

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, 2018
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	31,606,740,000

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.



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, 2018
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2018	Dec 31, 2017
Current Assets	5,600,593,054	5,938,867,856
Total Assets	18,148,037,820	18,621,967,269
Current Liabilities	1,938,525,970	1,512,362,879
Total Liabilities	1,982,662,415	1,555,923,431
Retained Earnings/(Deficit)	707,860,707	1,604,112,305
Stockholders' Equity	16,165,375,405	17,066,112,305
Stockholders' Equity - Parent	15,348,280,218	16,315,083,510
Book Value per Share	0.51	0.53

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,224,131,577	1,261,960,905	1,224,131,577	1,261,960,905
Gross Expense	718,662,545	711,750,247	718,662,545	711,750,247
Non-Operating Income	102,602,352	25,745,786	102,602,352	25,745,786
Non-Operating Expense	0	20,732,973	0	20,732,973
Income/(Loss) Before Tax	608,071,385	555,223,471	608,071,385	555,223,471
Income Tax Expense	51,722,581	53,488,156	51,722,581	53,488,156
Net Income/(Loss) After Tax	556,348,804	501,735,315	556,348,804	501,735,315
Net Income Attributable to Parent Equity Holder	474,422,512	424,963,466	474,422,512	424,963,466
Earnings/(Loss) Per Share (Basic)	0.01	0.01	0.01	0.01
Earnings/(Loss) Per Share (Diluted)	0.01	0.01	0.01	001,344

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.05	0.03
Earnings/(Loss) Per Share (Diluted)	0.05	0.03

Other Relevant Information

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Filed on behalf by:

Name	Esperanza Bagsit
Designation	Manager

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

JACKSON T. ONGSIP

Contact Person

(632) 662-8888

Company Telephone Number

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Secondary License Type, If Applicable

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Amended Articles Number/Section

368

Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be Accomplished by SEC Personnel concerned

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**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, 2018**
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	31,606,740,000

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

Out of a total of 31,606,740,000 outstanding shares, 31,606,739,995 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, 2018 and December 31, 2017;
- b.) Consolidated Statements of Comprehensive Income for the Three Months ended March 31, 2018 and March 31, 2017;
- c.) Consolidated Statements of Changes in Equity for the Three Months ended March 31, 2018 and March 31, 2017;
- d.) Consolidated Statements of Cash Flows for the Three Months ended March 31, 2018 and March 31, 2017.

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

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31		Horizontal Analysis		Vertical Analysis	
	2018 (Unaudited)	2017 (Unaudited)	Increase (Decrease) Amount	%	2018 %	2017 %
INCOME						
Gaming share revenue	P 664,336,721	721,871,273	(57,534,552)	-8%	54%	57%
Equipment lease rentals	439,854,459	461,868,038	(22,013,579)	-5%	36%	37%
Commission and distribution income	119,940,397	78,221,594	41,718,803	53%	10%	6%
	1,224,131,577	1,261,960,905	(37,829,328)	-3%	100%	100%
COST AND EXPENSES						
Service and consultancy fees	95,645,625	108,873,967	(13,228,343)	-12%	8%	9%
Online lottery expenses	50,240,702	90,748,199	(40,507,497)	-45%	4%	7%
Software and license fees	59,880,231	39,829,691	20,050,540	50%	5%	3%
Repairs, maintenance and communication	33,393,509	24,779,135	8,614,374	35%	3%	2%
General and administrative expenses	367,550,873	341,594,237	25,956,636	8%	30%	27%
Amortization of intangible	59,618,121	59,618,121	-	0%	5%	5%
Depreciation expense	52,333,484	46,306,897	6,026,587	13%	4%	4%
	718,662,545	711,750,247	6,912,297	1%	59%	56%
OTHER INCOME (EXPENSES)						
Interest income	25,563,232	13,562,527	12,000,704	88%	2%	1%
Dividend Income	22,566,102	12,183,259	10,382,843	85%	2%	1%
Other income (charges)	54,473,019	(20,732,973)	75,205,992	-363%	4%	-2%
	102,602,352	5,012,813	97,589,539	1947%	8%	0%
NET INCOME (LOSS) BEFORE INCOME TAX	608,071,385	555,223,471	52,847,914	10%	50%	44%
PROVISION(BENEFIT FROM) INCOME TAX	51,722,581	53,488,156	(1,765,575)	-3%	4%	4%
NET INCOME(LOSS)	556,348,804	501,735,315	54,613,489	11%	45%	40%
Net income attributable to Parent	474,422,512	424,963,466	49,459,046	12%	39%	34%
Net income attributable to Minority interest	81,926,292	76,771,849	5,154,444	7%	7%	6%

Premium Leisure Corp (“PLC” or the “Company”) realized an 11% increase in its net income for the three months ended March 31, 2018, from Php501.7 million in 2017 to Php556.3 million in 2018.

Total revenue decreased by 3% for the same period as last year due to lower gaming share revenue by 8% from Php721.9 million to Php664.3 million and lower equipment lease rentals by 5% from Php461.9 million to Php439.9 million.

The lower expenses in line with the lower revenues were offset by the higher expenses due to the consolidation of nine companies under Lucky Circle Corporation (LCC) effective July 2017, resulting in a minimal 1% increase in costs and expenses.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31		Horizontal Analysis		Vertical Analysis	
	2018 (Unaudited)	2017 (Unaudited)	Increase (Decrease) Amount	%	2018 %	2017 %
NET INCOME	556,348,804	501,735,315	54,613,489	11%	45%	40%
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	(28,113,622)	180,957,036	(209,070,658)	-116%	-2%	14%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 528,235,182	682,692,351	(154,457,169)	-23%	43%	54%
Total Comprehensive income attributable to Parent	556,348,804	578,240,324	(21,891,519)	-4%	45%	46%
Total Comprehensive income attributable to Minority	(28,113,623)	104,452,027	(132,565,650)	-127%	-2%	8%

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 loss on its Available for Sale investments amounting to Php28.1 million for the three months ending March 31, 2018 as a result of the lower share prices of its AFS investments. As such, PLC recognized a total comprehensive income amounting to Php528.2 million (of which Php556.3 million is attributable to parent shareholders) as of March 31, 2018.

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, 2018.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31, 2018	December 31, 2017	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Increase (Decrease)		2016	2015
			Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	P 2,276,367,740	P 2,962,635,687	(686,267,947)	-23%	13%	16%
Investment held for trading	200,439,997	178,482,842	21,957,155	12%	1%	1%
Trade and other receivables	729,220,705	700,656,306	28,564,398	4%	4%	4%
Notes receivable	1,605,925,000	1,605,925,000	-	0%	9%	9%
Other assets	503,129,161	205,657,568	297,471,594	145%	3%	1%
	5,315,082,602	5,653,357,404	(338,274,801)	-6%	0	30%
Non-current asset held for sale	285,510,452	285,510,452	-	0%	2%	2%
Total Current Assets	5,600,593,054	5,938,867,856	(338,274,801)	-6%	31%	32%
Noncurrent Assets						
Intangible asset	9,608,453,850	9,668,071,971	(59,618,121)	-1%	53%	52%
Available-for-Sale investments	620,484,268	648,597,890	(28,113,622)	-4%	3%	3%
Property and equipment	387,569,528	438,063,955	(50,494,427)	-12%	2%	2%
Goodwill	1,832,260,734	1,832,260,734	-	0%	10%	10%
Deferred tax assets	19,932,337	15,439,685	4,492,652	29%	0%	0%
Retirement assets	-	1,357,273	(1,357,273)	-100%	0%	0%
Other non-current assets	78,744,049	79,307,905	(563,856)	-1%	0%	0%
Total Noncurrent Assets	12,547,444,765	12,683,099,413	(135,654,648)	-1%	69%	68%
Total Assets	P 18,148,037,820	P 18,621,967,269	(473,929,449)	-3%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	P 1,835,169,202	P 1,432,358,126	402,811,076	28%	10%	8%
Current portion of obligations under finance lease	25,836,720	11,081,798	14,754,922	133%	0%	0%
Current portion of installment payable	3,502,329	29,434,444	(25,932,115)	-88%	0%	0%
Income tax payable	74,017,719	39,488,510	34,529,210	87%	0%	0%
Total current liabilities	1,938,525,970	1,512,362,879	426,163,091	28%	11%	8%
Noncurrent Liability						
Installment payable	3,296,164	2,762,995	533,169	19%	0	0
Obligation under finance lease	35,374,474	35,374,474	-	0%	0%	0%
Pension liability	5,465,808	5,423,083	42,725	1%	0%	0%
Total non-current liabilities	44,136,445	43,560,552	575,893	1%	0%	0%
	P 1,982,662,415	P 1,555,923,431	426,738,984	27%	11%	8%
Equity						
Capital Stock	7,906,827,500	7,906,827,500	-	0%	44%	42%
Additional paid-in capital	7,238,721,924	7,238,721,924	-	0%	40%	39%
Treasury shares	(16,951,080)	-	(16,951,080)	-100%	0%	0%
Cost of parent shares held by a subsidiary	(506,560,565)	(475,427,035)	(31,133,530)	7%	-3%	-3%
Other reserves	18,381,734	40,848,817	(22,467,083)	-55%	0%	0%
Retained earnings (deficit)	707,860,705	1,604,112,305	(896,251,599)	-56%	4%	9%
Total equity attributable to Parent	15,348,280,218	16,315,083,510	(966,803,293)	-6%	85%	88%
Non-controlling interest	817,095,187	750,960,328	66,134,859	9%	5%	4%
Total Equity	16,165,375,405	17,066,043,839	(900,668,434)	-5%	89%	92%
Total Liabilities and Equity	P 18,148,037,820	P 18,621,967,269	(473,929,449)	-3%	100%	100%

As at March 31, 2018, PLC's total assets amounted to Php18.1 billion, lower by 3% versus total assets as at December 31, 2017. 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 23% (Php686.2 million) as of March 31, 2018 due mainly to the payment of dividends to shareholders in March 2018. The remarkable success of the Company in 2017 allowed

it to declare and pay around Php1,388.8 million in dividends (Php0.04391 per share). This dividend comprises 81% of PLC's unrestricted retained earnings and is 56% higher than the dividends paid in 2017. The cash dividend payout was tempered by the cash collections from gaming revenue share, equipment lease rentals, commission and distribution income and other income.

Investments held for trading

Investments held for trading increased by 12% mainly due to additional trading instruments obtained during the year, 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 P28.6 million (4%).

Noncurrent asset held for sale

As at March 31, 2018 and December 31, 2017, this account pertains to parcels of land amounting to Php285.5 million. These parcels of land will be sold to Belle in relation to the Investment Plan, as approved by PLC's BOD on June 2, 2014. As at March 31, 2018, PLC and Belle are finalizing the contract to sell. The sale of parcels of land were not completed due to events and circumstances beyond the Company's control, pending the transfer of the parcels of land as a condition of sale.

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.

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 Php50.5 million in the account compared to balances at December 31, 2017 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 P426.7 million or 27% as at March 31, 2018 from total liabilities of P1,555.9 million as at December 31, 2017. The increase is due mostly to the increase in trade and other payables related to POSC's operations, service fees related to the gaming share revenue from City of Dreams Manila, and recognition of usual provisions of the Company.

Equity

Stockholders' equity decreased by P900.7 million as at March 31, 2018 from P17.1 billion as of December 31, 2016 to Php16.1 billion. The decrease is due mainly due to the dividends declared and paid in March 2018 amounting to around Php1,388.8 million. Treasury shares obtained by the Company pursuant to its share buy-back program, change in market prices of its available for share investments (under Other

Reserves) and additional parent shares of the Company held by its subsidiaries also contributed to the decline in equity. These are tempered by the net income earned for the quarter.

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

Ratio	Manner in which the financial ratios are computed	March 31, 2018	March 31, 2017	Dec 31, 2017
Current ratio	Current assets divided by current liabilities	2.89	4.65	4.09
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	2.48	4.07	3.68
Solvency ratio	Total assets / total liabilities	9.15	18.56	12.18
Asset to equity	Total assets divided by total equity	1.12	1.06	1.09
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	3,148	9,647	2,656
Debt ratio	Total debt / total assets	0.11	0.05	0.08
Return on assets	Net income (loss) divided by average total assets during the period	12.1%	12.0%	15.3%
Return on equity	Net income (loss) divided by average total equity during the period	13.4%	12.6%	16.4%

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:

- Net income increased by 11% for the first three quarters of 2018, contributing to the higher return on equity versus the same period in 2017.
- Current, Quick and Solvency ratios 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 its liabilities.
- There is no significant change in the other ratios presented.

As at March 31, 2018, 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, 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 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. Another contributor to the Company's credit risk is Belle, a major stockholder, of which outstanding balance covers around 68.8% and 69.6% of the Company's total notes and other receivables as at March 31, 2018 and December 31, 2017, respectively. Melco, 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 Melco 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, 2018		December 31, 2017	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,276,367,740	2,276,367,740	2,962,635,687	2,962,635,687
Investment held for trading	200,439,997	200,439,997	178,482,842	178,482,842
Notes receivable	1,605,925,000	1,605,925,000	1,605,925,000	1,605,925,000
Trade and other receivables:				
Trade receivables	685,942,757	685,942,757	682,390,655	682,390,655
Nontrade and others	43,277,948	43,277,948	18,265,651	18,265,651
	4,811,953,441	4,811,953,441	5,447,699,835	5,447,699,835
AFS Investment				
Quoted shares	620,403,168	620,403,168	648,516,790	648,516,790
Unquoted shares	81,100	81,100	81,100	81,100
	620,484,268	620,484,268	648,597,890	648,597,890
	5,432,437,709	5,432,437,709	6,096,297,725	6,096,297,725
Loans and Borrowings				
Accrued expenses & other liabilities*	1,806,644,732	1,806,644,732	1,428,415,419	1,428,415,419

*excluding statutory payables amounting to- Php28.5 million and P3.9 million as at March 31, 2018 and December 31, 2017, 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 or 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.

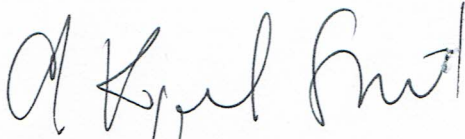
Other Required Disclosures

- 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, 2017. 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, 2018, 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, 2018 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, 2017, as of March 31, 2018.
- 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**

A handwritten signature in black ink, appearing to read "Armin Antonio B. Raquel-Santos". The signature is fluid and cursive, with the first name "Armin" being the most prominent.

Armin Antonio B. Raquel-Santos
President
Date: April 23, 2018

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2018	December 31, 2017
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,276,367,740	P 2,962,635,687
Investment held for trading	200,439,997	178,482,842
Trade and other receivables	729,220,705	700,656,306
Notes receivable	1,605,925,000	1,605,925,000
Other assets	503,129,161	205,657,568
	5,315,082,602	5,653,357,404
Non-current asset held for sale	285,510,452	285,510,452
Total Current Assets	5,600,593,054	5,938,867,856
Noncurrent Assets		
Intangible asset	9,608,453,850	9,668,071,971
Available-for-Sale investments	620,484,268	648,597,890
Property and equipment	387,569,528	438,063,955
Goodwill	1,832,260,734	1,832,260,734
Deferred tax assets	19,932,337	15,439,685
Retirement assets	-	1,357,273
Other non-current assets	78,744,049	79,307,905
Total Noncurrent Assets	12,547,444,765	12,683,099,413
Total Assets	P 18,148,037,820	P 18,621,967,269
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 1,835,169,202	P 1,432,358,126
Current portion of obligations under finance lease	25,836,720	11,081,798
Current portion of installment payable	3,502,329	29,434,444
Income tax payable	74,017,719	39,488,510
Total current liabilities	1,938,525,970	1,512,362,879
Noncurrent Liability		
Installment payable	3,296,164	2,762,995
Obligation under finance lease	35,374,474	35,374,474
Pension liability	5,465,808	5,423,083
Total non-current liabilities	44,136,445	43,560,552
	P 1,982,662,415	P 1,555,923,431
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	(16,951,080)	-
Cost of parent shares held by a subsidiary	(506,560,565)	(475,427,035)
Other reserves	18,381,734	40,848,817
Retained earnings (deficit)	707,860,705	1,604,112,305
Total equity attributable to Parent	15,348,280,218	16,315,083,510
Non-controlling interest	817,095,187	750,960,328
Total Equity	16,165,375,405	17,066,043,839
Total Liabilities and Equity	P 18,148,037,820	P 18,621,967,269

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Three Months Ended March 31				
		2018	2017	
		(Unaudited)	(Unaudited)	
INCOME				
Gaming share revenue	P	664,336,721	721,871,273	
Equipment lease rentals		439,854,459	461,868,038	
Commission and distribution income		119,940,397	78,221,594	
		1,224,131,577	1,261,960,905	
COST AND EXPENSES				
Service and consultancy fees		95,645,625	108,873,967	
Online lottery expenses		50,240,702	90,748,199	
Software and license fees		59,880,231	39,829,691	
Repairs, maintenance and communication		33,393,509	24,779,135	
General and administrative expenses		367,550,873	341,594,237	
Amortization of intangible		59,618,121	59,618,121	
Depreciation expense		52,333,484	46,306,897	
		718,662,545	711,750,247	
OTHER INCOME (EXPENSES)				
Interest income		25,563,232	13,562,527	
Dividend Income		22,566,102	12,183,259	
Other income (charges)		54,473,019	(20,732,973)	
		102,602,352	5,012,813	
NET INCOME (LOSS) BEFORE INCOME TAX		608,071,385	555,223,471	
PROVISION(BENEFIT FROM) INCOME TAX		51,722,581	53,488,156	
NET INCOME(LOSS)		556,348,804	501,735,315	
Net income attributable to Parent		474,422,512	424,963,466	
Net income attributable to Minority interest		81,926,292	76,771,849	
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year		(28,113,622)	180,957,036	
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P	528,235,182	682,692,351	
Total Comprehensive income attributable to Parent		556,348,804	578,240,324	
Total Comprehensive income attributable to Minority		(28,113,623)	104,452,027	
Total		528,235,182	682,692,351	
Basic/Diluted Loss Per Common Share	P	0.01500	P	0.01344

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Three Months Ended March 31			
		2018	2017
		(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 11,384,284,906
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		-	-
Additions for the year		(16,951,080)	-
Balance at the end of period		(16,951,080)	-
Other Reserves			
Balance at beginning of year		40,848,816	(75,992,783)
Net Unrealized loss on available-for-sale investments		(22,467,083)	153,276,857
Remeasurement gain on Retirement		-	-
Balance at the end of period		18,381,734	77,284,074
Cost of Parent Company held by a subsidiary			
Balance at beginning of year		(475,427,035)	(438,877,905)
Additional acquisition		(31,133,530)	(21,049,140)
Balance at the end of period		(506,560,565)	(459,927,045)
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year		1,604,112,305	727,181,017
Declared dividends		(1,370,674,111)	(879,527,864)
Net income (loss)		474,422,512	424,963,466
Balance at end of period		707,860,705	272,616,619
NON-CONTROLLING INTEREST		817,095,186	729,371,090
	P	16,165,375,405	P 15,764,894,162

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Three Months Ended March 31

	2018 (Unaudited)	2017 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 608,071,385	P 644,302,077
Adjustments for:		
Provisions for impairment of Receivables and others	-	1,591,817
Unrealized loss (gain) on marketable securities	(32,082,020)	-
Finance charges	177,216	290,837
Retirement cost	2,400,000	4,800,000
Loss(gain) on sale of marketable securities	(2,224,652)	(9,616,654)
Loss (gain) on sale of property and equipment	(176,999)	(9,999)
Foreign exchange losses (gain)	(422,237)	1,941,811
Depreciation	52,333,484	79,392,441
Amortization of Intangible	59,618,121	205,533,194
Dividend income	(22,566,102)	(21,964,863)
Interest income	(11,041,024)	(20,490,947)
Income before working capital changes	654,087,171	885,769,714
Decrease (Increase) in:		
Receivables and others	(28,564,398)	35,496,654
Other current assets	(303,788,150)	(93,021,949)
Other noncurrent assets	563,856	7,989,813
Increase (decrease) in:		
Increase in accrued trade and other payables	402,811,076	57,847,559
Retirement contributions paid	(1,000,000)	(2,000,000)
Income tax paid	(11,341,513)	(136,812,292)
Net cash provided by operating activities	712,768,041	755,269,499
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Marketable securities	-	(5,337,738)
Property and equipment	(1,839,057)	(21,286,741)
Investment in stocks	(31,133,530)	(16,667,415)
Dividends received	22,566,102	21,964,863
Interest received	11,041,024	20,490,947
Proceeds from sale of:		
Marketable securities	12,349,517	29,251,916
Property and equipment	176,999	343,433
Net cash from investing activities	13,161,056	28,759,265
CASH FLOW FROM FINANCING ACTIVITY		
Payment of obligation under finance lease	(13,651,790)	-
Payment of installment payable	1,354,670	(16,728,774)
Acquisition of Treasury shares by the subsidiary	(10,144,896)	-
Acquisition of Treasury shares	(16,951,080)	-
Interest paid	(177,216)	(290,837)
Dividends paid	(1,372,626,732)	(762,384,095)
Net cash from financing activities	(1,412,197,044)	(779,403,706)
NET INCREASE IN CASH	(686,267,947)	4,625,058
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,962,635,687	1,187,556,503
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 2,276,367,740	P 1,192,181,561

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
March 31, 2018

NAME	AMOUNT
Notes receivables - current	1,605,925,000
Trade receivables - current	685,942,757
Other receivable	43,277,948
Other current assets	503,129,161
Total Receivables and Other Assets	2,838,274,866

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