

**From:** [Philippine Stock Exchange](#)  
**To:**  
**Subject:** Quarterly Report  
**Date:** Thursday, October 26, 2023 4:08:54 PM

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Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Premium Leisure Corp.  
Reference Number: 0036769-2023  
Date and Time: Thursday, October 26, 2023 16:08 PM  
Template Name: Quarterly Report  
Report Number: CR07374-2023

Best Regards,  
PSE EDGE

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

# 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  
Sep 30, 2023
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  
02-86628888
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	31,216,931,000

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

*The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.*



P R E M I U M  
LEISURE CORP.

**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***

<b>For the period ended</b>	Sep 30, 2023
<b>Currency (indicate units, if applicable)</b>	PHP

**Balance Sheet**

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2023	Dec 31, 2022
<b>Current Assets</b>	7,131,757,502	5,987,327,952
<b>Total Assets</b>	17,792,276,847	16,985,905,538
<b>Current Liabilities</b>	623,085,154	730,587,574
<b>Total Liabilities</b>	1,136,164,205	816,521,728
<b>Retained Earnings/(Deficit)</b>	2,347,425,173	2,094,797,559

Stockholders' Equity	16,656,112,642	16,169,383,810
Stockholders' Equity - Parent	16,214,242,697	15,803,011,997
Book Value per Share	0.53	0.51

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	717,138,583	615,344,229	2,300,107,125	1,804,788,148
Gross Expense	273,807,969	282,098,092	698,286,539	673,385,560
Non-Operating Income	256,624,048	51,352,775	400,519,323	110,473,494
Non-Operating Expense	0	0	0	0
Income/(Loss) Before Tax	699,954,662	384,598,912	2,002,339,909	1,241,876,082
Income Tax Expense	27,883,065	1,662,499	85,192,900	22,031,480
Net Income/(Loss) After Tax	672,071,597	382,936,413	1,917,147,009	1,219,844,604
Net Income Attributable to Parent Equity Holder	630,330,747	343,300,898	1,802,018,563	1,155,578,181
Earnings/(Loss) Per Share (Basic)	0.02	0.01	0.05	0.03
Earnings/(Loss) Per Share (Diluted)	0.02	0.01	0.05	0.03

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.06	0.04
Earnings/(Loss) Per Share (Diluted)	0.06	0.04

#### Other Relevant Information

n.a

#### Filed on behalf by:

Name	Esperanza Bagsit
Designation	Senior Manager

# COVER SHEET

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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)

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C	i	t	y																							

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

**MICHELLE ANGELI T. HERNANDEZ**

Contact Person

**(632) 8662-8888**

Company Telephone Number

**1 2**

Month

**3 1**

Day

**1 7 - Q**

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

**359**

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. Use black ink for scanning purposes

SEC Number AS093-009289  
File Number \_\_\_\_\_

**PREMIUM LEISURE CORP.**  
(Company's Full Name)

**5<sup>th</sup> Floor Tower A Two E-Com Center**  
**Palm Coast Avenue, Mall of Asia Complex,**  
**CBP-1A, Pasay City**  
(Company's Address)

**(632) 8662-8888**  
(Telephone Numbers)

**30 September 2023**  
(Quarter Ending)

**SEC FORM 17-Q**  
(Form Type)

**SECURITIES AND EXCHANGE COMMISSION  
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES  
REGULATION CODE**

1. For quarterly period ended **September 30, 2023**

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**

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

6.  (SEC Use Only)

7. Address of Principal Office:

**5<sup>th</sup> 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) 8662-8888**

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
<b>Common Stock, ₱0.25<sup>1</sup> par value</b>	<b>31,216,931,000</b>

11. Are any or all of these securities listed on the Philippine Stock Exchange (PSE).

Out of a total of 31,216,931,000 outstanding shares, 31,216,930,995 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 ☒ No ☐

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

Yes ☒ No ☐

<sup>1</sup>New par value of ₱0.25 was 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:

- Consolidated Statements of Financial Position as of September 30, 2023 and December 31, 2022;
- Consolidated Statements of Comprehensive Income for the Nine Months ended September 30, 2023 and September 30, 2022;
- Consolidated Statements of Changes in Equity for the Nine Months ended September 30, 2023 and September 30, 2022;
- Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2023 and September 30, 2022.

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

#### PREMIUM LEISURE CORP AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30		Horizontal Analysis		Vertical Analysis	
	2023	2022	Increase (Decrease)		2023	2022
	(Unaudited)	(Unaudited)	Amount	%	%	%
<b>INCOME</b>						
Gaming share revenue	1,797,675,527	1 446 678 534	350 996 993	24%	78%	80%
Equipment lease rentals	502,431,598	358 109 614	144 321 983	40%	22%	20%
	<b>2,300,107,125</b>	<b>1 804 788 148</b>	<b>495 318 977</b>	<b>27%</b>	<b>100%</b>	<b>100%</b>
<b>COST AND EXPENSES</b>						
General and administrative expenses	307,817,038	282 644 493	25 172 545	9%	13%	16%
Amortization of intangible	178,854,363	178 854 363	-	0%	8%	10%
Salaries and payroll related expenses	70,278,040	74 074 260	(3 796 220)	-5%	3%	4%
Software and license fees	59,648,560	41 535 732	18 112 827	44%	3%	2%
Repairs maintenance and communication	54,497,550	37 056 300	17 441 250	47%	2%	2%
Rental and utilities	24,044,752	26 684 338	(2 639 586)	-10%	1%	1%
Depreciation expense	3 146 236	32 536 074	(29 389 839)	-90%	0%	2%
	<b>698,286,539</b>	<b>673 385 560</b>	<b>24 900 979</b>	<b>4%</b>	<b>30%</b>	<b>37%</b>
<b>OTHER INCOME (EXPENSES)</b>						
Interest income	201,592,763	92 765 179	108 827 583	117%	9%	5%
Dividend Income	5,999,263	-	5 999 263	100%	0%	0%
Other income (charges)	192,927,297	17 708 315	175 218 981	989%	8%	1%
	<b>400,519,323</b>	<b>110 473 494</b>	<b>290 045 829</b>	<b>263%</b>	<b>17%</b>	<b>6%</b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>2,002,339,909</b>	<b>1 241 876 082</b>	<b>760 463 827</b>	<b>61%</b>	<b>87%</b>	<b>69%</b>
<b>PROVISION(BENEFIT FROM) INCOME TAX</b>	<b>85 192 900</b>	<b>22 031 480</b>	<b>63 161 420</b>	<b>287%</b>	<b>4%</b>	<b>1%</b>
<b>NET INCOME</b>	<b>1,917,147,009</b>	<b>1 219 844 602</b>	<b>697 302 407</b>	<b>57%</b>	<b>83%</b>	<b>68%</b>
<i>Net income attributable to Parent</i>	<b>1,802,018,563</b>	<b>1,155,578,181</b>	<b>646,440,382</b>	<b>56%</b>	<b>78%</b>	<b>64%</b>
<i>Net income attributable to Minority interest</i>	<b>115,128,446</b>	<b>64,266,421</b>	<b>50,862,025</b>	<b>79%</b>	<b>5%</b>	<b>4%</b>

PLC recognized consolidated revenues of Php2,300.1 million for the nine months ended September 30, 2023, increasing by Php495.3 million or 27% from the same period last year.

The improvement in PLC's revenues is mainly brought about by better and more robust economic environment in 2023.

As of September 30, 2023, PLC's subsidiary, Premium Leisure and Amusement, Inc. (PLAI), which earns gaming revenue share from the City of Dreams Manila (CODM), showed significant increase in revenue, which grew by Php351.0 million (24%) to Php1,797.7 million for the 2023 period from Php1,446.7 million for the 2022 period because of the improvement in the CODM mass and VIP segment casino operations, due to software upgrade and additional gaming machines in 2023.

Cost and expenses increased from Php673.4 million as of September 30, 2022 to Php698.3 million as of September 30, 2023 mainly due to the higher variable costs that move in line with the improved operational results for the period.

Other income pertains to interest income earned from investment and money market placements. The increase of Php290.0 million (263%) is mainly from realized gain on the redemption and sale of its financial asset coupled with increase in market interest rates which resulted to better returns on investments.

PLC recognized Php1,917.1 million net income for the nine months ended September 30, 2023 which is Php697.3 million (57%) higher than the net income of Php1,219.8 million that was recognized in 2022.

Operating EBITDA (proxy for cash flow) for the period is at Php1,783.8 million showing an improvement of Php441.0 million (33%) from the reported EBITDA of Php1,342.8 million as of September 30, 2022.

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Nine Months Ended September 30</b>		<b>Horizontal Analysis</b>		<b>Vertical Analysis</b>	
	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>		<b>2023</b>	<b>2022</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>Amount</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>NET INCOME</b>	<b>1,917,147,009</b>	<b>1,219,844,602</b>	<b>697,302,407</b>	<b>57%</b>	<b>83%</b>	<b>68%</b>
<i>Net income attributable to Parent</i>	<i>1,802,018,563</i>	<i>1,155,578,181</i>	<i>646,440,382</i>	<i>56%</i>	<i>78%</i>	<i>64%</i>
<i>Net income attributable to Minority interest</i>	<i>115,128,446</i>	<i>64,266,421</i>	<i>50,862,025</i>	<i>79%</i>	<i>5%</i>	<i>4%</i>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI)	158,603,089	243,398,511	(84,795,422)	-35%	7%	13%
<b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>						
<b>FOR THE PERIOD</b>	<b>P 2,075,750,098</b>	<b>P 1,463,243,113</b>	<b>P 612,506,985</b>	<b>42%</b>	<b>90%</b>	<b>81%</b>
<i>Total Comprehensive income attr to Parent</i>	<i>1,960,621,652</i>	<i>1,307,936,117</i>	<i>652,685,535</i>	<i>50%</i>	<i>85%</i>	<i>72%</i>
<i>Total Comprehensive income attr to Minority</i>	<i>115,128,446</i>	<i>155,306,996</i>	<i>(40,178,550)</i>	<i>-26%</i>	<i>5%</i>	<i>9%</i>
<b>Total</b>	<b>2,075,750,098</b>	<b>1,463,243,113</b>	<b>612,506,985</b>	<b>42%</b>	<b>90%</b>	<b>81%</b>

PLC's comprehensive income pertains to the unrealized gains arising from changes in market value of its financial assets at FVOCI. PLC recognized comprehensive income amounting to Php158.6 million for the nine months ending September 30, 2023 as a result of the gain on the redemption and sale of its financial asset investment and improvement in share prices. As such, PLC recognized a total comprehensive income amounting to Php2,075.8 million (of which, Php1,960.6 million is attributable to parent shareholders) as of September 30, 2023.

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 nine months ended September 30, 2023.

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position**

	September 30, 2023	December 31, 2022	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Increase (Decrease)		2023	2022
			Amount	%	%	%
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	2,716,326,284	1 778 570 078	937 756 206	53%	15%	10%
Investment held for trading	115,759,120	72 682 452	43 076 668	59%	1%	0%
Notes receivable	3,705,925,000	3 705 925 000	-	0%	21%	22%
Trade and other receivables	330,769,586	212 568 231	118 201 355	56%	2%	1%
Other current assets	262,977,512	217 582 191	45 395 321	21%	1%	1%
<b>Total Current Assets</b>	<b>7,131,757,502</b>	<b>5 987 327 952</b>	<b>1 144 429 550</b>	<b>19%</b>	<b>40%</b>	<b>35%</b>
<b>Noncurrent Assets</b>						
Intangible asset	8,296,855,185	8 475 709 551	(178 854 366)	-2%	47%	50%
Financial assets at fair value through OCI	135,065,872	686 731 218	(551 665 346)	-80%	1%	4%
Investment property	285,510,452	285 510 452	(0)	0%	2%	2%
Goodwill	926,007,748	926 007 748	0	0%	5%	5%
Property and equipment	1,264,016	2 103 394	(839 378)	-40%	0%	0%
Deferred tax assets	1,718,988	-	1 718 988	100%	0%	0%
Right of use asset	-	1 815 399	(1 815 399)	-100%	0%	0%
Other non-current assets	1,014,097,084	620 699 824	393 397 260	63%	6%	4%
<b>Total Noncurrent Assets</b>	<b>10,660,519,345</b>	<b>10 998 577 586</b>	<b>(338 058 241)</b>	<b>-3%</b>	<b>60%</b>	<b>65%</b>
<b>Total Assets</b>	<b>P 17,792,276,847</b>	<b>P 16 985 905 538</b>	<b>806 371 309</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade payables and other current liabilities	623,085,154	728 696 132	(105 610 978)	-14%	4%	4%
Lease liability - current	-	1 891 442	(1 891 442)	-100%	0%	0%
<b>Total current liabilities</b>	<b>623,085,154</b>	<b>730 587 574</b>	<b>(107 502 420)</b>	<b>-15%</b>	<b>4%</b>	<b>4%</b>
<b>Noncurrent Liability</b>						
Loans payable	500,000,000	67 500 000	432 500 000	641%	3%	0%
Deferred tax liability	-	531 152	(531 152)	-100%	0%	0%
Retirement liability	13,079,051	17 903 002	(4 823 951)	-27%	0%	0%
<b>Total non-current liabilities</b>	<b>513,079,051</b>	<b>85 934 154</b>	<b>427 144 897</b>	<b>497%</b>	<b>3%</b>	<b>1%</b>
<b>Total Liabilities</b>	<b>P 1,136,164,205</b>	<b>P 816 521 728</b>	<b>319 642 477</b>	<b>39%</b>	<b>6%</b>	<b>5%</b>
<b>Equity</b>						
Capital Stock	7,906,827,500	7 906 827 500	-	0%	44%	47%
Additional paid-in capital	7,238,721,924	7 238 721 924	-	0%	41%	43%
Treasury shares	(220,430,080)	(220 430 080)	-	0%	-1%	-1%
Cost of parent shares held by a subsidiary	(509,597,055)	(509 597 055)	-	0%	-3%	-3%
Other reserves	(548,704,765)	(707 307 851)	158 603 086	22%	-3%	-4%
Retained earnings (deficit)	2,347,425,173	2 094 797 559	252 627 614	12%	13%	12%
<b>Total equity attributable to Parent</b>	<b>16,214,242,697</b>	<b>15 803 011 997</b>	<b>411 230 700</b>	<b>3%</b>	<b>91%</b>	<b>93%</b>
<b>Non-controlling interest</b>	<b>441,869,945</b>	<b>366 371 813</b>	<b>75 498 132</b>	<b>21%</b>	<b>2%</b>	<b>2%</b>
<b>Total Equity</b>	<b>16,656,112,642</b>	<b>16 169 383 810</b>	<b>486 728 831</b>	<b>3%</b>	<b>94%</b>	<b>95%</b>
<b>Total Liabilities and Equity</b>	<b>P 17,792,276,847</b>	<b>P 16 985 905 538</b>	<b>806 371 309</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

As at September 30, 2023, PLC's total assets amounted to Php17,792.3 million, showing an increase of Php806.4 million (5%) compared to the total assets as at December 31, 2022. 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.

Cash and cash equivalents increased by Php937.8 million (53%) as at September 30, 2023 mainly because of the proceeds from sale of its financial asset investment amounting to Php857.7 million and collection of gaming revenue share and equipment lease rental revenues offset by the payment of cash dividends amounting to Php1,549.4 during March 2023 and disbursements made during the period.

### Investments held for trading

Investments held for trading increased by Php43.1 million (59%) from Php72.7 million in 2022 to Php115.8 million in 2023 due to the mark-to-market gain on share price value of the shares of stock.

### Trade and other receivables

Trade and other receivables include trade receivables from the Philippine Charity Sweepstakes Office (PCSO) for POSC's equipment rentals and receivables from Melco for City of Dreams Manila's gaming share revenue as well as other receivables. The Company recorded net increase in trade and other receivables by Php118.2 million (56%) due to higher revenues and corresponding receivables for the period.

### Intangible Asset

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

### Investment Property

As at September 30, 2023 and December 31, 2022, this account pertains to investment property of the Company in Tanauan, Batangas.

### Property and equipment

Property and equipment (PPE) of the Company pertains to online lottery equipment, leasehold improvements, office and transportation equipment. There is a decrease of Php.84 million (40%) from Php2.1 million as at December 31, 2022 to Php1.3 million as at September 30, 2023. This is due to the net effect of the depreciation recognized by the Company on its PPE and disposals in the account for the period.

### Goodwill

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

### Other Assets

Other assets include creditable withholding taxes, prepaid expenses and advances to suppliers made by PinoyLotto Technologies Corp. (PinoyLotto). Pinoylotto is the Joint Venture operation which is 50%-owned by Pacific Online Systems Corporation (POSC), PLC's subsidiary. PinoyLotto was awarded the five-year lease of the Nationwide PCSO Lottery System. Other assets increased by Php438.8 million (52%) from Php838.3 million as at December 31, 2022 to Php1,277.1 million as at September 30, 2023. The increase in the other assets is because of the downpayments made by PinoyLotto to suppliers as it gears toward nationwide operations.

### Total Liabilities

PLC's total liabilities is at Php1,136.2 million as at September 30, 2023. The Php319.6 million (39%) increase in liabilities is mainly due to PinoyLotto's availment of loans, net of the payment of liabilities made during the period. Loans payable amounts to Php500.0 million as at September 30, 2023, increasing by Php432.5 million from the loans payable of Php67.5 million. The loan availment is to be used as funding for equipment purchases as Pinoylotto gears towards commencing nationwide operations for the lottery project with PCSO.

## Equity

Stockholders' equity increased from Php16,169.4 million as at December 31, 2022, to Php16,656.1 million as at September 30, 2023. This increase of Php486.7 million (3%) was mainly brought about by the declaration and payment of dividends to PLC's shareholders, offset by the net income earned for the period, realized gain on the sale of its financial asset and the improvement in market prices of its available for share investments (under Other Reserves).

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

Ratio	Manner in which the financial ratios are computed	Sept 30, 2023	Sept 30, 2022
Current ratio	Current assets divided by current liabilities	11.45	12.33
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	11.02	11.78
Solvency ratio	Total assets / total liabilities	15.66	33.40
Asset to equity	Total assets divided by total equity	1.07	1.03
Debt to equity	Interest bearing debt divided by total equity	-	-
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	71,504	5,713
Debt ratio	Total debt / total assets	0.06	0.03
Return on assets	Net income (loss) divided by average total assets during the period	14.66%	9.41%
Return on equity	Net income (loss) divided by average total equity during the period	15.54%	9.75%

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 discussed below:

- Net income increased by 57% for the nine months ending September 30, 2023, accounting for the increase in return on both assets and equity versus the same period in 2022.
- Current, quick and solvency ratios decreased due to the 33% increase in total current liabilities compared to the 23% increase in current assets.
- Interest rate coverage ratio significantly increased due to the 33% increase in EBITDA and 89% decreased in interest expense in 2023.

As at September 30, 2023, 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 September 30, 2023 and December 31, 2022, except those mentioned in the preceding.

## **PART II - OTHER INFORMATION**

### **Financial Risk Management Objectives and Policies and Capital Management**

The Company's principal financial liabilities comprise trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents and receivables that derive directly from its operations. The Company also holds investments held for trading, notes receivables, financial assets at FVOCI, guarantee bonds and deposits included as part of "Other noncurrent assets" in the consolidated statement of financial position.

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, equity price risk and foreign currency risk. The BOD and management review and approve the policies for managing credit, liquidity, equity price and foreign currency risks and they are summarized below:

*Credit Risk.* Credit risk is the risk that the Company will incur a loss because its counterparties failed to discharge their contractual obligations. Credit risk arises from the Company's financial assets which are composed of cash and cash equivalents, receivables and financial assets at FVOCI.

The Company's credit risk is concentrated on a few companies with which it transacts business. One of which is the PCSO, through its subsidiary, POSC. POSC's trade receivable arises from equipment lease agreement with PCSO, POSC's sole customer. It is part of the Company policy that all the terms specified in the ELA with PCSO are complied with and ensure that payment terms are met. Another major customer is Melco, from whom gaming revenue share is collected. Belle, a major stockholder, also has outstanding loans payable to the Company. The Company keeps close coordination with Melco and Belle and ensures that contract and agreement terms and conditions are met.

With respect to credit risk arising from the other financial assets which are composed of cash and cash equivalents, other receivables, investments held for trading, financial assets at FVOCI, guarantee bonds and deposits, 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.

High grade financial assets pertain to those receivables from related parties or customers that consistently pay on or before the maturity date while medium grade includes those financial assets being collected on due dates with an effort of collection. The Company assessed its cash in bank and cash equivalents as high grade since this is deposited with reputable banks.

*Liquidity Risk.* Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset.

The Company seeks to manage its liquidity profile to be able to finance its investments and pay its outstanding liabilities. To limit this risk, the Company closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due. To cover its financing requirements, the Company uses internally generated funds as well as a committed line of credit that it can access to meet liquidity needs. The Company maintains sufficient cash to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet the requirements for additional capital expenditures, maturing obligations and cash dividends. Liquidity risk is minimal as at September 30, 2023 and December 31, 2022 as the total current assets can cover the total current liabilities as they fall due.

*Equity Price Risk.* Equity price risk is the risk that the fair value of quoted investment held for trading and financial assets at FVOCI decrease as the result of changes in the value of individual stocks. The Company's exposure to equity price risk is primarily to the Company's quoted investments held for trading and financial assets at FVOCI. The Company monitors the equity investments based on market expectations. Significant movements within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the BOD.

*Foreign Currency Risk.* The Company, through POSC, has foreign currency exposures. Such exposure arises from cash and cash equivalents and payables to certain suppliers which are denominated in U.S. dollar (US\$). The Company's financial instruments which are denominated in foreign currency include cash and cash equivalents and consultancy and software license fees payable. The Company maintains a US\$ account to match its foreign currency requirements.

*Capital Management.* The primary objective of the Company's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2023 and 2022.

#### Fair Value of Financial Instruments

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 carrying values of cash and cash equivalents, receivables, deposits and trade payables and other current liabilities (excluding statutory liabilities) approximate their fair values due to the short-term nature of the transactions.

The fair values of investments held for trading and financial assets at FVOCI that are quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date.

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

	September 30, 2023		December 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial Assets</b>				
Cash and cash equivalents	2,716,326,284	2,716,326,284	1,778,570,078	1,778,570,078
Investment held for trading	115,759,120	115,759,120	72,682,452	72,682,452
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	199,502,721	199,502,721	80,797,652	80,797,652
Nontrade and others	131,266,865	131,266,865	131,770,579	131,770,579
	<b>6,868,779,990</b>	<b>6,868,779,990</b>	<b>5,769,745,761</b>	<b>5,769,745,761</b>
<b>AFS Investment</b>				
Quoted shares	134,984,772	134,984,772	686,650,118	686,650,118
Unquoted shares	81,100	81,100	81,100	81,100
	<b>135,065,872</b>	<b>135,065,872</b>	<b>686,731,218</b>	<b>686,731,218</b>
	<b>7,003,845,862</b>	<b>7,003,845,862</b>	<b>6,456,476,979</b>	<b>6,456,476,979</b>
<b>Loans and Borrowings</b>				
Accrued expenses & other liabilities*	<b>615,411,183</b>	<b>615,411,183</b>	<b>724,106,358</b>	<b>724,106,358</b>

\*excluding statutory payables amounting to-Php7.7 million and P4.6 million as at September 30, 2023 and December 31, 2022, respectively.

#### Other Required Disclosures

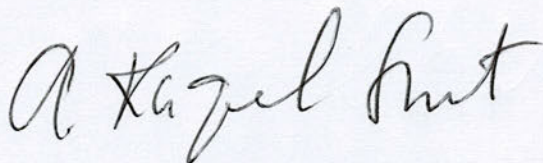
- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2022.
- 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 September 30, 2023 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, 2022, as of September 30, 2023.
- 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**



**ARMIN ANTONIO B. RAQUEL SANTOS**

President and Chief Executive Officer

Date: October 26, 2023



**DIOVILLE M. VILLARIAS**

Chief Financial Officer and Treasurer

Date: October 26, 2023

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**Consolidated Statements of Financial Position**

	September 30, 2023		December 31, 2022	
	(Unaudited)		(Audited)	
ASSETS				
Current Assets				
Cash and cash equivalents	P	2,716,326,284	P	1,778,570,078
Investment held for trading		115,759,120		72,682,452
Notes receivable		3,705,925,000		3,705,925,000
Trade and other receivables		330,769,586		212,568,231
Other current assets		262,977,512		217,582,191
Total Current Assets		7,131,757,502		5,987,327,952
Noncurrent Assets				
Intangible asset		8,296,855,185		8,475,709,551
Financial assets at fair value through OCI		135,065,872		686,731,218
Investment property		285,510,452		285,510,452
Goodwill		926,007,748		926,007,748
Property and equipment		1,264,016		2,103,394
Deferred tax assets		1,718,988		-
Right of use asset - net		-		1,815,399
Other non-current assets		1,014,097,084		620,699,824
Total Noncurrent Assets		10,660,519,345		10,998,577,586
Total Assets	P	17,792,276,847	P	16,985,905,538
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities	P	623,085,154	P	728,696,132
Lease liabilities - current		-		1,891,442
Total current liabilities		623,085,154		730,587,574
Noncurrent Liability				
Loans payable		500,000,000		67,500,000
Retirement liability		13,079,051		17,903,002
Deferred tax liability		-		531,152
Total non-current liabilities		513,079,051		85,934,154
	P	1,136,164,205	P	816,521,728
Equity				
Capital Stock		7,906,827,500		7,906,827,500
Additional paid-in capital		7,238,721,924		7,238,721,924
Treasury shares		(220,430,080)		(220,430,080)
Cost of parent shares held by a subsidiary		(509,597,055)		(509,597,055)
Other reserves		(548,704,765)		(707,307,851)
Retained earnings (deficit)		2,347,425,173		2,094,797,559
Total equity attributable to Parent		16,214,242,697		15,803,011,997
Non-controlling interest		441,869,945		366,371,813
Total Equity		16,656,112,642		16,169,383,810
Total Liabilities and Equity	P	17,792,276,847	P	16,985,905,538

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

		Nine Months Ended September 30		This quarter	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	
<b>INCOME</b>					
Gaming share revenue	P	1,797,675,527	1,446,678,534	558,155,006	476,124,359
Equipment lease rentals		502,431,598	358,109,614	158,983,577	139,219,870
		2,300,107,125	1,804,788,148	717,138,583	615,344,229
<b>COST AND EXPENSES</b>					
General and administrative expenses		307,817,038	282,644,493	137,603,997	155,574,268
Amortization of intangible		178,854,363	178,854,363	59,618,121	59,618,121
Salaries and payroll related expenses		70,278,040	74,074,260	21,716,232	22,681,293
Software and license fees		59,648,560	41,535,732	19,830,610	16,330,054
Repairs, maintenance and communication		54,497,550	37,056,300	27,384,668	11,889,180
Rental and utilities		24,044,752	26,684,338	7,172,250	12,874,025
Depreciation and amortization expense		3,146,236	32,536,074	482,091	3,131,151
		698,286,539	673,385,560	273,807,969	282,098,092
<b>OTHER INCOME (EXPENSES)</b>					
Interest income		201,592,763	92,765,179	71,107,550	38,397,038
Dividend Income		5,999,263	-	-	-
Other income (charges)		192,927,297	17,708,315	185,516,498	12,955,737
		400,519,323	110,473,494	256,624,048	51,352,775
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>		<b>2,002,339,909</b>	<b>1,241,876,082</b>	<b>699,954,662</b>	<b>384,598,912</b>
<b>PROVISION(BENEFIT FROM) INCOME TAX</b>		<b>85,192,900</b>	<b>22,031,480</b>	<b>27,883,065</b>	<b>1,662,499</b>
<b>NET INCOME(LOSS)</b>		<b>1,917,147,009</b>	<b>1,219,844,602</b>	<b>672,071,597</b>	<b>382,936,413</b>
<b>Net income attributable to Parent</b>		<b>1,802,018,563</b>	<b>1,155,578,181</b>	<b>630,330,747</b>	<b>343,300,898</b>
<b>Net income attributable to Minority interest</b>		<b>115,128,446</b>	<b>64,266,421</b>	<b>41,740,850</b>	<b>39,635,414</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year		158,603,089	243,398,511	144,760,443	219,413,281
Remeasurement loss on DBL		-	-		
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	P	<b>2,075,750,098</b>	<b>1,463,243,113</b>	P 816,832,040	P 602,349,694
<b>Total Comprehensive income attributable to Parent</b>		<b>1,960,621,652</b>	<b>1,307,936,117</b>	<b>775,091,190</b>	<b>471,008,400</b>
<b>Total Comprehensive income attributable to Minority</b>		<b>115,128,446</b>	<b>155,306,996</b>	<b>41,740,850</b>	<b>131,341,294</b>
<b>Total</b>		<b>2,075,750,098</b>	<b>1,463,243,113</b>	<b>816,832,040</b>	<b>602,349,694</b>
<b>Earnings Per Share (Basic)</b>	P	<b>0.05773</b>	P 0.03702		
<b>Earnings Per Share (Diluted)</b>	P	<b>0.05773</b>	P 0.03702		

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

Nine Months Ended September 30			
		2023	2022
		(Unaudited)	(Unaudited)
<b>CAPITAL STOCK</b>	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 11,384,284,906
Issuances (transfer from subscribed)		-	-
Balance at end of period		11,384,284,906	11,384,284,906
Subscribed:			
Balance at beginning of year		(3,477,457,406)	(3,477,457,406)
Issuances (transfer to issued)		-	-
Balance at end of period		(3,477,457,406)	(3,477,457,406)
Balance at the end of period		7,906,827,500	7,906,827,500
<b>ADDITIONAL PAID-IN CAPITAL (APIC)</b>			
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
<b>TREASURY SHARES</b>			
Beginning balance		(220,430,080)	(220,430,080)
Additions for the year		-	-
Balance at the end of period		(220,430,080)	(220,430,080)
<b>Other Reserves</b>			
Balance at beginning of year		(707,307,856)	(851,048,515)
Net Unrealized loss on available-for-sale investments		158,603,091	152,357,937
Remeasurement gain on Retirement		-	-
Balance at the end of period		(548,704,765)	(698,690,578)
<b>Cost of Parent Company held by a subsidiary</b>			
Balance at beginning of year		(509,597,055)	(509,597,055)
Additional acquisition		-	-
Balance at the end of period		(509,597,055)	(509,597,055)
<b>RETAINED EARNINGS (DEFICIT)</b>			
Balance at beginning of year		2,094,797,559	2,566,288,233
Reclass from OCI		-	(183,779,301)
Declared dividends		(1,549,390,949)	(1,549,390,949)
Net income (loss)		1,802,018,563	1,155,578,182
Balance at end of period		2,347,425,173	1,988,696,165
<b>NON-CONTROLLING INTEREST</b>		441,869,945	423,077,684
	P	16,656,112,642	P 16,128,605,560

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Nine Months Ended September 30

	2023 (Unaudited)	2022 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) before income tax	P 2,002,339,909	P 1,241,876,082
Adjustments for:		
Unrealized loss (gain) on marketable securities	(45,766,343)	(5,730,732)
Unrealized loss (gain) on forex	596,023	-
Finance charges	24,947	235,050
Retirement cost	5,176,049	7,511,575
Loss (gain) on sale of property and equipment	(27,822)	(2,942,781)
Loss (gain) on sale of AFS investment	(146,239,154)	-
Foreign exchange (gain) loss	108,119	(1,027,161)
Depreciation	3,146,236	32,536,074
Amortization of Intangible	178,854,363	178,854,363
Dividend income	(5,999,263)	-
Interest income	(30,718,145)	(11,614,560)
<b>Income before working capital changes</b>	<b>1,961,494,919</b>	<b>1,439,697,910</b>
Decrease (Increase) in:		
Receivables and others	(118,201,355)	(223,090,268)
Other current assets	(114,483,501)	4,452,659
Other noncurrent assets	(393,397,260)	2,137,270
Right of use asset	1,815,399	3,767,932
Increase (decrease) in:		
Increase in accrued trade and other payables	(37,889,914)	(181,916,204)
Retirement contributions paid	(10,000,000)	(10,000,000)
Income tax paid	(62,592,270)	-
<b>Net cash provided by operating activities</b>	<b>1,226,746,018</b>	<b>1,035,049,299</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Interest received	30,718,145	11,614,560
Proceeds from sale of:		
Financial assets at fair value through OCI	857,651,264	88,661,790
Property and equipment	26,100	3,825,960
<b>Net cash from investing activities</b>	<b>888,395,509</b>	<b>104,102,310</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Increase (Decrease) in lease liability	(1,891,445)	(3,866,307)
Proceeds from loan availments	432,500,000	-
Interest paid	(24,947)	(235,050)
Dividends paid	(1,607,968,929)	(1,549,390,949)
<b>Net cash from financing activities</b>	<b>(1,177,385,321)</b>	<b>(1,553,492,306)</b>
<b>NET INCREASE IN CASH</b>	<b>937,756,206</b>	<b>(414,340,697)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1,778,570,078</b>	<b>1,660,934,194</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P 2,716,326,284</b>	<b>P 1,246,593,497</b>

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS**  
**September 30, 2023**

<b>NAME</b>	<b>AMOUNT</b>
Notes receivables - current	3,705,925,000
Trade receivables - current	199,502,721
Other receivable	131,266,865
Other current assets	262,977,512
<b>Total Receivables and Other Assets</b>	<b><u>4,299,672,098</u></b>

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