governance

There has been no known deviation from the Company's Revised Manual on Corporate Governance.

(d) Plan to Improve Corporate Governance

The Company shall continue to exert its best efforts to comply with the provisions embodied in the CG Code and its Manual. It shall also endeavor to address the recommendations of the I-ACGR said Manual.

THE ANNUAL REPORT FOR YEAR ENDED 31 DECEMBER 2019 (SEC FORM 17-A) AND THE QUARTERLY REPORT FOR THE FIRST, SECOND AND THIRD QUARTERS OF 2020 (SEC FORM 17-Q) ARE AVAILABLE AT THE COMPANY'S WEBSITE (WWW.MJCINVESTMENTSCORP.COM) OR UPON THE WRITTEN REQUEST OF THE STOCKHOLDERS ADDRESSED TO THE OFFICE OF THE CORPORATE SECRETARY OF MJC INVESTMENTS CORPORATION, AT 12TH FLOOR, STRATA 100 BUILDING, F. ORTIGAS, JR. ROAD, ORTIGAS CENTER, PASIG CITY.

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SECRETARY'S CERTIFICATE

I, **FERDINAND A. DOMINGO**, of legal age, Filipino, and with office address at 12th Floor, Strata 100 Bldg., F. Ortigas Jr. Road, Ortigas Center, Pasig City, after having been sworn in accordance with law, hereby certify that:

1. I am the duly elected and incumbent Corporate Secretary of **MJC INVESTMENTS CORPORATION (Doing Business Under the Name and Style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino (the "Corporation"))**, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippine, with principal office address at Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila.

2. On 14 October 2020, the Board of Directors of the Corporation approved the following resolutions:

"RESOLVED, AS IT IS HEREBY RESOLVED, that the Corporation hereby authorizes and approves (i) the conduct of the 2020 Annual Stockholders' Meeting (the "2020 ASM") via remote communication, (ii) the participation by the stockholders in the 2020 ASM via remote communication, and (iii) voting in the 2020 ASM by the stockholders *in absentia* or by proxy;

"RESOLVED, FURTHER, that the Corporation hereby delegates to Management the approval of the procedures for the 2020 ASM via remote communications."

3. The foregoing resolutions have not been amended nor rescinded, are still in force and effect, and are in accordance with the records of the Corporation.

IN WITNESS WHEREOF, this Certification is signed this 20 OCT 2020 at Pasig City.

Ferdinand A. Domingo
FERDINAND A. DOMINGO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 20 OCT 2020 in Pasig City, affiant exhibiting to me his TIN 145-006-236.

Doc. No. 461 ;
Page No. 02 ;
Book No. 08 ;
Series of 2020.

Chino Paolo Z. Roxas
CHINO PAOLO Z. ROXAS
NOTARY PUBLIC
APPOINTMENT NO. 88 (2020-2021)
DECEMBER 31, 2021
PTR NO. 6440484/1-7-2020/PASIG
IBP NO. 105410/1-7-2020/MAKATI
CITIES OF PASIG SAN JUAN AND PATEROS
ROLL OF ATTORNEY NO. 57018

REPUBLIC OF THE PHILIPPINES)
PASIG CITY) S.S.

SECRETARY'S CERTIFICATE

I, **FERDINAND A. DOMINGO**, of legal age, Filipino, and with office address at 12th Floor, Strata 100 Bldg., F. Ortigas Jr. Road, Ortigas Center, Pasig City, after having been sworn in accordance with law, hereby certify that:

1. I am the duly elected and incumbent Corporate Secretary of **MJC INVESTMENTS CORPORATION (Doing Business Under the Name and Style of Winford Leisure and Entertainment Complex and Winford Hotel and Casino)** (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippine, with principal office address at Winford Hotel and Casino, MJC Drive, Sta. Cruz, Manila.

2. As of date of this Certification, none of the Directors and Officers of the Corporation is connected with any government agencies and or its instrumentalities.

3. This Certification is issued in connection with the requirements of the Securities and Exchange Commission, in connection with the Corporation's Information Statement (SEC Form 20-IS) for year 2020.

20 OCT 2020 IN WITNESS WHEREOF, this Certification is signed this
at Pasig City.

Ferdinand A. Domingo
FERDINAND A. DOMINGO
Corporate Secretary

SUBSCRIBED AND SWORN to before me this 20 OCT 2020
in Pasig City, affiant exhibiting to me his TIN 145-006-236.

Doc. No. 463 ;
Page No. 93 ;
Book No. 471 ;
Series of 2020.

Chino Paolo Z. Roxas
CHINO PAOLO Z. ROXAS
NOTARY PUBLIC
APPOINTMENT NO. 88 (2020-2021)
DECEMBER 31, 2021
PTR NO. 6440484/1-7-2020/PASIG
IBP NO. 105410/1-7-2020/MAKATI
CITIES OF PASIG SAN JUAN AND PATEROS
ROLL OF ATTORNEY NO. 57018

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **ADAN T. DELAMIDE**, Filipino, of legal age and a resident of 2303 Tower 1, The Entrata Urban Complex, Civic Drive, Filinvest Corporate City, Alabang, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **MJC Investments Corporation** and have been its independent director since 22 May 2020.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Solutions Foundry, Inc.	Director and Corporate Secretary	2016 to present
Elite Sales Force International, Inc.	Director	2017 to present
Mindteck Solutions Philippines, Inc.	Director and Corporate Secretary	2016 to present
Feilo Sylvania Philippines, Inc.	Corporate Secretary	2017 to present
Oculus Digital Info Tech Corporation	Director	2018 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **MJC Investments Corporation**, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am related to the following director/officer/substantial shareholder of (covered company and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the Securities Regulation Code. (where applicable)

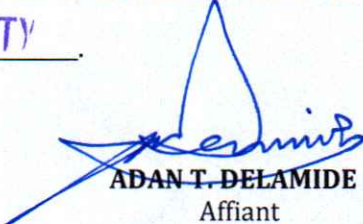
NAME OF DIRECTOR/OFFICER/SUBSTANTIAL SHAREHOLDER	COMPANY	NATURE OF RELATIONSHIP
N/A	N/A	N/A

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding / I disclose that I am the subject of the following criminal/administrative investigation or proceeding (as the case may be):

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
N/A	N/A	N/A

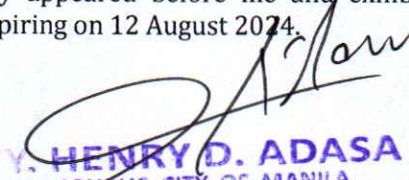
6. (For those in government service/affiliated with a government agency or GOCC) I have the required permission from the (head of the agency/department) to be an Independent Director in MJC Investments Corporation, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.
7. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
8. I shall inform the Corporate Secretary of MJC Investments Corporation of any changes in the abovementioned information within five days from its occurrence.

Done, this 19th day of October, 2020 at PASAY CITY.


ADAN T. DELAMIDE
 Affiant

PASAY CITY **SUBSCRIBED AND SWORN** to before me this 21 day of OCT 2020 at PASAY CITY, affiant personally appeared before me and exhibited to me his Driver's License with No. N02-11-006703 expiring on 12 August 2024.

Doc. No. 14;
 Page No. 30;
 Book No. 11;
 Series of 2020.


ATTY. HENRY D. ADASA
 NOTARY PUBLIC CITY OF MANILA
 UNTIL DECEMBER 31, 2020
 NOTARIAL COMMISSION 2020-097 MLA
 IBP NO. 100920 - 01/03/2020, PASIG
 PTR NO. 9124087 - 01/03/2020 MLA
 ROLL NO. 29670, TIN: 272-528-620
 (31) MCLE COMPL. NO. VII-0000165
 URBAN DECA HOME MANILA, B-2, UNIT 355

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **VICTOR P. LAZATIN**, Filipino, of legal age and a resident of No. 237 West Batangas Street, Ayala Alabang Village, Muntinlupa City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for Independent Director of MJC INVESTMENTS CORPORATION ("MIC") and have been its Independent Director since 2009.
2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company	Position/Relationship	Period of Service
1. Timog Silangan Development Corp.	Chairman	1978 - present
2. Trillan Services, Inc.	Chairman	2009 - present
3. Davinelle Provident Lands, Inc.	Chairman	1986 - present
4. Anvidan Realty Inc.	Chairman	2015 - present
5. ACCRA Investment Corp.	Director	2007 - present
6. WWW Express Corporation	Director/ Corporate Secretary	2003 - present
7. Kenram Industrial Development, Inc.	Director	2009 - present
8. Kenram Palmoil Plantations, Inc.	Chairman/Director	2019 - present
9. SPC Power Corporation	Corporate Secretary	2020


3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of MJC Investments Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations and other SEC issuances.
4. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
5. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
6. I shall inform the Corporate Secretary of MJC Investments Corporation of any changes in the abovementioned within five (5) days from its occurrence.

DONE this day of 21 OCT 2020 2020 at Pasig City.


VICTOR P. LAZATIN
Affiant

SUBSCRIBED AND SWORN to before me this day of 21 OCT 2020 at Pasig City, affiant personally appeared before me and exhibited to me his Tax Identification No. 125-673-098 issued in the Philippines.

Doc. No. 464 ;
Page No. 93 ;
Book No. 111 ;
Series of 2020.


CHINO PAOLO Z. ROXAS
NOTARY PUBLIC

APPOINTMENT NO. 88 (2020-2021)
DECEMBER 31, 2021

PTR NO. 6440484/1-7-2020/PASIG
IBP NO. 105410/1-7-2020/MAKATI
CITIES OF PASIG SAN JUAN AND PATEROS
ROLL OF ATTORNEY NO. 57018