CR02913-2017

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended

   Mar 31, 2017

2. SEC Identification Number

   AS093-009289

3. BIR Tax Identification No.

   003-457-827

4. Exact name of issuer as specified in its charter

   Premium Leisure Corp.

5. Province, country or other jurisdiction of incorporation or organization

   Philippines

6. Industry Classification Code(SEC Use Only)

7. Address of principal office

   5/F Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City
   Postal Code
   1300

8. Issuer's telephone number, including area code

   02-6628888

9. Former name or former address, and former fiscal year, if changed since last report

   n.a.

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, Php0.25 par value	31,627,310,000

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

   ☑ Yes ☐ No

   If yes, state the name of such stock exchange and the classes of securities listed therein:

   The Philippine Stock Exchange, Inc.

12. Indicate by check mark whether the registrant:

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

☑ Yes ☐ No

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

☑ Yes ☐ No

Premium Leisure Corp. PLC

PSE Disclosure Form 17-2 - Quarterly Report

References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Mar 31, 2017
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2017	Dec 31, 2016
Current Assets	3,837,019,141	3,965,117,557
Total Assets	16,662,575,320	16,907,792,772
Current Liabilities	824,479,670	635,296,726
Total Liabilities	897,681,158	719,490,634
Retained Earnings/(Deficit)	272,616,620	727,181,017
Stockholders' Equity	15,764,894,162	16,188,302,138
Stockholders' Equity - Parent	15,035,523,072	15,357,859,752
Book Value per Share	0.47	0.48

Income Statement

	Current Year-To-Date	Previous Year-To-Date	Current Year (3 Months)	Previous Year (3 Months)
Operating Revenue	1,261,960,905	783,371,676	1,261,960,905	783,371,676
Other Revenue	5,012,813	16,855,364	5,012,813	16,855,364
Gross Revenue	1,266,973,718	800,227,040	1,266,973,718	800,227,040
Operating Expense	711,750,247	548,958,977	711,750,247	548,958,977
Other Expense	0	0	0	0
Gross Expense	711,750,247	548,958,977	711,750,247	548,958,977
Net Income/(Loss) Before Tax	555,223,471	251,268,063	555,223,471	251,268,063
Income Tax Expense	53,488,156	87,310,538	53,488,156	87,310,538
Net Income/(Loss) After Tax	501,735,315	163,957,525	501,735,315	163,957,525
Net Income Attributable to Parent Equity Holder	424,963,466	122,127,999	424,963,466	122,127,999
Earnings/(Loss) Per Share (Basic)	0.01	0	0.01	0
Earnings/(Loss) Per Share (Diluted)	0.01	0	0.01	0

Other Relevant Information
n.a.

Filed on behalf by:

Name	Elizabeth Tan
Designation	Manager-Governance & Corp. Affairs/Investor Relations

C O V E R   S H E E T

A S 0 9 3 0 0 9 2 8 9

S.E.C. Registration Number

P R E M I U M L E I S U R E C O R P A N D S U B S I -
D I A R I E S

(Company's Full Name)

5 t h F l o o r , T o w e r A , T w o E - C o m
C e n t e r , P a l m C o a s t A v e n u e , M a l l
o f A s i a C o m p l e x , C B P - 1 A , P a s a y
C i t y

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

JACKSON T. ONGSIP

Contact Person

(632) 662-8888

Company Telephone Number

1 2 3 1

Month Day

1 7 - Q

FORM TYPE

Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

377

Total No. of Stockholders

Domestic Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE

1. For quarterly period ended **March 31, 2017**

2. SEC Identification Number AS093-009289

3. BIR Tax Identification No. 003-457-827

4. Exact name of registrant as specified in its charter:

   PREMIUM LEISURE CORP (formerly **SINOPHIL CORPORATION)**

5. Province, Country or other jurisdiction of incorporation/organization: Philippines

6. [ ] (SEC Use Only)

7. Address of Principal Office:
   5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue,
   Mall of Asia Complex, CBP-1A, Pasay City

8. Registrant's telephone number, including area code: (632) 662-8888

9. Former name, former address, and former fiscal year, if changed since last report.
   Not applicable

10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱0.25[1] par value	31,627,310,000

Subscriptions receivable on the 31,627,310,000 outstanding shares were fully paid during the year.

11. Are any or all of these securities listed on the Philippine Stock Exchange (PSE).
    Yes [x] No [ ]

    Out of a total of 31,627,310,000 outstanding shares, 31,627,309,995 shares are listed on the PSE. With the exception of shares initially offered to the public in August 1995, only fully paid shares were allowed to be listed in the PSE under PSE Circular No. 562 dated November 27, 1995.

12. Check whether the issuer:
    a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code and under Section 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

       Yes [x] No [ ]

    b) has been subject to such filing requirements for the past 90 days.
       Yes [x] No [ ]

[1]New par value of ₱0.25was approved by the Securities and Exchange Commission on May 29, 2014.

PART 1- FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

a.) Consolidated Statements of Financial Position as of March 31, 2017 and December 31, 2016;
b.) Consolidated Statements of Comprehensive Income for the Three Months ended March 31, 2017 and March 31, 2016;
c.) Consolidated Statements of Changes in Equity for the Three Months ended March 31, 2017 and March 31, 2016;
d.) Consolidated Statements of Cash Flows for the Three Months ended March 31, 2017 and March 31, 2016

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31		**Horizontal Analysis**		**Vertical Analysis**	
	2017 (Unaudited)	2016 (Unaudited)	Increase (Decrease) Amount	%	2016 %	2015 %
INCOME						
Gaming share revenue	**P 721,871,273**	349,409,231	372,462,042	107%	57%	45%
Equipment lease rentals	**461,868,038**	376,774,324	85,093,714	23%	37%	48%
Commission and distribution income	**78,221,594**	57,188,121	21,033,473	37%	6%	7%
	1,261,960,905	783,371,676	478,589,229	61%	100%	100%
COST AND EXPENSES						
Service and consultancy fees	**108,873,967**	84,904,630	23,969,337	28%	9%	11%
Online lottery expenses	**90,748,199**	62,917,839	27,830,360	44%	7%	8%
Software and license fees	**39,829,691**	44,907,234	(5,077,543)	-11%	3%	6%
Repairs, maintenance and communication	**24,779,135**	22,311,596	2,467,539	11%	2%	3%
General and administrative expenses	**341,594,237**	146,076,930	195,517,307	134%	27%	19%
Amortization of intangible	**59,618,121**	145,915,073	(86,296,952)	-59%	5%	19%
Depreciation expense	**46,306,897**	41,925,675	4,381,222	10%	4%	5%
	711,750,247	**548,958,977**	162,791,270	30%	56%	70%
OTHER INCOME (EXPENSES)						
Interest income	**13,562,527**	8,555,720	5,006,807	59%	1%	1%
Dividend Income	**12,183,259**	21,964,863	(9,781,604)	-45%	1%	3%
Other income (charges)	**(20,732,973)**	(13,665,219)	(7,067,754)	52%	-2%	-2%
	5,012,813	16,855,364	(11,842,551)	-70%	0%	2%
NET INCOME (LOSS) BEFORE INCOME TAX	**555,223,471**	251,268,063	303,955,408	121%	44%	32%
PROVISION(BENEFIT FROM) INCOME TAX	**53,488,156**	87,310,538	(33,822,382)	-39%	4%	11%
NET INCOME(LOSS)	**501,735,315**	163,957,525	337,777,790	206%	40%	21%
Net income attributable to Parent	***424,963,466***	*122,127,999*	*302,835,467*	*248%*	*34%*	*16%*
Net income attributable to Minority interest	***76,771,849***	*41,829,525*	*34,942,324*	*84%*	*6%*	*5%*

Premium Leisure Corp ("PLC" or the "Company") grew its first quarter net income by 206% year on year from P164.0 million to P501.7 million supported by the continuous growth of a developing Philippine gaming market that translated to a remarkable growth in PLC's gaming revenue share from City of Dreams Manila (CODM).

The Company's significant operating growth was driven by improvements in all revenues segments, with revenues totaling Php1.26 billion as of March 31, 2017, which increased by 61% from the same period in 2016. Gaming share revenue reported at P721.9 million was higher by more than double versus the same period last year due to continuous improvement in gaming operations of CODM where the Company has an operating agreement with Melco Crown that entitles it to a share in gaming revenues in CODM.

PLC also realized higher revenues from equipment lease rentals and commission and distribution income through its 50.7% owned subsidiary, Pacific Online Systems Corporation, whose revenues of P540.1 million grew by 24% from the same period last year driven by higher Lotto and Keno sales.

Correspondingly, costs and expenses have increased by 30% which is mainly attributable to increase in costs related and in line with the increase in revenues. As a measure of efficiency, costs and expenses are at 56% in terms of percentage of revenues in 2017, which is better than 70% to revenues during the same period last year.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31		Horizontal Analysis		Vertical Analysis	
	2017	2016	Increase (Decrease)		2016	2015
	(Unaudited)	(Unaudited)	Amount	%	%	%
NET INCOME(LOSS)	**501,735,315**	163,957,525	337,777,790	206%	40%	21%
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	**180,957,036**	207,823,747	(26,866,711)	-13%	14%	27%
Remeasurement loss on DBL	**-**	1,004,556	(1,004,556)	-100%	0%	0%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**P 682,692,351**	P 372,785,828	P 309,906,523	83%	54%	48%
Total Comprehensive income attributable to Parent	***578,240,324***	*230,792,388*	*347,447,936*	*151%*	*46%*	*29%*
Total Comprehensive income attributable to Minority	***104,452,027***	*141,993,438*	*(37,541,411)*	*-26%*	*8%*	*18%*

Comprehensive income pertains to the unrealized gains (losses) arising from changes in market value of available for sale (AFS) investments during the year. PLC recognized comprehensive gain on its Available for Sale investments amounting to Php181.0 million for the first quarter ending March 31, 2017 as a result of recovery of share prices of its AFS investments. As such, PLC recognized a total comprehensive income amounting to ₱682.7 million (of which Php578.2 million is attributable to parent shareholders) as of March 31, 2017.

Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of PLC during the three months ended March 31, 2017.

Consolidated Statements of Financial Position

	March 31, 2017	December 31, 2016	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2016	2015
	(Unaudited)	(Audited)	Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	**P 781,890,549**	P 1,811,503,962	(1,029,613,413)	-57%	5%	7%
Investment held for trading	**184,600,200**	165,990,214	18,609,986	11%	1%	1%
Trade and other receivables	**784,630,843**	731,760,497	52,870,346	7%	5%	3%
Notes receivable	**1,605,925,000**	805,925,000	800,000,000	99%	10%	5%
Other assets	**194,462,097**	164,427,432	30,034,665	18%	1%	1%
	3,551,508,689	3,679,607,105	(128,098,415)	-3%	21%	17%
Non-current asset held for sale	**285,510,452**	285,510,452	-	0%	2%	2%
Total Current Assets	**3,837,019,141**	3,965,117,557	(128,098,416)	-3%	23%	19%
Noncurrent Assets						
Intangible asset	**9,846,926,334**	9,906,544,455	(59,618,121)	-1%	59%	62%
Available-for-Sale investments	**637,483,976**	657,377,801	(19,893,825)	-3%	4%	4%
Property and equipment	**445,400,312**	479,088,812	(33,688,500)	-7%	3%	3%
Goodwill	**1,828,577,952**	1,828,577,952	-	0%	11%	11%
Other non-current assets	**67,167,605**	71,086,194	(3,918,589)	-6%	0%	1%
Total Noncurrent Assets	**12,825,556,179**	12,942,675,215	(117,119,036)	-1%	77%	81%
Total Assets	**P 16,662,575,320**	P 16,907,792,772	(245,217,453)	-1%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**P 706,481,095**	P 544,597,585	161,883,510	30%	4%	2%
Current portion of obligations under finance lease	**41,444,040**	47,698,388	(6,254,348)	-13%	0%	0%
Income tax payable	**76,554,535**	43,000,753	33,553,783	78%	0%	0%
Total current liabilities	**824,479,670**	635,296,726	189,182,944	30%	5%	2%
Noncurrent Liability						
Obligation under finance lease	**66,182,590**	71,644,208	(5,461,618)	-8%	0%	1%
Pension liability	**7,018,898**	12,549,700	(5,530,802)	-44%	0%	0%
Total non-current liabilities	**73,201,488**	84,193,908	(10,992,421)	-13%	0%	1%
Total Liabilities	**P 897,681,158**	P 719,490,634	178,190,524	25%	5%	3%
Equity						
Capital Stock	**7,906,827,500**	7,906,827,500	-	0%	47%	49%
Additional paid-in capital	**7,238,721,924**	7,238,721,924	-	0%	43%	44%
Cost of parent shares held by a subsidiary	**(459,927,045)**	(438,877,905)	(21,049,140)	-5%	-3%	-3%
Other reserves	**77,284,073**	(75,992,784)	153,276,857	202%	0%	-1%
Retained earnings (deficit)	**272,616,620**	727,181,017	(454,564,398)	-63%	2%	3%
Total equity attributable to Parent	**15,035,523,072**	15,357,859,752	(322,336,680)	-2%	90%	92%
Non-controlling interest	**729,371,090**	830,442,386	(101,071,296)	-12%	4%	5%
Total Equity	**15,764,894,162**	16,188,302,138	(423,407,976)	-3%	95%	97%
Total Liabilities and Equity	**P 16,662,575,320**	P 16,907,792,772	(245,217,452)	-1%	100%	100%

As of March 31, 2017, PLC's total assets amounted to Php16,662.6 million, lower by Php245.2 million, or 1% versus total assets as at December 31, 2016. Key movements in balance sheet items are as follows:

Cash and cash equivalents

Cash and cash equivalents include cash in bank and short-term investments or cash equivalents of the Company.

The 57% decrease (Php1.03 billion) in cash and cash equivalents is due mainly to the dividends paid out by Company (around Php888 million) in March 2017 as well additional notes receivable worth Php800 million that it has invested in. These cash outflows are offset by the higher monthly collections for the first quarter largely brought about by the higher revenues.

Investments held for trading

Investments held for trading increased by 11% mainly due to additional trading instruments obtained during the quarter, tempered by the mark-to-market gains and losses due to changes in share prices.

Trade, notes and other receivables

Trade and other receivables includes trade receivables from PCSO for POSC's equipment rentals and receivables from Melco for City of Dreams Manila's gaming share revenue. The Company recorded net increase in trade and other receivables by ₱52.9 million (7%). Notes receivable, on the other hand increased by Php800 million due to the additional notes receivable provided by the Company to make better use of excess cash. Its notes receivable earns interest of around 4%, higher than the usual bank interest rates.

Intangible Asset

The Company's intangible asset pertains to the PAGCOR gaming license obtained by PLC through its subsidiary, PremiumLeisure and Amusement, Inc. (PLAI). The decrease in the intangible asset account is brought about by the amortization of the license.

Property and equipment

Property and equipment (PPE) of the Company pertains to online lottery equipment, leasehold improvements, office and transportation equipment. There is decrease of Php33.7 million in the account compared to balances at December 31, 2016 due to recognized depreciation that was tempered by additions in PPE for the period.

Goodwill

Goodwill pertains to the goodwill recognized upon acquisition of controlling interest in POSC through the pooling method in 2015.

Total Liabilities

PLCs total liabilities increased by ₱178.2 million or 25% as at March 31, 2017 from total liabilities of ₱719.5 million as at December 31, 2016. The increase is due mostly to the increase in trade and other payables related to POSC's operations, increased service fees related to the increase in gaming share revenue from City of Dreams Manila, and recognition of usual provisions of the Company.

Equity

Stockholders' equity decreased by ₱423.4 million as of March 31, 2017 from ₱16.18 billion as of December 31, 2016. The decrease was due mainly to the declaration and payment of dividends during the period worth around Php888 million. This decrease was offset by the net income earned for the period and the recovery of share prices of the Company's available for sale investments under other reserves. Minority interest is at Php729.4 million as at March 31, 2017.

Below are the comparative key performance indicators of the Company and its subsidiaries:

Ratio	Manner in which the financial rations are computed	March 31, 2017	March 31, 2017	December 31, 2016
Current ratio	Current assets divided by current liabilities	4.65	4.83	6.24
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	4.07	4.08	5.53
Solvency ratio	Total assets / total liabilities	18.56	23.14	23.50
Asset to equity	Total assets divided by total equity	1.06	1.05	1.04
Debt to equity	Interest bearing debt divided by total equity	0.01	0.01	0.01
Interest rate coverage	Earnings before interest, tax, depreciation and amortizaton divided by interest expense	9,646.81	2,821.15	149.22
Debt ratio	Total debt / total assets	0.05	0.04	0.04
Return on assets	Net income (loss) divided by average total assets during the period	12.0%	4.1%	7.0%
Return on equity	Net income (loss) divided by average total equity during the period	12.6%	4.2%	7.2%

The Company does not foresee any liquidity problems over the next twelve (12) months. The changes in the key performance indicators of the Company are mostly due to the following:

a) Revenues improved greatly compared with the gaming share revenue in the same period in 2016, contributing to higher returns on asset and equity for the quarter.
b) Solvency ratio decreased due to the increase in trade, other and accrued payables for the quarter. Despite this, however, the assets of the Company are more than enough to meet due liabilities.
c) There is no significant change in the other ratios presented.

As at March 31, 2017, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended March 31, 2017 and December 31, 2016, except those mentioned in the preceding.

PART II - OTHER INFORMATION

Financial Risk Management

The Company's principal financial instruments comprise cash and cash equivalents, AFS investments and obligations under finance lease. The main purpose of these financial instruments is to help finance the Company's operations as well as to raise funding for the Company's capital expenditures. The Company has other financial assets and liabilities such as marketable securities, receivables and accrued expenses and other current liabilities, which arise directly from its operations. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, foreign currency risk and equity price risk.

The Board of Directors reviews and approves the policies for managing credit, liquidity, and foreign currency and equity price risks as summarized below:

Credit risk. Credit risk arises from the Company's financial assets which are composed of cash, receivables and AFS investments. It is the Company's policy that all credit terms are subject to credit verification and/or approval procedures. The Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

The Company's credit risk is primarily with Philippine Charity Sweepstakes Office (PCSO) through its subsidiary, POSC. Because of POSC's relatively concentrated credit risk with PCSO, it is part of the Company's policy to ensure that Equipment Lease Agreement (ELA) with PCSO is complied with and payment terms are met. Other main contributors to the Company's credit risk is Belle, a major stockholder, of which outstanding balance covers around 67% and 52% of the Company's total notes and other receivables as at March 31, 2017 and December 31, 2016, respectively. MCE Leisure Philippines Corporation (MCE), from whom the gaming revenue share is collected, is also a major contributor to the Company's receivables. As such, the Company ensures that terms and conditions with the agreements with both Belle and MCE are complied with.

With respect to other receivables, the Company manages credit risk by transacting only with recognized and credit-worthy third parties and selected PCSO provincial district offices on their sale of instant scratch tickets. It is the Company's policy that the BOD needs to approve major transactions with third parties. Receivables are monitored on an ongoing basis with the objective that the Company's exposure to bad debts remains insignificant.

Liquidity risk. Liquidity risk arises from the possibility that the Company may encounter difficulties in meeting obligations associated with its accrued expenses and other current liabilities due to shortage of funds.

To limit this risk, the Company closely monitors its cash flows and ensures that credit facilities are available to meet obligations as they fall due. The Company's accrued expenses and other current liabilities are payable on demand. The Company uses internally-generated funds to cover financing requirements, and it maintains sufficient cash to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet any requirements for additional funds, maturing obligations and cash dividends.

Foreign Currency risk. The Company, through POSC, has transactional currency exposures. These arise from cash and cash equivalents and payables to certain suppliers which are denominated in US dollars. Financial instruments denominated in foreign currency include cash and cash equivalents and consultancy, software and license fees payable. US dollar account is maintained to match foreign currency requirements.

Equity price risk. Equity price risk is the risk that the fair value of quoted marketable securities and AFS financial assets will fluctuate as a result of changes in the value of individual stock. The Company's exposure to equity price risk relates primarily to its quoted marketable securities. The Company monitors equity investments based on market expectations. Material investments within the portfolio are managed on an individual basis, and all purchases and disposals are approved by the BOD.

Fair Value of Financial Instruments

Set out below is a comparison by category of carrying values and fair values of all the Company's financial instruments.

	March 31, 2017		December 31, 2016	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial Assets				
Cash and cash equivalents	781,890,549	781,890,549	1,811,503,962	1,811,503,962
Investment held for trading	184,600,200	184,600,200	165,990,214	165,990,214
Notes receivable	1,605,925,000	1,605,925,000	805,925,000	805,925,000
Trade and other receivables:				
Trade receivables	722,367,545	722,367,545	682,390,655	682,390,655
Nontrade and others	62,263,298	62,263,298	49,369,842	49,369,842
	3,357,046,592	**3,357,046,592**	**3,515,179,673**	**3,515,179,673**
AFS Investment				
Quoted shares	637,402,876	637,402,876	657,296,701	657,296,701
Unquoted shares	81,100	81,100	81,100	81,100
	637,483,976	**637,483,976**	**657,377,801**	**657,377,801**
	3,994,530,568	**3,994,530,568**	**4,172,557,474**	**4,172,557,474**
Loans and Borrowings				
Accrued expenses & other liabilities*	**673,815,035**	**673,815,035**	**523,579,305**	**523,579,305**

**excluding statutory payables amounting to - Php32.6 million and P21.0 million as at March 31, 2017 and December 31, 2016, respectively.*

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets of liabilities;
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts of cash, receivables and others and accrued expenses and other current liabilities approximate their fair values due to the short-term nature of the transactions.

The fair values of AFS investments in quoted equity shares are based on quoted prices in the Philippine Stock Exchange as of reporting date. There are no quoted market prices for the unlisted shares of stock and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss.

Other Required Disclosures

A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2016. The adoption of PFRS 9, Financial Instruments: *Classification and Measurement*, will have an effect on the classification and measurement of financial assets and liabilities. The Company will quantify the effect in conjunction with the other phases when issued, to present a comprehensive picture. As of March 31, 2017, the Company has decided not to early adopt PFRS 9 on its consolidated financial statements.

B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.

C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.

D.) Except as disclosed in the MD&A, there were no other issuance, repurchases and repayments of debt and equity securities.

E.) There were no material events that occurred subsequent to March 31, 2017 and up to the date of this report that need disclosure herein.

F.) There were no changes in the composition of the Company during the interim period such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations.

G.) There were no changes in contingent liabilities or contingent assets since December 31, 2016, as of March 31, 2017.

H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

SIGNATURE

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

Issuer: **Premium Leisure Corp**

Frederic C. DyBuncio
President and Chief Executive Officer
Date: April 24, 2017

Jackson T. Ongsip
Chief Financial Officer
Date: April 24, 2017

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2017	December 31, 2016
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	**P 781,890,549**	P 1,811,503,962
Investment held for trading	**184,600,200**	165,990,214
Trade and other receivables	**784,630,843**	731,760,497
Notes receivable	**1,605,925,000**	805,925,000
Other assets	**194,462,097**	164,427,432
	3,551,508,689	3,679,607,105
Non-current asset held for sale	**285,510,452**	285,510,452
Total Current Assets	**3,837,019,141**	3,965,117,557
Noncurrent Assets		
Intangible asset	**9,846,926,334**	9,906,544,455
Available-for-Sale investments	**637,483,976**	657,377,801
Property and equipment	**445,400,312**	479,088,812
Goodwill	**1,828,577,952**	1,828,577,952
Other non-current assets	**67,167,605**	71,086,194
Total Noncurrent Assets	**12,825,556,179**	12,942,675,215
Total Assets	**P 16,662,575,320**	P 16,907,792,772
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	**P 706,481,095**	P 544,597,585
Current portion of obligations under finance lease	**41,444,040**	47,698,388
Income tax payable	**76,554,535**	43,000,753
Total current liabilities	**824,479,670**	635,296,726
Noncurrent Liability		
Obligation under finance lease	**66,182,590**	71,644,208
Pension liability	**7,018,898**	12,549,700
Total non-current liabilities	**73,201,488**	84,193,908
Total Liabilities	**P 897,681,158**	P 719,490,634
Equity		
Capital Stock	**7,906,827,500**	7,906,827,500
Additional paid-in capital	**7,238,721,924**	7,238,721,924
Cost of parent shares held by a subsidiary	**(459,927,045)**	(438,877,905)
Other reserves	**77,284,073**	(75,992,784)
Retained earnings (deficit)	**272,616,620**	727,181,017
Total equity attributable to Parent	**15,035,523,072**	15,357,859,752
Non-controlling interest	**729,371,090**	830,442,386
Total Equity	**15,764,894,162**	16,188,302,138
Total Liabilities and Equity	**P 16,662,575,320**	P 16,907,792,772

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended March 31		This quarter	
		2017	2016	**2017**	2016
		(Unaudited)	(Unaudited)	**(Unaudited)**	
INCOME					
Gaming share revenue	**P**	**721,871,273**	349,409,231	721,871,273	349,409,231
Equipment lease rentals		**461,868,038**	376,774,324	461,868,038	376,774,324
Commission and distribution income		**78,221,594**	57,188,121	78,221,594	57,188,121
		1,261,960,905	783,371,676	1,261,960,905	783,371,676
COST AND EXPENSES					
Service and consultancy fees		**108,873,967**	84,904,630	108,873,967	84,904,630
Online lottery expenses		**90,748,199**	62,917,839	90,748,199	62,917,839
Software and license fees		**39,829,691**	44,907,234	39,829,691	44,907,234
Repairs, maintenance and communication		**24,779,135**	22,311,596	24,779,135	22,311,596
General and administrative expenses		**341,594,237**	146,076,930	341,594,237	146,076,930
Amortization of intangible		**59,618,121**	145,915,073	59,618,121	145,915,073
Depreciation expense		**46,306,897**	41,925,675	46,306,897	41,925,675
		711,750,247	548,958,977	711,750,247	548,958,977
OTHER INCOME (EXPENSES)					
Interest income		**13,562,527**	8,555,720	13,562,527	8,555,720
Dividend Income		**12,183,259**	21,964,863	12,183,259	21,964,863
Other income (charges)		**(20,732,973)**	(13,665,219)	(20,732,973)	(13,665,219)
		5,012,813	16,855,364	5,012,813	16,855,364
NET INCOME (LOSS) BEFORE INCOME TAX		**555,223,471**	251,268,063	555,223,471	251,268,063
PROVISION(BENEFIT FROM) INCOME TAX		**53,488,156**	87,310,538	53,488,156	87,310,538
NET INCOME(LOSS)		**501,735,315**	163,957,525	501,735,315	163,957,525
Net income attributable to Parent		**424,963,466**	122,127,999	424,963,466	122,127,999
Net income attributable to Minority interest		**76,771,849**	41,829,525	76,771,849	41,829,525
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year		**180,957,036**	207,823,747	180,957,036	207,823,747
Remeasurement loss on DBL		**-**	1,004,556	-	1,004,556
Share in OCI		**-**			
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**P**	**682,692,351**	P 372,785,828	P 682,692,351	P 372,785,828
Total Comprehensive income attributable to Parent		**578,240,324**	230,792,388	578,240,324	230,792,388
Total Comprehensive income attributable to Minorit		**104,452,027**	141,993,438	104,452,027	141,993,438
Total		**682,692,351**	372,785,826	682,692,351	372,785,826
Basic/Diluted Loss Per Common Share	**P**	**0.01344**	P 0.00386		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Three Months Ended March 31		
		2017		2016
		(Unaudited)		(Unaudited)
CAPITAL STOCK		P0.25 per share		P0.25 per share
Authorized:				
Preferred shares		6,000,000,000 shares		6,000,000,000 shares
Common shares		37,630,000,000 shares		37,630,000,000 shares
Issued:				
Balance at beginning of year	**P**	**11,384,284,906**	P	11,355,561,606
Issuances (transfer from subscribed)		**-**		28,723,300
Balance at end of period		**11,384,284,906**		11,384,284,906
Subscribed:				
Balance at beginning of year		**(3,477,457,406)**		(3,448,734,106)
Issuances (transfer to issued)		**-**		(28,723,300)
Balance at end of period		**(3,477,457,406)**		(3,477,457,406)
Subscription receivable:				
Balance at beginning of year		**-**		(185,480,975)
Collections		**-**		185,480,975
Balance at end of period		**-**		-
Balance at the end of period		**7,906,827,500**		7,906,827,500
ADDITIONAL PAID-IN CAPITAL (APIC)				
Beginning balance		**7,238,721,924**		7,238,721,924
Other adjustments		**-**		-
Balance at the end of period		**7,238,721,924**		7,238,721,924
Other Reserves				
Balance at beginning of year		**(75,992,783)**		(121,523,954)
Net Unrealized loss on available-for-sale investments		**153,276,857**		207,823,747
Remeasurement gain on Retirement		**-**		1,004,556
Balance at the end of period		**77,284,074**		87,304,349
Cost of Parent Company held by a subsidiary				
Balance at beginning of year		**(438,877,905)**		(422,210,490)
Additional acquisition		**(21,049,140)**		(16,667,415)
Balance at the end of period		**(459,927,045)**		(438,877,905)
RETAINED EARNINGS (DEFICIT)				
Balance at beginning of year		**727,181,017**		440,361,437
Declared dividends		**(879,527,864)**		(673,030,066)
Net income (loss)		**424,963,466**		122,127,999
Balance at end of period		**272,616,619**		(110,540,630)
NON-CONTROLLING INTEREST		**729,371,090**		609,735,620
	P	**15,764,894,162**	P	15,293,170,860

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31	
	2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	**P 555,223,471**	P 251,268,063
Adjustments for:		
Provisions for impairment of Receivables and others		
Reversal of impairment (net)		
Unrealized loss (gain) on marketable securities	**(3,847,626)**	19,693,768
Finance charges	**68,016**	149,674
Retirement cost	**5,400,000**	2,400,000
Loss on sale of marketable securities	**-**	181,754
Loss (gain) on sale of property and equipment	**(10,000)**	-
Loss on sale of AFS investement	**31,095,741**	-
Foreign exchange losses (gain)	**(171,113)**	-
Depreciation	**46,306,897**	41,925,675
Amortization of Intangible	**59,618,121**	145,915,073
Dividend income	**(12,183,259)**	(21,964,863)
Interest income	**(6,000,187)**	(8,555,720)
Income before working capital changes	**675,500,060**	431,013,425
Decrease (Increase) in:		
Receivables and others	**(52,870,346)**	(378,085,028)
Other current assets	**(29,960,327)**	(108,508,732)
Other noncurrent assets	**3,918,589**	(2,465,430)
Increase (decrease) in:		
Increase in accrued trade and other payables	**161,883,510**	60,218,917
Retirement contributions paid	**(2,323,232)**	(2,000,000)
Income tax paid	**(22,198,177)**	-
Net cash provided by operating activities	**733,950,076**	173,151
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Marketable securities	**(14,762,360)**	(5,337,738)
Property and equipment	**(12,611,035)**	(14,178,574)
Investment in stocks	**(21,049,140)**	(27,643,188)
Dividends received	**12,183,259**	21,964,863
Interest received	**6,000,187**	8,555,720
Proceeds from sale of:		
Marketable securities	**169,755,120**	29,251,916
Property and equipment	**10,000**	-
Net cash from investing activities	**139,526,031**	12,612,999
CASH FLOW FROM FINANCING ACTIVITY		
Increase in Notes receivable	**(800,000,000)**	-
Payment of obligation under finance lease	**(17,970,314)**	(3,517,137)
Acquisition of Treasury shares by the subsidiary	**(205,523,325)**	-
Interest paid	**(68,016)**	(149,674)
Dividends paid	**(879,527,864)**	(673,030,066)
Net cash from financing activities	**(1,903,089,520)**	(676,696,877)
NET INCREASE IN CASH	**(1,029,613,413)**	(663,910,727)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1,811,503,962**	1,187,556,503
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P 781,890,549**	P 523,645,776

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
March 31, 2017

NAME	AMOUNT
Notes receivables - current	1,605,925,000
Trade receivables - current	722,367,545
Other receivable	62,263,298
Other current assets	194,462,097
Total Receivables and Other Assets	**2,585,017,940**

**Current means collectible within a period of zero (0) to twelve (12) months*