

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, 2019
2. SEC Identification Number
AS093-009289
3. BIR Tax Identification No.
003-457-827
4. Exact name of issuer as specified in its charter
Premium Leisure Corp.
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
5/F Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City
Postal Code
1300
8. Issuer's telephone number, including area code
02-86628888
9. Former name or former address, and former fiscal year, if changed since last report
n.a.
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, Php0.25 par value	31,598,931,000

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

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

Yes No

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

Yes No

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



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, 2019
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Sep 30, 2019	Dec 31, 2018
Current Assets	7,612,441,206	6,883,357,356
Total Assets	19,722,473,203	19,189,789,088
Current Liabilities	2,108,357,205	1,564,587,275
Total Liabilities	2,167,894,757	1,633,725,044
Retained Earnings/(Deficit)	3,128,414,368	2,967,544,418
Stockholders' Equity	17,554,578,446	17,556,064,044
Stockholders' Equity - Parent	16,968,961,348	16,837,136,292
Book Value per Share	0.55	0.55

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	703,788,288	1,106,748,035	3,146,223,880	3,937,211,215
Gross Expense	511,892,421	693,479,120	1,749,457,025	2,209,881,074
Non-Operating Income	50,659,592	70,622,798	224,250,835	190,251,987
Non-Operating Expense	0	0	0	0
Income/(Loss) Before Tax	242,555,460	483,891,713	1,621,017,691	1,917,582,127
Income Tax Expense	5,570,705	30,882,123	17,557,502	124,541,781
Net Income/(Loss) After Tax	236,984,754	453,009,590	1,603,460,188	1,793,040,346
Net Income Attributable to Parent Equity Holder	299,609,998	415,323,856	1,704,219,088	1,646,505,596
Earnings/(Loss) Per Share (Basic)	0	0.01	0.05	0.05
Earnings/(Loss) Per Share (Diluted)	0	0.01	0.05	0.05

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.07	0.06
Earnings/(Loss) Per Share (Diluted)	0.07	0.06

Other Relevant Information

n.a

Filed on behalf by:

Name	Esperanza Bagsit
Designation	Manager



110252019001381

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
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Company Information

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Company Name PREMIUM LEISURE CORP.
Industry Classification Financial Holding Company Activities
Company Type Stock Corporation

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COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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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

3 1

Day

1 7 - Q

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

359

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = pls. Use black ink for scanning purposes

SEC Number AS093-009289
File Number _____

PREMIUM LEISURE CORP.
(Company's Full Name)

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)

30 September 2019
(Quarter Ending)

SEC FORM 17-Q
(Form Type)

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

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

1. For quarterly period ended **September 30, 2019**
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
Common Stock, ₱0.25¹ par value

Number of Shares of Common Stock Outstanding
31,598,931,000

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

Out of a total of 31,598,931,000 outstanding shares, 31,598,930,995 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:

- Consolidated Statements of Financial Position as of September 30, 2019 and December 31, 2018;
- Consolidated Statements of Comprehensive Income for the Nine Months ended September 30, 2019 and September 30, 2018;
- Consolidated Statements of Changes in Equity for the Nine Months ended September 30, 2019 and September 30, 2018;
- Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2019 and September 30, 2018.

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

PREMIUM LEISURE CORP AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

	Nine months ended September		Horizontal Analysis		Vertical Analysis	
	2019	2018	Increase (Decrease)		2019	2018
	(Unaudited)	(Unaudited)	Amount	%	%	%
INCOME						
Gaming share revenue	2,379,810,271	2,380,781,113	(970,842)	0%	76%	60%
Equipment lease rentals	530,301,534	1,179,957,892	(649,656,358)	-55%	17%	30%
Commission and distribution income	236,112,075	376,472,210	(140,360,135)	-37%	8%	10%
	3,146,223,880	3,937,211,214	(790,987,334)	-20%	100%	100%
COST AND EXPENSES						
Salaries and payroll related expenses	263,625,809	299,156,147	(35,530,338)	-12%	8%	8%
Software and license fees	120,241,104	123,210,578	(2,969,475)	-2%	4%	3%
Repairs, maintenance and communication	87,724,345	97,011,263	(9,286,919)	-10%	3%	2%
Online lottery expenses	30,186,145	200,142,049	(169,955,904)	-85%	1%	5%
Service and consultancy fees	-	270,361,022	(270,361,022)	-100%	0%	7%
General and administrative expenses	924,795,625	888,208,735	36,586,890	4%	29%	23%
Amortization of intangible	178,854,363	178,854,363	-	0%	6%	5%
Depreciation expense	144,029,634	152,936,917	(8,907,283)	-6%	5%	4%
	1,749,457,025	2,209,881,075	(460,424,050)	-21%	56%	56%
OTHER INCOME (EXPENSES)						
Interest income	208,437,358	85,075,539	123,361,819	145%	7%	2%
Dividend Income	24,708,086	24,952,521	(244,434)	-1%	1%	1%
Other income (charges)	(8,894,609)	80,223,926	(89,118,535)	-111%	0%	2%
	224,250,835	190,251,986	33,998,850	18%	7%	5%
NET INCOME (LOSS) BEFORE INCOME TAX	1,621,017,691	1,917,582,125	(296,564,434)	-15%	52%	49%
PROVISION(BENEFIT FROM) INCOME TAX	17,557,502	124,541,781	(106,984,279)	-86%	1%	3%
NET INCOME	1,603,460,189	1,793,040,345	(189,580,155)	-11%	51%	46%
<i>Net income attributable to Parent</i>	<i>1,704,219,088</i>	<i>1,646,505,596</i>	<i>57,713,492</i>	<i>4%</i>	<i>54%</i>	<i>42%</i>
<i>Net income attributable to Minority interest</i>	<i>(100,758,899)</i>	<i>146,534,750</i>	<i>(247,293,648)</i>	<i>-169%</i>	<i>-3%</i>	<i>4%</i>

PLC recognized Php1.60 billion net income for the nine months ended September 30, 2019, 11% down from its net income for the same period in 2018.

Operating EBITDA (proxy for cash flow) for the period is at Php1.72 billion, 16% lower than its reported EBITDA of Php2.06 billion as of September 30, 2018.

Revenues for the period decreased by 20% from Php3.94 billion to Php3.15 billion due to the decline in Pacific Online Systems Corporation (POSC) equipment lease rental revenues from Lotto and KENO as a result of lower sales volume in 2019. This is due to two main factors: 1) competition from small-town lottery (STL) in areas where POSC is operating and 2) government mandated suspension of Lotto, KENO and scratch ticket operations. Lotto was suspended for four days from July 27 to July 30, 2019, while KENO and scratch tickets were suspended for two months from July 27 to September 27, 2019.

Gaming share revenue, on the other hand, is flat year on year, contributing Php2.38 billion or 77% of the Company's consolidated revenues.

Costs and expenses decreased by Php460.4 million or 21% for the period due to the decrease in the Company's service and consultancy fees, online lottery expenses and payroll related expenses.

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine months ended September		Horizontal Analysis		Vertical Analysis	
	2019 (Unaudited)	2018 (Unaudited)	Increase (Decrease) Amount	%	2019 %	2018 %
NET INCOME	1,603,460,189	1,793,040,345	(189,580,155)	-11%	51%	46%
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	(36,363,159)	(243,042,050)	206,678,891	-85%	-1%	-6%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 1,567,097,030	P 1,549,998,295	P 17,098,735	1%	50%	39%
<i>Total Comprehensive income attr to Parent</i>	<i>1,675,174,193</i>	<i>1,451,996,276</i>	<i>223,177,917</i>	<i>15%</i>	<i>53%</i>	<i>37%</i>
<i>Total Comprehensive income attr to Minority</i>	<i>(108,077,163)</i>	<i>98,002,019</i>	<i>(206,079,182)</i>	<i>-210%</i>	<i>-3%</i>	<i>2%</i>
Total	1,567,097,030	1,549,998,295	17,098,735	1%	50%	39%

PLC's 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 Php36.4 million for the nine months ending September 30, 2019 as a result of the lower share prices of its AFS investments. As such, PLC recognized a total comprehensive income amounting to Php1.57 billion (of which Php1.68 billion is attributable to parent shareholders) as of September 30, 2019.

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, 2019.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

		September 30, 2019	December 31, 2018	Horizontal Analysis		Vertical Analysis	
		(Unaudited)	(Audited)	Increase (Decrease)		2019	2018
				Amount	%	%	%
ASSETS							
Current Assets							
Cash and cash equivalents	P	2,867,718,082	2,314,012,080	553,706,002	24%	15%	12%
Trade and other receivables		464,121,198	350,735,545	113,385,653	32%	2%	2%
Investment held for trading		157,471,301	155,704,892	1,766,409	1%	1%	1%
Notes receivable		3,705,925,000	3,705,925,000	-	0%	19%	19%
Other assets		417,205,625	356,979,838	60,225,787	17%	2%	2%
Total Current Assets		7,612,441,206	6,883,357,355	729,083,851	11%	39%	36%
Noncurrent Assets							
Intangible asset		9,250,745,123	9,429,599,486	(178,854,363)	-2%	47%	49%
Financial assets at fair value through OCI		351,381,103	387,744,261	(36,363,158)	-9%	2%	2%
Investment property		285,510,452	285,510,452	-	0%	1%	1%
Property and equipment		300,262,237	259,903,572	40,358,665	16%	2%	1%
Right to use an asset		42,285,674	-	42,285,674	100%	0%	0%
Goodwill		1,721,326,738	1,721,326,738	-	0%	9%	9%
Other non-current assets		158,520,670	222,347,224	(63,826,554)	-29%	1%	1%
Total Noncurrent Assets		12,110,031,997	12,306,431,733	(196,399,736)	-2%	61%	64%
Total Assets	P	19,722,473,203	P 19,189,789,088	532,684,115	3%	100%	100%
LIABILITIES AND EQUITY							
Current Liabilities							
Trade payables and other current liabilities	P	2,059,339,033	1,526,587,303	532,751,731	35%	10%	8%
Current portion of obligations under finance		20,653,271	19,379,463	1,273,808	7%	0%	0%
Lease liability - ROU current		28,005,259	-	28,005,259	100%	0%	0%
Current portion of installment payable		-	9,205,042	(9,205,042)	-100%	0%	0%
Income tax payable		359,642	9,415,467	(9,055,825)	-96%	0%	0%
Total current liabilities		2,108,357,205	1,564,587,275	543,769,930	35%	11%	8%
Noncurrent Liability							
Lease liability - ROU non current		15,472,103	-	15,472,103	100%	0%	0%
Obligation under finance lease		3,662,626	15,995,011	(12,332,385)	-77%	0%	0%
Retirement liability		6,981,493	6,981,493	-	0%	0%	0%
Deferred tax liability		33,421,330	46,161,265	(12,739,935)	-28%	0%	0%
Total non-current liabilities		59,537,553	69,137,769	(9,600,217)	-14%	0%	0%
Total Liabilities	P	2,167,894,758	P 1,633,725,044	534,169,714	33%	11%	9%
Equity							
Capital Stock		7,906,827,500	7,906,827,500	-	0%	40%	41%
Additional paid-in capital		7,238,721,924	7,238,721,924	-	0%	37%	38%
Treasury shares		(29,430,080)	(29,430,080)	-	-100%	0%	0%
Cost of parent shares held by a subsidiary		(509,597,055)	(509,597,055)	-	0%	-3%	-3%
Other reserves		(765,975,309)	(736,930,414)	(29,044,895)	-4%	-4%	-4%
Retained earnings (deficit)		3,128,414,368	2,967,544,418	160,869,950	5%	16%	15%
Total equity attributable to Parent		16,968,961,347	16,837,136,293	131,825,055	1%	86%	88%
Non-controlling interest		585,617,098	718,927,752	(133,310,655)	-19%	3%	4%
Total Equity		17,554,578,445	17,556,064,045	(1,485,600)	0%	89%	91%
Total Liabilities and Equity	P	19,722,473,203	P 19,189,789,089	532,684,114	3%	100%	100%

As at September 30, 2019, PLC's total assets amounted to Php19.72 billion, higher by Php532.7 million versus total assets as at December 31, 2018. Key movements in balance sheet items are as follows:

Cash and cash equivalents

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

Cash and cash equivalents increased by 24% (Php553.7 million) as at September 30, 2019 due mainly to the increase in collections of gaming share revenue and higher interest income for the period, offset by the payment of dividends to shareholders in March 2019. The remarkable success of the Company in 2018 allowed it to declare and pay around Php1,588.8 million in dividends (Php0.05024 per share) early in 2019, 14% higher than the dividends paid in 2018.

Investments held for trading

Investments held for trading increased by 1% mainly due to the mark-to-market gains and losses due to changes in share prices.

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. The Company recorded net increase in trade and other receivables by ₱113.4 million (32pp%).

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 September 30, 2019 and December 31, 2018, 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 an increase of Php40.4 million (16%) in the account compared to balances at December 31, 2018 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 Php2.17 billion as at September 30, 2019. This increased by ₱534.2 million or 33% as at September 30, 2019 from total liabilities of ₱1.63 billion as at December 31, 2018. The increase is due mostly to the increase in trade and other payables related the Company's operations as well as increase in accrued expenses of the Company.

Equity

Movement in stockholders' equity is insignificant as at September 30, 2019 from ₱17.56 billion as of December 31, 2018.

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

Ratio	Manner in which the financial ratios are computed	Sep 30, 2019	Sept 30, 2018	Dec 31, 2018
Current ratio	Current assets divided by current liabilities	3.61	3.79	4.40
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	3.41	3.40	4.17
Solvency ratio	Total assets / total liabilities	9.10	10.34	11.75
Asset to equity	Total assets divided by total equity	1.12	1.11	1.09
Debt to equity	Interest bearing debt divided by total equity	0.00	0.00	0.00
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	352	5,167	429
Debt ratio	Total debt / total assets	0.11	0.10	0.09
Return on assets	Net income (loss) divided by average total assets during the period	11.0%	12.7%	12.2%
Return on equity	Net income (loss) divided by average total equity during the period	12.2%	14.0%	13.3%

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 11% for the nine months ending September 30, 2019, accounting for the decrease in the return on assets and return on equity versus the same period in 2018.
- b) Current and solvency ratios decreased due to the increase in liabilities for the period.

As at September 30, 2019, 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, 2019 and December 31, 2018, except those mentioned in the preceding.

PART II - OTHER INFORMATION

Financial Risk Management

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, and obligations under finance lease. The main purpose of these financial instruments is to raise financing for the Company's operations and capital expenditures. The Company has other financial assets and liabilities such as investments held for trading, AFS financial assets, trade and other receivables and trade 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, 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 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 and AFS financial assets, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

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

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

The Company seeks to manage its liquidity profile to be able to finance its investments and pay its outstanding liabilities. To limit this risk, the Company closely monitors its cash flows and ensures that credit facilities are available to meet its obligations as and when they fall due. To cover its financing requirements, the Company uses internally generated funds as well as a committed line of credit that it can access to meet liquidity needs. The Company maintains sufficient cash to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet the requirements for additional capital expenditures, maturing obligations and cash dividends. Liquidity risk is minimal as at September 30, 2019 and December 31, 2017 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 AFS financial assets 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 AFS financial assets. 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.

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, 2019		December 31, 2018	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,867,718,082	2,867,718,082	2,314,012,081	2,314,012,081
Investment held for trading	157,471,301	157,471,301	155,704,892	155,704,892
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	318,459,784	318,459,784	331,628,182	331,628,182
Nontrade and others	145,661,414	145,661,414	19,107,363	19,107,363
	7,195,235,582	7,195,235,582	6,526,377,518	6,526,377,518
AFS Investment				
Quoted shares	351,300,003	351,300,003	387,663,161	387,663,161
Unquoted shares	81,100	81,100	81,100	81,100
	351,381,103	351,381,103	387,744,261	387,744,261
	7,546,616,685	7,546,616,685	6,914,121,779	6,914,121,779
Loans and Borrowings				
Accrued expenses & other liabilities*	2,052,022,110	2,052,022,110	1,526,843,674	1,526,843,674

*excluding statutory payables amounting to - Php7.3 million and P8.9 million as at September 30, 2019 and December 31, 2018, 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.

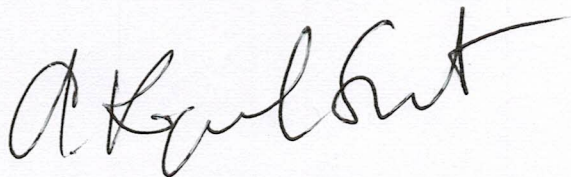
Other Required Disclosures

- 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, 2018.
- 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, 2019 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, 2018, as of September 30, 2019.
- 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 'A. Raquel Santos', with a long horizontal flourish extending to the right.

Armin Antonio B. Raquel Santos

President

Date: October 25, 2019

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	September 30, 2019	December 31, 2018
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,867,718,082	P 2,314,012,081
Investment held for trading	157,471,301	155,704,892
Trade and other receivables	464,121,198	350,735,545
Notes receivable	3,705,925,000	3,705,925,000
Other assets	417,205,625	356,979,838
Total Current Assets	7,612,441,206	6,883,357,356
Noncurrent Assets		
Intangible asset	9,250,745,123	9,429,599,487
Financial assets at fair value through OCI	351,381,103	387,744,261
Property and equipment	300,262,237	259,903,572
Investment property	285,510,452	285,510,452
Right of use asset - net	42,285,674	-
Goodwill	1,721,326,738	1,721,326,738
Deferred tax assets	-	8,864,126
Retirement assets	6,630,023	7,855,553
Other non-current assets	151,890,647	205,627,543
Total Noncurrent Assets	12,110,031,997	12,306,431,732
Total Assets	P 19,722,473,203	P 19,189,789,088
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 2,059,339,033	P 1,535,792,345
Current portion of obligations under finance lease	20,653,271	19,379,463
Lease liability - ROU current	28,005,259	-
Income tax payable	359,642	9,415,467
Total current liabilities	2,108,357,205	1,564,587,275
Noncurrent Liability		
Obligation under finance lease	3,662,626	15,995,011
Retirement liability	6,981,493	6,981,493
Deferred tax liability	33,421,330	46,161,265
Lease liability - ROU non current	15,472,103	-
Total non-current liabilities	59,537,552	69,137,769
	P 2,167,894,757	P 1,633,725,044
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	(29,430,080)	(29,430,080)
Cost of parent shares held by a subsidiary	(509,597,055)	(509,597,055)
Other reserves	(765,975,309)	(736,930,415)
Retained earnings (deficit)	3,128,414,368	2,967,544,418
Total equity attributable to Parent	16,968,961,348	16,837,136,292
Non-controlling interest	585,617,098	718,927,752
Total Equity	17,554,578,446	17,556,064,044
Total Liabilities and Equity	P 19,722,473,203	P 19,189,789,088

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30		This quarter	
	2019 (Unaudited)	2018 (Unaudited)	2019 (Unaudited)	2018 (Unaudited)
INCOME				
Gaming share revenue	P 2,379,810,271	2,380,781,113	496,137,765	648,197,411
Equipment lease rentals	530,301,534	1,179,957,892	161,255,106	324,705,411
Commission and distribution income	236,112,075	376,472,210	46,395,417	133,845,213
	3,146,223,880	3,937,211,215	703,788,288	1,106,748,035
COST AND EXPENSES				
Salaries and payroll related expenses	263,625,809	299,156,147	79,565,533	96,775,849
Service and consultancy fees	-	270,361,022	(1,634,426)	102,605,610
Online lottery expenses	30,186,145	200,142,049	3,309,317	82,498,938
Software and license fees	120,241,104	123,210,578	29,223,259	6,341,736
Repairs, maintenance and communication	87,724,345	97,011,263	25,048,548	29,555,409
General and administrative expenses	924,795,625	888,208,735	281,800,497	267,543,289
Amortization of intangible	178,854,363	178,854,363	59,618,121	59,618,121
Depreciation expense	144,029,634	152,936,917	34,961,572	48,540,168
	1,749,457,025	2,209,881,074	511,892,421	693,479,120
OTHER INCOME (EXPENSES)				
Interest income	208,437,358	85,075,539	70,095,119	37,755,179
Dividend Income	24,708,086	24,952,521	4,710,000	2,125,000
Other income (charges)	(8,894,609)	80,223,926	(24,145,527)	30,742,619
	224,250,835	190,251,986	50,659,592	70,622,798
NET INCOME (LOSS) BEFORE INCOME TAX	1,621,017,691	1,917,582,127	242,555,460	483,891,713
PROVISION(BENEFIT FROM) INCOME TAX	17,557,502	124,541,781	5,570,705	30,882,123
NET INCOME(LOSS)	1,603,460,188	1,793,040,346	236,984,754	453,009,590
Net income attributable to Parent	1,704,219,088	1,646,505,596	299,609,998	415,323,856
Net income attributable to Minority interest	(100,758,899)	146,534,750	(62,625,243)	37,685,734
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	(36,363,159)	(243,042,050)	(39,916,172)	(120,094,518)
Remeasurement gain on DBL			-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 1,567,097,030	1,549,998,296	P 197,068,583	P 332,915,072
Total Comprehensive income attributable to Parent	1,675,174,193	1,451,996,276	267,697,387	319,183,015
Total Comprehensive income attributable to Minority interest	(108,077,163)	98,002,020	(70,608,803)	13,732,057
Total	1,567,097,030	1,549,998,296	197,088,583	332,915,072
Earnings Per Share (Basic)	P 0.05393	P 0.05211		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Nine Months Ended September 30	
		2019	2018
		(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		(29,430,080)	-
Additions for the year		-	(29,430,080)
Balance at the end of period		(29,430,080)	(29,430,080)
Other Reserves			
Balance at beginning of year		(736,930,415)	40,848,816
Net Unrealized loss on available-for-sale investments		(29,044,894)	(194,509,319)
Balance at the end of period		(765,975,309)	(153,660,503)
Cost of Parent Company held by a subsidiary			
Balance at beginning of year		(509,597,055)	(475,427,035)
Additional acquisition		-	(34,170,020)
Balance at the end of period		(509,597,055)	(509,597,055)
RETAINED EARNINGS (DEFICIT)			
Balance at beginning of year		2,967,544,420	1,604,112,305
Declared dividends		(1,543,349,140)	(1,372,626,732)
Net income (loss)		1,704,219,088	1,646,505,596
Balance at end of period		3,128,414,367	1,877,991,169
NON-CONTROLLING INTEREST		585,617,098	714,432,677
	P	17,554,578,446	P 17,045,285,632

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30

	2019 (Unaudited)	2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 1,621,017,691	P 1,917,582,127
Adjustments for:		
Unrealized loss (gain) on marketable securities	(1,766,409)	2,523,101
Finance charges	4,891,755	363,873
Retirement cost	7,725,530	5,400,000
Loss(gain) on sale of marketable securities	-	(2,224,652)
Loss (gain) on sale of property and equipment	(49,998)	(506,997)
Foreign exchange (gain) loss	(429,354)	(421,734)
Depreciation	144,029,634	152,936,917
Amortization of Intangible	178,854,363	178,854,363
Dividend income	(24,708,086)	(24,952,521)
Interest income	(39,144,612)	(27,693,025)
Income before working capital changes	1,890,420,513	2,201,861,452
Decrease (Increase) in:		
Receivables and others	(113,385,653)	42,799,284
Other current assets	(71,088,756)	(202,888,219)
Other noncurrent assets	53,736,896	24,166,513
Increase (decrease) in:		
Increase in accrued trade and other payables	551,551,947	282,736,353
Retirement contributions paid	(6,500,000)	(1,000,000)
Income tax paid	(17,750,174)	(118,205,550)
Net cash provided by operating activities	2,286,984,773	2,229,469,833
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Property and equipment	(176,629,895)	(12,980,026)
Investment in stocks	-	(34,490,020)
Right of use of Asset	(42,285,674)	
Dividends received	24,708,086	24,952,521
Interest received	39,144,612	27,693,025
Proceeds from sale of:		
Marketable securities	-	12,349,517
Property and equipment	49,998	506,997
Net cash from investing activities	(155,012,873)	18,032,014
CASH FLOW FROM FINANCING ACTIVITY		
Increase in notes receivable	-	(2,100,000,000)
Increase (Decrease) in obligations under finance lease	(11,058,577)	(34,991,362)
Increase (Decrease) in installment payable	(9,205,042)	3,317,102
Increase (Decrease) in lease liability	15,472,103	-
Acquisition of Treasury shares by the subsidiary	-	(171,642,418)
Proceeds from sale of Treasury shares by a subsidiary	-	155,035,630
Acquisition of Treasury shares	-	(29,430,080)
Interest paid	(4,891,755)	(363,873)
Dividends paid	(1,568,582,629)	(1,492,969,905)
Net cash from financing activities	(1,578,265,899)	(3,671,044,906)
NET INCREASE IN CASH	553,706,001	(1,423,543,059)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,314,012,081	2,962,635,687
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 2,867,718,082	P 1,539,092,628

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
September 30, 2019

NAME	AMOUNT
Notes receivables - current	3,705,925,000
Trade receivables - current	318,459,784
Other receivable	145,661,414
Other current assets	417,205,625
Total Receivables and Other Assets	4,587,251,823

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