

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, 2017
2. SEC Identification Number
AS093-009289
3. BIR Tax Identification No.
003-457-827
4. Exact name of issuer as specified in its charter
Premium Leisure Corp.
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
5/F Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City
Postal Code
1300
8. Issuer's telephone number, including area code
02-6628888
9. Former name or former address, and former fiscal year, if changed since last report
n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

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

11. Are any or all of registrant's securities listed on a Stock Exchange?
Yes No
If yes, state the name of such stock exchange and the classes of securities listed therein:
The Philippine Stock Exchange, Inc.
12. Indicate by check mark whether the registrant:

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

Yes No

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

Yes No

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	Sep 30, 2017
Currency (indicate units, if applicable)	Php

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2017	Dec 31, 2016
Current Assets	5,253,940,794	3,965,117,557
Total Assets	17,936,566,625	16,907,792,772
Current Liabilities	1,271,282,678	635,296,726
Total Liabilities	1,336,813,651	719,490,634
Retained Earnings/(Deficit)	1,176,406,891	727,181,017
Stockholders' Equity	16,599,752,974	16,188,302,138
Stockholders' Equity - Parent	15,879,097,470	15,357,859,752
Book Value per Share	0.52	0.51

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,324,897,795	901,203,647	3,841,193,119	2,493,865,830
Gross Expense	790,379,821	519,558,340	2,214,398,156	1,527,541,276
Non-Operating Income	35,206,795	12,821,918	75,654,707	59,393,532
Non-Operating Expense	0	13,051,216	0	0
Income/(Loss) Before Tax	569,724,770	381,416,009	1,702,449,670	1,025,718,086
Income Tax Expense	68,014,240	55,388,086	173,652,819	238,572,982
Net Income/(Loss) After Tax	501,710,529	326,027,923	1,528,796,851	787,145,104
Net Income Attributable to Parent Equity Holder	427,809,808	271,674,807	1,323,023,592	624,737,218
Earnings/(Loss) Per Share (Basic)	0.01	0.01	0.04	0.02
Earnings/(Loss) Per Share (Diluted)	0.01	0.01	0.04	0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.05	0.02
Earnings/(Loss) Per Share (Diluted)	0.05	0.02

Other Relevant Information

n.a

Filed on behalf by:

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

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 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

Month

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Day

1 7 - Q

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

373

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

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Remarks = pls. Use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE



1. For quarterly period ended **September 30, 2017**
2. SEC Identification Number **AS093-009289**
3. BIR Tax Identification No. **003-457-827**
4. Exact name of registrant as specified in its charter:

PREMIUM LEISURE CORP (formerly SINOPHIL CORPORATION)

5. Province, Country or other jurisdiction of incorporation/organization: **Philippines**
6. (SEC Use Only)
7. Address of Principal Office:
**5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue,
Mall of Asia Complex, CBP-1A, Pasay City**
8. Registrant's telephone number, including area code: **(632) 662-8888**
9. Former name, former address, and former fiscal year, if changed since last report.
Not applicable
10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding
Common Stock, ₱0.25¹ par value	31,627,310,000

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

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

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

- Consolidated Statements of Financial Position as of September 30, 2017 and December 31, 2016;
- Consolidated Statements of Comprehensive Income for the Nine Months ended September 30, 2017 and September 30, 2016;
- Consolidated Statements of Changes in Equity for the Nine Months ended September 30, 2017 and September 30, 2016;
- Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2017 and September 30, 2016

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

CONSOLIDATED STATEMENTS OF INCOME

	Nine Months Ended September 30		Horizontal Analysis		Vertical Analysis	
	2017 (Unaudited)	2016 (Unaudited)	Increase (Decrease) Amount	%	2017 %	2016 %
INCOME						
Gaming share revenue	P 2,159,748,166	1,107,763,923	1,051,984,243	95%	56%	44%
Equipment lease rentals	1,366,328,832	1,151,330,612	214,998,220	19%	36%	46%
Commission and distribution income	315,116,121	234,771,295	80,344,826	34%	8%	9%
	3,841,193,119	2,493,865,830	1,347,327,289	54%	100%	100%
COST AND EXPENSES						
Service and consultancy fees	319,446,777	104,772,613	214,674,164	205%	8%	4%
Online lottery expenses	289,956,503	291,251,432	(1,294,929)	0%	8%	12%
Software and license fees	126,893,626	222,083,084	(95,189,458)	-43%	3%	9%
Repairs, maintenance and communication	78,302,156	68,728,732	9,573,424	14%	2%	3%
General and administrative expenses	1,078,647,645	451,979,979	626,667,666	139%	28%	18%
Amortization of intangible	178,854,363	265,151,315	(86,296,952)	-33%	5%	11%
Depreciation expense	142,297,086	123,574,121	18,722,965	15%	4%	5%
	2,214,398,156	1,527,541,276	686,856,880	45%	58%	61%
OTHER INCOME (EXPENSES)						
Interest income	52,642,027	31,187,865	21,454,162	69%	1%	1%
Dividend Income	20,053,359	24,089,863	(4,036,504)	-17%	1%	1%
Other income (charges)	2,959,321	4,115,804	(1,156,483)	-28%	0%	0%
	75,654,707	59,393,532	16,261,175	27%	2%	2%
NET INCOME BEFORE INCOME TAX	1,702,449,670	1,025,718,086	676,731,584	66%	44%	41%
PROVISION(BENEFIT FROM) INCOME TAX	173,652,819	238,572,982	(64,920,163)	-27%	5%	10%
NET INCOME	1,528,796,851	787,145,104	741,651,747	94%	40%	32%
Net income attributable to Parent	1,323,023,592	624,737,218	698,286,374	112%	34%	25%
Net income attributable to Minority interes	205,773,260	162,407,885	43,365,375	27%	5%	7%

Premium Leisure Corp (“PLC” or the “Company”) realized a 94% increase in its net income for the nine months ended September 30, 2017 compared to the same period in 2016. From Php787.1 million, net income grew to Php1.53 billion in 2017. This growth is due mostly to the continued rise in its gaming share revenue from the overall improvement in the Philippine gaming market, particularly the gaming operations of City of Dreams Manila (CODM), as well as the increase in equipment lease rentals resulting from the higher national lottery and KENO sales of the Philippine Charity Sweepstakes Office (PCSO) for the year.

The Company’s significant operating growth was driven by improvements in all business segments, with revenues totaling Php3.84 billion as of September 30, 2017, increasing by 54% (or Php1.35 billion) from the same period in 2016.

- Gaming share revenue reported at Php2.16 billion was higher by more 95% versus the same period last year. The Company has an operating with MCE Leisure Philippines Corporation (MELCO) that entitles the Company to a share in gaming revenues in CODM.
- Revenues from equipment lease rentals, commission and distribution income through its 50.1% owned subsidiary, Pacific Online Systems Corporation (POSC), is at Php1.68 billion as of September 30, 2016. This grew by double digits of 21% from the same period last year driven by higher Lotto and Keno sales coming from higher jackpot prize games and the roll out of additional terminals, respectively.

Correspondingly, costs and expenses have increased by 45% which is mainly attributable to costs related to and in line with the higher revenues. As a measure of efficiency, costs and expenses are at 58% in terms of percentage to revenues in 2017, which is better than the 61% ratio obtained during the same period last year.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30		Horizontal Analysis		Vertical Analysis	
	2017 (Unaudited)	2016 (Unaudited)	Increase (Decrease) Amount	%	2017 %	2016 %
NET INCOME	1,528,796,851	787,145,104	741,651,747	94%	40%	32%
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	129,497,032	17,159,740	112,337,292	655%	3%	1%
Remeasurement loss on DBL	-	1,004,556	(1,004,556)	-100%	0%	0%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	P 1,658,293,883	P 805,309,400	P 852,984,483	106%	43%	32%
Total Comprehensive income attr to Parent	1,431,584,565	637,479,802	794,104,763	125%	37%	26%
Total Comprehensive income attr to Minority	226,709,319	167,829,598	58,879,721	35%	6%	7%

Comprehensive income pertains to the unrealized gains (losses) arising from changes in market value of available for sale (AFS) investments during the year. PLC recognized comprehensive gain on its Available for Sale investments amounting to Php129.5 million for the nine months ending September 30, 2017 as a result of recovery of share prices of its AFS investments. As such, PLC recognized a total comprehensive income amounting to Php1.66 billion (of which Php1.43 billion is attributable to parent shareholders) as of September 30, 2017.

Aside from what has been mentioned in the foregoing, there were no significant elements that arose from continuing operations, nor were there any seasonal events that had a material effect on the results of operations of PLC during the nine months ended September 30, 2017.

Consolidated Statements of Financial Position

	September 30, 2017		December 31, 2016		Horizontal Analysis		Vertical Analysis		
	(Unaudited)		(Audited)		Increase (Decrease) Amount	%	2017 %	2016 %	
ASSETS									
Current Assets									
Cash and cash equivalents	P	2,159,972,068	P	1,811,503,962	P	348,468,106	19%	12%	11%
Investment held for trading		189,452,706		165,990,214		23,462,492	14%	1%	1%
Trade and other receivables		744,150,822		731,760,497		12,390,325	2%	4%	4%
Notes receivable		1,605,925,000		805,925,000		800,000,000	99%	9%	5%
Other assets		268,929,747		164,427,432		104,502,316	64%	1%	1%
		4,968,430,343		3,679,607,105		1,288,823,238	35%	28%	22%
Non-current asset held for sale		285,510,452		285,510,452		-	0%	2%	2%
Total Current Assets		5,253,940,795		3,965,117,557		1,288,823,238	33%	29%	23%
Noncurrent Assets									
Intangible asset		9,727,690,092		9,906,544,455		(178,854,363)	-2%	54%	59%
Available-for-Sale investments		613,946,944		657,377,801		(43,430,857)	-7%	3%	4%
Property and equipment		437,842,189		479,088,812		(41,246,623)	-9%	2%	3%
Goodwill		1,828,577,952		1,828,577,952		0	0%	10%	11%
Other non-current assets		74,568,654		71,086,195		3,482,459	5%	0%	0%
		12,682,625,830		12,942,675,215		(260,049,385)	-2%	71%	77%
Total Assets	P	17,936,566,625	P	16,907,792,772	P	1,028,773,853	6%	100%	100%
LIABILITIES AND EQUITY									
Current Liabilities									
Trade payables and other current liabilities	P	1,182,734,922	P	544,597,585	P	638,137,337	117%	7%	3%
Current portion of obligations under finance lease		35,847,142		47,698,388		(11,851,245)	-25%	0%	0%
Income tax payable		52,700,614		43,000,753		9,699,861	23%	0%	0%
Total current liabilities		1,271,282,678		635,296,726		635,985,952	100%	7%	4%
Noncurrent Liability									
Obligation under finance lease		52,528,544		71,644,208		(19,115,664)	-27%	0%	0%
Pension liability		13,002,428		12,549,700		452,728	4%	0%	0%
Total non-current liabilities		65,530,973		84,193,908		(18,662,935)	-22%	0%	0%
	P	1,336,813,651	P	719,490,634	P	617,323,017	86%	7%	4%
Equity									
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	0%	40%	43%
Cost of parent shares held by a subsidiary		(475,427,035)		(438,877,905)		(36,549,130)	8%	-3%	-3%
Other reserves		32,568,189		(75,992,784)		108,560,973	-143%	0%	0%
Retained earnings (deficit)		1,176,406,892		727,181,017		449,225,875	62%	7%	4%
Total equity attributable to Parent		15,879,097,470		15,357,859,752		521,237,719	3%	89%	91%
Non-controlling interest		720,655,504		830,442,386		(109,786,882)	-13%	4%	5%
Total Equity		16,599,752,974		16,188,302,138		411,450,836	3%	93%	96%
Total Liabilities and Equity	P	17,936,566,625	P	16,907,792,772	P	1,028,773,853	6%	100%	100%

As at September 30, 2017, PLC's total assets amounted to Php17.94 billion, higher by Php1.03 billion, or 6% versus total assets as at December 31, 2016. Key movements in balance sheet items are as follows:

Cash and cash equivalents

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

Cash and cash equivalents grew by 19% (Php348.5 million) as of September 30, 2017 due mainly to the higher revenues and collections of the Company for the nine months of the year, offset partially by the dividends paid out (around Php888 million) in March 2017 as well as the higher expenses paid in line with the higher revenues.

Investments held for trading

Investments held for trading increased by 14% 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 ₱12.4 million (2%) and an increase in interest-bearing notes receivable by Php800 million to make better use of excess cash.

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 Php41.2 million in the account compared to balances at December 31, 2016 due to recognized depreciation that was tempered by additions in PPE for the period.

Goodwill

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

Total Liabilities

PLCs total liabilities increased by ₱617.3 million or 86% as at September 30, 2017 from total liabilities of ₱719.5 million as at December 31, 2016. The increase is due mostly to the increase in trade and other payables related to POSC's operations, increased service fees related to the increase in gaming share revenue from City of Dreams Manila, and recognition of usual provisions of the Company.

Equity

Stockholders' equity increased by ₱411.5 million as at September 30, 2017 from ₱16.18 billion as of December 31, 2016. The increase is due mainly due to the higher net income earned for the period and the recovery of share prices of the Company's available for sale investments under Other Reserves, partially offset by the declaration and payment of dividends during the period worth around Php888 million. Minority interest is at Php720.7 million as at September 30, 2017.

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

Ratio	Manner in which the financial ratios are computed	Sept 30, 2017	Sept 30, 2016	December 31, 2016
Current ratio	Current assets divided by current liabilities	4.13	5.69	6.24
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	3.70	4.92	5.53
Solvency ratio	Total assets / total liabilities	13.42	22.68	23.50
Asset to equity	Total assets divided by total equity	1.08	1.05	1.04
Debt to equity	Interest bearing debt divided by total equity	0.01	0.00	0.01
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	2,269.87	1,405.05	149.22
Debt ratio	Total debt / total assets	0.07	0.04	0.04
Return on assets	Net income (loss) divided by average total assets during the period	11.7%	5.6%	7.0%
Return on equity	Net income (loss) divided by average total equity during the period	12.4%	5.8%	7.2%

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

- a) Revenues improved greatly compared with the gaming share revenue in the same period in 2016, contributing to higher returns on asset and equity for the first half of the year.
- b) 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.
- c) There is no significant change in the other ratios presented.

As at September 30, 2017, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended 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. Other main contributors to the Company's credit risk is Belle, a major stockholder, of which outstanding balance covers around 68% and 52% of the Company's total notes and other receivables as at September 30, 2017 and December 31, 2016, 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.

	September 30, 2017		December 31, 2016	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,159,972,068	2,159,972,068	1,811,503,962	1,811,503,962
Investment held for trading	189,452,706	189,452,706	165,990,214	165,990,214
Notes receivable	1,605,925,000	1,605,925,000	805,925,000	805,925,000
Trade and other receivables:				
Trade receivables	684,336,276	684,336,276	682,390,655	682,390,655
Nontrade and others	59,814,546	59,814,546	49,369,842	49,369,842
	4,699,500,596	4,699,500,596	3,515,179,673	3,515,179,673
AFS Investment				
Quoted shares	613,865,844	613,865,844	657,296,701	657,296,701
Unquoted shares	81,100	81,100	81,100	81,100
	613,946,944	613,946,944	657,377,801	657,377,801
	5,313,447,540	5,313,447,540	4,172,557,474	4,172,557,474
Loans and Borrowings				
Accrued expenses & other liabilities*	1,169,473,843	1,169,473,843	523,579,305	523,579,305

*excluding statutory payables amounting to -Php13.3 million and P21.0 million as at September 30, 2017 and December 31, 2016, respectively.

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

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

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

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

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

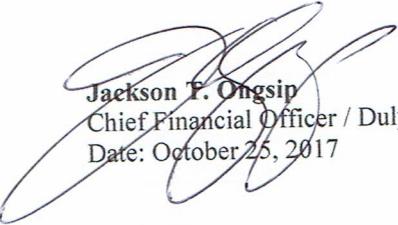
Other Required Disclosures

- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 2016. The adoption of PFRS 9, Financial Instruments: *Classification and Measurement*, will have an effect on the classification and measurement of financial assets and liabilities. The Company will quantify the effect in conjunction with the other phases when issued, to present a comprehensive picture. As of September 30, 2017, the Company has decided not to early adopt PFRS 9 on its consolidated financial statements.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuance, repurchases and repayments of debt and equity securities.
- E.) There were no material events that occurred subsequent to September 30, 2017 and up to the date of this report that need disclosure herein.
- F.) There were no changes in the composition of the Company during the interim period such as business combinations, acquisitions or disposals of subsidiaries and long-term investments, restructuring, and discontinued operations.
- G.) There were no changes in contingent liabilities or contingent assets since December 31, 2016, as of September 30, 2017.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

SIGNATURE

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

Issuer: **Premium Leisure Corp**



Jackson F. Ongsip
Chief Financial Officer / Duly Authorized Signatory
Date: October 25, 2017

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

September 30, 2017 December 31, 2016

	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,159,972,068	P 1,811,503,962
Investment held for trading	189,452,706	165,990,214
Trade and other receivables	744,150,822	731,760,497
Notes receivable	1,605,925,000	805,925,000
Other assets	268,929,746	164,427,432
	4,968,430,342	3,679,607,105
Non-current asset held for sale	285,510,452	285,510,452
Total Current Assets	5,253,940,794	3,965,117,557
Noncurrent Assets		
Intangible asset	9,727,690,092	9,906,544,455
Available-for-Sale investments	613,946,944	657,377,801
Property and equipment	437,842,189	479,088,812
Goodwill	1,828,577,952	1,828,577,952
Other non-current assets	74,568,654	71,086,195
Total Noncurrent Assets	12,682,625,831	12,942,675,215
Total Assets	P 17,936,566,625	P 16,907,792,772
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 1,182,734,922	P 544,597,585
Current portion of obligations under finance lease	35,847,142	47,698,388
Income tax payable	52,700,614	43,000,753
Total current liabilities	1,271,282,678	635,296,726
Noncurrent Liability		
Obligation under finance lease	52,528,544	71,644,208
Pension liability	13,002,429	12,549,700
Total non-current liabilities	65,530,973	84,193,908
	P 1,336,813,651	P 719,490,634
Equity		
Capital Stock	7,906,827,500	7,906,827,500
Additional paid-in capital	7,238,721,924	7,238,721,924
Cost of parent shares held by a subsidiary	(475,427,035)	(438,877,905)
Other reserves	32,568,190	(75,992,784)
Retained earnings (deficit)	1,176,406,891	727,181,017
Total equity attributable to Parent	15,879,097,470	15,357,859,752
Non-controlling interest	720,655,504	830,442,386
Total Equity	16,599,752,974	16,188,302,138
Total Liabilities and Equity	P 17,936,566,625	P 16,907,792,772

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30		This quarter	
	2017 (Unaudited)	2016 (Unaudited)	2017 (Unaudited)	2016 (Unaudited)
INCOME				
Gaming share revenue	P 2,159,748,166	1,107,763,923	695,354,319	405,736,462
Equipment lease rentals	1,366,328,832	1,151,330,612	473,188,134	400,062,669
Commission and distribution income	315,116,121	234,771,295	156,355,342	95,404,516
	3,841,193,119	2,493,865,830	1,324,897,795	901,203,647
COST AND EXPENSES				
Service and consultancy fees	319,446,777	104,772,613	117,055,612	15,690,557
Online lottery expenses	289,956,503	291,251,432	95,341,719	128,538,862
Software and license fees	126,893,626	222,083,084	45,869,619	110,606,785
Repairs, maintenance and communication	78,302,156	68,728,732	27,506,548	22,992,564
General and administrative expenses	1,078,647,645	451,979,979	396,273,322	137,929,771
Amortization of intangible	178,854,363	265,151,315	59,618,121	59,618,121
Depreciation expense	142,297,086	123,574,121	48,714,880	44,181,680
	2,214,398,156	1,527,541,276	790,379,821	519,558,340
OTHER INCOME (EXPENSES)				
Interest income	52,642,027	31,187,865	20,464,433	10,696,918
Dividend Income	20,053,359	24,089,863	2,125,000	2,125,000
Other income (charges)	2,959,321	4,115,804	12,617,362	(13,051,216)
	75,654,707	59,393,532	35,206,795	(229,298)
NET INCOME (LOSS) BEFORE INCOME TAX	1,702,449,670	1,025,718,086	569,724,770	381,416,009
PROVISION(BENEFIT FROM) INCOME TAX	173,652,819	238,572,982	68,014,240	55,388,086
NET INCOME(LOSS)	1,528,796,852	787,145,104	501,710,530	326,027,923
Net income attributable to Parent	1,323,023,592	624,737,218	427,809,808	271,674,807
Net income attributable to Minority interest	205,773,259	162,407,885	73,900,720	54,353,114
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	129,497,032	17,159,740	(24,463,882)	(81,787,088)
Remeasurement loss on DBL	-	1,004,556	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 1,658,293,884	P 805,309,400	P 477,246,649	P 244,240,835
Total Comprehensive income attributable to Parent	1,026,483,625	426,687,974	448,243,303	195,895,584
Total Comprehensive income attributable to Minority	154,563,611	134,380,591	50,111,584	(7,612,847)
Total	1,181,047,236	561,068,565	498,354,887	188,282,737
Basic/Diluted Loss Per Common Share	P 0.04183	P 0.01975		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Nine Months Ended September 30	
	2017	2016
	(Unaudited)	(Unaudited)
CAPITAL STOCK	P0.25 per share	P0.25 per share
Authorized:		
Preferred shares	6,000,000,000 shares	6,000,000,000 shares
Common shares	37,630,000,000 shares	37,630,000,000 shares
Issued:		
Balance at beginning of year	P 11,384,284,906	P 11,384,284,906
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
Other Reserves		
Balance at beginning of year	(75,992,783)	(121,523,954)
Net Unrealized loss on available-for-sale investments	108,560,973	17,159,740
Remeasurement gain on Retirement	-	1,004,556
Balance at the end of period	32,568,190	(103,359,658)
Cost of Parent Company held by a subsidiary		
Balance at beginning of year	(438,877,905)	(438,877,905)
Additional acquisition	(36,549,130)	-
Balance at the end of period	(475,427,035)	(438,877,905)
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	727,181,017	440,361,437
Declared dividends	(873,797,718)	(673,030,066)
Net income (loss)	1,323,023,592	624,737,218
Balance at end of period	1,176,406,891	392,068,589
NON-CONTROLLING INTEREST	720,655,504	864,709,783
	P 16,599,752,974 P	15,860,090,233

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30

	2017 (Unaudited)	2016 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 1,702,449,670	P 1,025,718,085
Adjustments for:		
Provisions for impairment of Receivables and others	-	2,531,652
Unrealized loss (gain) on marketable securities	(11,308,362)	9,428,146
Finance charges	779,380	1,199,191
Retirement cost	15,876,768	7,200,000
Loss(gain) on sale of marketable securities	(225,000)	186,956
Loss (gain) on sale of property and equipment	(59,999)	1,100
Loss on sale of AFS investment	31,647,879	-
Foreign exchange losses (gain)	(1,063,427)	651,130
Depreciation	142,297,086	123,574,121
Amortization of Intangible	178,854,363	265,151,315
Dividend income	(20,053,359)	(24,089,863)
Interest income	(13,180,044)	(31,187,865)
Income before working capital changes	2,026,014,955	1,380,363,969
Decrease (Increase) in:		
Receivables and others	(12,390,325)	(63,098,464)
Other current assets	(107,563,273)	(81,507,241)
Other noncurrent assets	(3,482,461)	17,725,534
Increase (decrease) in:		
Increase in accrued trade and other payables	638,137,337	201,097,776
Retirement contributions paid	(7,004,983)	(2,000,000)
Income tax paid	(168,029,986)	(212,852,284)
Net cash provided by operating activities	2,365,681,264	1,239,729,291
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Marketable securities	(17,034,130)	(5,607,642)
Property and equipment	(101,043,101)	(35,101,271)
Investment in stocks	(68,203,070)	(25,303,585)
Dividends received	20,053,359	24,089,863
Interest received	13,180,044	31,187,865
Proceeds from sale of:		
Marketable securities	4,880,000	29,246,714
Investment in stocks	172,933,950	-
Property and equipment	59,999	5,321,020
Net cash from investing activities	24,827,051	23,832,963
CASH FLOW FROM FINANCING ACTIVITY		
Increase in Notes receivable	(800,000,000)	-
Payment of obligation under finance lease	(30,966,910)	(21,421,517)
Acquisition of Treasury shares by the subsidiary	(211,841,591)	(55,425,585)
Interest paid	(779,380)	(1,199,191)
Dividends paid	(998,452,328)	(762,384,095)
Net cash from financing activities	(2,042,040,209)	(840,430,389)
NET INCREASE IN CASH	348,468,106	423,131,867
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,811,503,962	1,187,556,503
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 2,159,972,068	P 1,610,688,370

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
September 30, 2017

NAME	AMOUNT
Notes receivables - current	1,605,925,000
Trade receivables - current	730,965,563
Other receivable	13,185,259
Other current assets	268,929,746
Total Receivables and Other Assets	<u>2,619,005,568</u>

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