

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, 2020
2. SEC Identification Number
AS93009289
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
Metro Manila, Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
5th Floor, 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
(+632) 8662 8888
9. Former name or former address, and former fiscal year, if changed since last report
-
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:
Philippine Stock Exchange, Inc. / Common Stock
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.



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, 2020
Currency (indicate units, if applicable)	PhP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2020	Dec 31, 2019
Current Assets	6,672,872,588	8,030,049,966
Total Assets	18,280,190,941	19,930,922,355
Current Liabilities	1,726,970,322	1,847,671,093
Total Liabilities	1,785,333,935	1,913,198,308
Retained Earnings/(Deficit)	2,449,929,116	3,660,924,536
Stockholders' Equity	16,494,857,006	18,017,724,047
Stockholders' Equity - Parent	15,989,688,427	17,478,838,275
Book Value per Share	0.53	0.57

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	625,145,276	1,018,518,666	625,145,276	1,018,518,666
Gross Expense	361,610,550	614,017,656	361,610,550	614,017,656
Non-Operating Income	67,436,683	83,875,250	67,436,683	83,875,250
Non-Operating Expense	2,065,960	-	2,065,960	-
Income/(Loss) Before Tax	328,905,449	488,376,260	328,905,449	488,376,260
Income Tax Expense	4,941,629	3,149,637	4,941,629	3,149,637
Net Income/(Loss) After Tax	323,963,820	485,226,623	323,963,820	485,226,623
Net Income Attributable to Parent Equity Holder	338,395,530	495,059,349	338,395,530	495,059,349
Earnings/(Loss) Per Share (Basic)	0.01	0.02	0.01	0.02
Earnings/(Loss) Per Share (Diluted)	0.01	0.02	0.01	0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.07	0.07
Earnings/(Loss) Per Share (Diluted)	0.07	0.07

Other Relevant Information

The amendment to the disclosure is to reflect the correct Current Assets as of March 31, 2020 and Current Year-to-Date column.

Filed on behalf by:

Name	Darwin Mendoza
Designation	Officer

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)

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 i 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

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)

**5th 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)

31 March 2020
(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 **March 31, 2020**
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:
**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, ₱0.25¹ par value	31,216,931,000

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

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

¹New 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:

- a.) Consolidated Statements of Financial Position as of March 31, 2020 and December 31, 2019;
- b.) Consolidated Statements of Comprehensive Income for the Three Months ended March 31, 2020 and March 31, 2019;
- c.) Consolidated Statements of Changes in Equity for the Three Months ended March 31, 2020 and March 31, 2019;
- d.) Consolidated Statements of Cash Flows for the Three Months ended March 31, 2020 and March 31, 2019.

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

PREMIUM LEISURE CORP AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March		Horizontal Analysis		Vertical Analysis	
	2020 (Unaudited)	2019 (Unaudited)	Increase (Decrease) Amount	%	2020 %	2019 %
INCOME						
Gaming share revenue	445,037,022	724,715,943	(279,678,921)	-39%	71%	71%
Equipment lease rentals	134,004,361	199,606,320	(65,601,959)	-33%	21%	20%
Commission and distribution income	46,103,893	94,196,403	(48,092,510)	-51%	7%	9%
	625,145,276	1,018,518,665	(393,373,389)	-39%	100%	100%
COST AND EXPENSES						
Salaries and payroll related expenses	61,799,751	91,303,173	(29,503,422)	-32%	10%	9%
Repairs, maintenance and communication	27,521,926	34,283,905	(6,761,979)	-20%	4%	3%
Software and license fees	20,582,546	46,627,809	(26,045,263)	-56%	3%	5%
Online lottery expenses	4,561,825	14,541,120	(9,979,295)	-69%	1%	1%
Service and consultancy fees	-	878,359	(878,359)	-100%	0%	0%
General and administrative expenses	125,181,988	315,193,900	(190,011,912)	-60%	20%	31%
Amortization of intangible	59,618,121	59,618,121	-	0%	10%	6%
Depreciation expense	62,344,393	51,571,269	10,773,124	21%	10%	5%
	361,610,548	614,017,655	(252,407,106)	-41%	58%	60%
OTHER INCOME (EXPENSES)						
Interest income	57,082,123	70,075,124	(12,993,001)	-19%	9%	7%
Dividend Income	10,354,560	7,999,560	2,355,000	29%	2%	1%
Other income (charges)	(2,065,960)	5,800,566	(7,866,527)	-136%	0%	1%
	65,370,723	83,875,251	(18,504,528)	-22%	10%	8%
NET INCOME (LOSS) BEFORE INCOME TAX	328,905,451	488,376,261	(159,470,811)	-33%	53%	48%
PROVISION(BENEFIT FROM) INCOME TAX	4,941,628	3,149,637	1,791,991	57%	1%	0%
NET INCOME	323,963,823	485,226,624	(161,262,802)	-33%	52%	48%
<i>Net income attributable to Parent</i>	338,395,530	495,059,349	(156,663,819)	-32%	54%	49%
<i>Net income attributable to Minority interest</i>	(14,431,707)	(9,832,726)	(4,598,981)	47%	-2%	-1%

PLC recognized Php323.96 million net income for the three months ended March 31, 2020, 33% down from its net income for the same period in 2019.

Operating EBITDA (proxy for cash flow) for the period is at Php385.50 million, 25% lower than its EBITDA of Php515.69 million as of March 31, 2019.

The Philippine Government declared a State of Public Health Emergency throughout the Philippines due to Covid19. This proclamation imposes an Enhanced Community Quarantine (ECQ) throughout Luzon effective March 17, 2020. Effectively, all non-essential businesses are temporarily suspended.

Revenues for the period decreased by 39% from Php724.72 million to Php445.02 million mostly due to suspension of all gaming operations, both casino and the Philippine Charity Sweepstakes Office (PCSO) lottery games, starting March 17, 2020.

Costs and expenses decreased by Php252.41 million or 41% for the period due to the decrease in the Company's general and administrative expenses, software licenses fees, payroll related expenses and the effect of deconsolidation of an entity from the parent company following the sale of a subsidiary (Lucky Circle Corporation) in February 2020.

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

	Three Months Ended March		Horizontal Analysis		Vertical Analysis	
	2020 (Unaudited)	2019 (Unaudited)	Increase (Decrease) Amount	%	2020 %	2019 %
NET INCOME	323,963,823	485,226,624	(161,262,802)	-33%	52%	48%
OTHER COMPREHENSIVE INCOME (LOSS)						
Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI)	(113,122,490)	5,199,521	(118,322,010)	-2276%	-18%	1%
Remeasurement loss on DBL	6,682,576	-	6,682,576	100%	1%	0%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 217,523,908	P 490,426,145	P (272,902,237)	-56%	35%	48%
<i>Total Comprehensive income attr to Parent</i>	251,241,099	499,260,925	(248,019,826)	-50%	40%	49%
<i>Total Comprehensive income attr to Minority</i>	(33,717,191)	(8,834,780)	(24,882,411)	282%	-5%	-1%
Total	217,523,908	490,426,145	(272,902,237)	-56%	35%	48%

PLC's comprehensive income (loss) pertains to the unrealized gains (losses) arising from changes in market value of its financial assets at FVOCI. PLC recognized comprehensive loss amounting to Php113.12 million for the three months ending March 31, 2020 as a result of the lower share prices of its financial asset investments. As such, PLC recognized a total comprehensive income amounting to Php217.52 million (of which, Php251.24 million is attributable to parent shareholders) as of March 31, 2020.

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, 2020.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2020	December 31, 2019	Horizontal Analysis		Vertical Analysis		
			(Unaudited)	(Audited)	Increase (Decrease) Amount	%	2020 %
ASSETS							
Current Assets							
Cash and cash equivalents	P 2,010,599,214	3,537,075,479	(1,526,476,264)	-43%	11%	18%	
Trade and other receivables	633,718,149	339,784,430	293,933,718	87%	3%	2%	
Investment held for trading	76,231,364	140,456,581	(64,225,217)	-46%	0%	1%	
Notes receivable	3,705,925,000	3,705,925,000	-	0%	20%	19%	
Other assets	246,398,861	306,808,478	(60,409,617)	-20%	1%	2%	
Total Current Assets	6,672,872,588	8,030,049,967	(1,357,177,379)	-17%	37%	40%	
Noncurrent Assets							
Intangible asset	9,131,508,881	9,191,127,002	(59,618,121)	-1%	50%	46%	
Financial assets at fair value through OCI	221,393,542	334,516,031	(113,122,489)	-34%	1%	2%	
Investment property	285,510,452	285,510,452	-	0%	2%	1%	
Property and equipment	111,701,554	107,432,510	4,269,044	4%	1%	1%	
Right of use asset	38,624,690	73,225,966	(34,601,276)	100%	0%	0%	
Goodwill	1,358,298,121	1,358,298,121	0	0%	7%	7%	
Other non-current assets	460,281,113	550,762,300	(90,481,187)	-16%	3%	3%	
Total Noncurrent Assets	11,607,318,352	11,900,872,382	(293,554,029)	-2%	63%	60%	
Total Assets	P 18,280,190,940	P 19,930,922,349	(1,650,731,409)	-8%	100%	100%	
LIABILITIES AND EQUITY							
Current Liabilities							
Trade payables and other current liabilities	P 1,569,146,703	1,618,365,465	(49,218,762)	-3%	9%	8%	
Loans payable	112,494,812	150,000,000	(37,505,188)	-25%	1%	1%	
Lease liability - ROU current	44,385,333	75,030,683	(30,645,350)	100%	0%	0%	
Income tax payable	943,474	4,274,940	(3,331,466)	-78%	0%	0%	
Total current liabilities	1,726,970,322	1,847,671,088	(120,700,766)	-7%	9%	9%	
Noncurrent Liability							
Lease liability - ROU non current	8,914,412	16,576,645	(7,662,233)	100%	0%	0%	
Retirement liability	42,570,832	48,950,570	(6,379,738)	-13%	0%	0%	
Deferred tax liability	6,878,367	-	6,878,367	#DIV/0!	0%	0%	
Total non-current liabilities	58,363,612	65,527,216	(7,163,604)	-11%	0%	0%	
Total Liabilities	P 1,785,333,934	P 1,913,198,303	(127,864,370)	-7%	10%	10%	
Equity							
Capital Stock	7,906,827,500	7,906,827,500	-	0%	43%	40%	
Additional paid-in capital	7,238,721,924	7,238,721,924	-	0%	40%	36%	
Treasury shares	(220,430,080)	(29,430,080)	(191,000,000)	-100%	-1%	0%	
Cost of parent shares held by a subsidiary	(509,597,055)	(509,597,055)	-	0%	-3%	-3%	
Other reserves	(875,762,978)	(788,608,549)	(87,154,429)	-11%	-5%	-4%	
Retained earnings (deficit)	2,449,929,116	3,660,924,536	(1,210,995,420)	-33%	13%	18%	
Total equity attributable to Parent	15,989,688,426	17,478,838,275	(1,489,149,849)	-9%	87%	88%	
Non-controlling interest	505,168,579	538,885,771	(33,717,192)	-6%	3%	3%	
Total Equity	16,494,857,006	18,017,724,046	(1,522,867,041)	-8%	90%	90%	
Total Liabilities and Equity	P 18,280,190,940	P 19,930,922,350	(1,650,731,410)	-8%	100%	100%	

As at March 31, 2020, PLC's total assets amounted to Php18.28 billion, lower by Php1.65 billion versus total assets as at December 31, 2019. 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 decreased by 43% (Php1.53 billion) as at March 31, 2020 mainly because of the payment of dividends to shareholders in March 2020. The steady success of the Company in 2019 allowed it to declare and pay around Php1.59 billion in dividends (Php0.05024 per share) during the first quarter of 2020

Trade 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 as well as other receivables. The Company recorded net increase in trade and other receivables by ₱293.93 million.

Investments held for trading

Investments held for trading decreased by 46% mainly due to the mark-to-market losses due to the plunge in share prices especially during the enhanced community quarantine.

Intangible Asset

The Company's intangible asset pertains to the Philippine Gaming and Amusement Corporation (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.

Investment Property

As at March 31, 2020 and December 31, 2019, 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 minimal increase of Php4.27 million (4%) in the account compared to balances at December 31, 2019 due to additions in PPE for the period, tempered by recognized depreciation.

Goodwill

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

Total Liabilities

PLCs total liabilities is at Php1.79 billion as at March 31, 2020. This decreased by ₱127.86 million or 7% from total liabilities of ₱1.91 billion as at December 31, 2019. The decrease is due mostly to the deconsolidation of LCC upon its sale in February 2020.

Equity

Stockholders' equity declined from Php18.02 billion as at December 31, 2019, to Php16.50 billion as at March 31, 2020. This decrease of Php1.52 billion was mainly brought about by the declaration and payment of dividends to PLC's shareholders during the first quarter of the year.

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

Ratio	Manner in which the financial ratios are computed	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
Current ratio	Current assets divided by current liabilities	3.86	3.66	3.82
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	3.72	3.45	3.63
Solvency ratio	Total assets / total liabilities	10.24	10.68	9.07
Asset to equity	Total assets divided by total equity	1.11	1.10	1.12
Debt to equity	Interest bearing debt divided by total equity	0.01	0.00	0.00
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	165	1,133	472
Debt ratio	Total debt / total assets	0.10	0.09	0.11
Return on assets	Net income (loss) divided by average total assets during the period	6.8%	10.4%	10.7%
Return on equity	Net income (loss) divided by average total equity during the period	7.5%	11.4%	11.9%

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:

- a) Net income decreased by 33% for the three months ending March 31, 2020, accounting for the decrease in the return on assets and return on equity versus the same period in 2019.
- b) Current and solvency ratios decreased minimally.

As at March 31, 2020, 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, 2020 and December 31, 2019, 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, trade receivables and others, financial assets at FVOCI and AFS financial assets.

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 March 31, 2020 and December 31, 2019 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 2020 and 2019.

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.

	March 31, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,010,599,214	2,010,599,214	3,537,075,479	3,537,075,479
Investment held for trading	76,231,364	76,231,364	140,456,581	140,456,581
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	441,532,610	441,532,610	332,479,558	332,479,558
Nontrade and others	192,185,539	192,185,539	5,055,618	5,055,618
	6,426,473,727	6,426,473,727	7,720,992,236	7,720,992,236
Financial assets at fair value through OCI				
Quoted shares	221,312,442	221,312,442	334,434,931	334,434,931
Unquoted shares	81,100	81,100	81,100	81,100
	221,393,542	221,393,542	334,516,031	334,516,031
	6,647,867,269	6,647,867,269	8,055,508,267	8,055,508,267
Loans and Borrowings				
Accrued expenses & other liabilities*	1,548,600,910	1,548,600,910	1,611,644,270	1,611,644,270

*excluding statutory payables amounting to - Php20.5 million and P6.7 million as at March 31, 2020 and December 31, 2019, 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, 2019.
- 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, 2020 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, 2019, as of March 30, 2020.
- 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
Date: May 28, 2020

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2020	December 31, 2019
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,010,599,214	P 3,537,075,479
Investment held for trading	76,231,364	140,456,581
Trade and other receivables	633,718,149	337,535,176
Notes receivable	3,705,925,000	3,705,925,000
Contract asset - current	-	40,510,763
Other current assets	246,398,861	268,546,967
Total Current Assets	6,672,872,588	8,030,049,966
Noncurrent Assets		
Intangible asset	9,131,508,881	9,191,127,003
Financial assets at fair value through OCI	221,393,542	334,516,031
Property and equipment	111,701,554	107,432,510
Investment property	285,510,452	285,510,452
Right of use assets	38,624,690	73,225,966
Goodwill	1,358,298,121	1,358,298,121
Deferred tax assets - net	35,698,045	52,824,625
Retirement assets	-	10,311,588
Contract assets - net of current portion	-	89,612,359
Other non-current assets	424,583,068	398,013,734
Total Noncurrent Assets	11,607,318,352	11,900,872,389
Total Assets	P 18,280,190,940	P 19,930,922,355
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 1,569,146,703	P 1,618,365,470
Loans payable	112,494,812	150,000,000
Lease liability - ROU current	44,385,333	75,030,683
Income tax payable	943,474	4,274,940
Total current liabilities	1,726,970,322	1,847,671,093
Noncurrent Liability		
Retirement liability	42,570,832	48,950,570
Deferred tax liability	6,878,367	-
Lease liabilities - net of current portion	8,914,412	16,576,645
Total non-current liabilities	58,363,612	65,527,215
	P 1,785,333,934	P 1,913,198,308
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)	(29,430,080)
Cost of parent shares held by a subsidiary	(509,597,055)	(509,597,055)
Other reserves	(875,762,978)	(788,608,549)
Retained earnings (deficit)	2,449,929,116	3,660,924,536
Total equity attributable to Parent	15,989,688,426	17,478,838,275
Non-controlling interest	505,168,579	538,885,772
Total Equity	16,494,857,006	18,017,724,047
Total Liabilities and Equity	P 18,280,190,940	P 19,930,922,355

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31		This quarter	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019
INCOME				
Gaming share revenue	P 445,037,022	724,715,943	445,037,022	724,715,943
Equipment lease rentals	134,004,361	199,606,320	134,004,361	199,606,320
Commission and distribution income	46,103,893	94,196,403	46,103,893	94,196,403
	625,145,276	1,018,518,666	625,145,276	1,018,518,666
COST AND EXPENSES				
Salaries and payroll related expenses	61,799,751	91,303,173	61,799,751	91,303,173
Service and consultancy fees	-	878,359	-	878,359
Online lottery expenses	4,561,825	14,541,120	4,561,825	14,541,120
Software and license fees	20,582,546	46,627,809	20,582,546	46,627,809
Repairs, maintenance and communication	27,521,926	34,283,905	27,521,926	34,283,905
General and administrative expenses	125,181,988	315,193,900	125,181,988	315,193,900
Amortization of intangible	59,618,121	59,618,121	59,618,121	59,618,121
Depreciation expense	62,344,393	51,571,269	62,344,393	51,571,269
	361,610,548	614,017,656	361,610,550	614,017,656
OTHER INCOME (EXPENSES)				
Interest income	57,082,123	70,075,124	57,082,123	70,075,124
Dividend Income	10,354,560	7,999,560	10,354,560	7,999,560
Other income (charges)	(2,065,960)	5,800,566	(2,065,960)	5,800,566
	65,370,723	83,875,250	65,370,723	83,875,250
NET INCOME (LOSS) BEFORE INCOME TAX	328,905,451	488,376,260	328,905,449	488,376,260
PROVISION(BENEFIT FROM) INCOME TAX	4,941,628	3,149,637	4,941,628	3,149,637
NET INCOME(LOSS)	323,963,823	485,226,623	323,963,821	485,226,623
Net income attributable to Parent	338,395,530	495,059,349	338,395,530	495,059,349
Net income attributable to Minority interest	(14,431,707)	(9,832,726)	(14,431,707)	(9,832,726)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	(113,122,490)	5,199,521	(113,122,490)	5,199,521
Remeasurement loss on DBL	6,682,576	-	6,682,576	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 217,523,909	490,426,144	P 217,523,907	P 490,426,144
Total Comprehensive income attributable to Parent	251,241,100	499,260,925	251,241,100	499,260,925
Total Comprehensive income attributable to Minorit	(33,717,191)	(8,834,781)	(33,717,191)	(8,834,781)
Total	217,523,909	490,426,144	217,523,909	490,426,144
Earnings Per Share (Basic)	P 0.01084	P 0.01567		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Three Months Ended March 31	
	2020 (Unaudited)	2019 (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 11,384,284,906
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
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
TREASURY SHARES		
Beginning balance	(29,430,080)	-
Additions for the year	(191,000,000)	(29,430,080)
Balance at the end of period	(220,430,080)	(29,430,080)
Other Reserves		
Balance at beginning of year	(788,608,550)	(736,930,415)
Net Unrealized loss on available-for-sale investments	(90,502,398)	4,201,576
Balance at the end of period	(875,762,978)	(732,728,839)
Cost of Parent Company held by a subsidiary		
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)
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	3,660,924,536	2,967,544,420
Declared dividends	(1,549,390,950)	(1,556,584,103)
Net income (loss)	338,395,530	495,059,349
Balance at end of period	2,449,929,116	1,906,019,666
NON-CONTROLLING INTEREST	505,168,579	710,092,971
	P 16,494,857,006	P 16,489,906,087

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

Three Months Ended March 31

	2020 (Unaudited)	2019 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 328,905,451	P 488,376,260
Adjustments for:		
Unrealized loss (gain) on marketable securities	14,225,217	(2,475,550)
Finance charges	2,340,487	964,572
Retirement cost	1,500,000	2,385,530
Loss (gain) on sale of property and equipment	(850)	(20,000)
Gain on sale of subsidiary	(9,547,745)	-
Foreign exchange (gain) loss	(205,522)	236,873
Depreciation	62,344,393	51,571,269
Amortization of Intangible	59,618,121	59,618,121
Dividend income	(10,354,560)	(7,999,560)
Interest income	(17,167,788)	(12,506,372)
Income before working capital changes	431,657,202	580,151,143
Decrease (Increase) in:		
Receivables and others	(296,182,973)	(120,878,980)
Other current assets	19,696,179	17,787,115
Other noncurrent assets	(26,569,334)	22,917,346
Increase (decrease) in:		
Increase in accrued trade and other payables	(79,864,117)	94,266,681
Income tax paid	(356,854)	(9,620,482)
Net cash provided by operating activities	48,380,103	584,622,822
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Property and equipment	(57,118,506)	(11,425,011)
Right of use of Asset	34,601,276	-
Dividends received	10,354,560	7,999,560
Interest received	17,167,788	12,506,372
Proceeds from sale of:		
Subsidiary	137,413,892	-
Marketable securities	50,000,000	-
Property and equipment	850	-
Net cash from investing activities	192,419,860	9,080,921
CASH FLOW FROM FINANCING ACTIVITY		
Payment of obligation under finance lease	-	(4,420,011)
Payment of installment payable	-	(9,205,042)
Increase (Decrease) in lease liability	(7,662,233)	-
Payment of loan	(37,500,000)	-
Acquisition of Treasury shares	(191,000,000)	-
Interest paid	(2,340,487)	(964,572)
Dividends paid	(1,528,773,508)	(1,568,582,629)
Net cash from financing activities	(1,767,276,228)	(1,583,172,254)
NET INCREASE IN CASH	(1,526,476,265)	(989,468,511)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,537,075,479	2,314,012,081
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 2,010,599,214	P 1,324,543,570

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
March 31, 2020

<u>NAME</u>	<u>AMOUNT</u>
Notes receivables - current	3,705,925,000
Trade receivables - current	441,532,610
Other receivable	192,185,539
Other current assets	246,398,861
Total Receivables and Other Assets	<u>4,586,042,010</u>

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