

**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  
Jun 30, 2016
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:

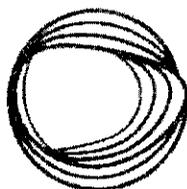
(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period that the 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 Jun 30, 2016

Currency (indicate units, if applicable) Php

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2016	Dec 31, 2015
<b>Current Assets</b>	3,193,568,088	3,147,208,828
<b>Total Assets</b>	16,296,915,821	16,441,997,803
<b>Current Liabilities</b>	539,108,146	440,574,337
<b>Total Liabilities</b>	625,640,838	552,739,878
<b>Retained Earnings/(Deficit)</b>	120,393,782	440,361,436
<b>Stockholders' Equity</b>	15,671,274,984	15,889,257,925
<b>Stockholders' Equity - Parent</b>	15,202,870,699	15,042,176,416
<b>Book Value per Share</b>	0.49	0.5

**Income Statement**

	<b>Current Year (3 Months)</b>	<b>Previous Year (3 Months)</b>	<b>Current Year-To-Date</b>	<b>Previous Year-To-Date</b>
<b>Operating Revenue</b>	809,290,506	163,938,159	1,592,662,182	360,686,938
<b>Other Revenue</b>	42,767,466	23,611,813	73,288,049	63,875,121
<b>Gross Revenue</b>	852,057,972	187,549,972	1,665,950,231	424,562,059
<b>Operating Expense</b>	459,023,958	164,316,680	1,007,982,935	342,421,696
<b>Other Expense</b>	0	0	13,665,219	0
<b>Gross Expense</b>	459,023,958	164,316,680	1,021,648,154	342,421,692
<b>Net Income/(Loss) Before Tax</b>	393,034,014	23,233,292	644,302,077	82,140,367
<b>Income Tax Expense</b>	95,874,358	28,958,767	183,184,896	58,228,440
<b>Net Income/(Loss) After Tax</b>	297,159,656	-5,725,475	461,117,181	23,911,927
<b>Net Income Attributable to Parent Equity Holder</b>	230,934,412	-5,725,475	353,062,411	23,911,927
<b>Earnings/(Loss) Per Share (Basic)</b>	0	-0	0.01	0
<b>Earnings/(Loss) Per Share (Diluted)</b>	0	-0	0.01	0

**Other Relevant Information**

n.a

**Filed on behalf by:**

**Name**

Dexter Reyes

**Designation**

Asst Vice President



108112016002343



## SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines  
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: [mis@sec.gov.ph](mailto:mis@sec.gov.ph)

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### Company Information

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Industry Classification Financial Holding Company Activities  
Company Type Stock Corporation

### Document Information

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# COVER SHEET

AS 093009289

S.E.C. Registration Number

PREMIUM LEISURE CORP AND SUBSI-  
DIARIES

(Company's Full Name)

5th Floor, Tower A, Two E-Com  
Center, Palm Coast Avenue, Mall  
of Asia Complex, CBP-1A, Pasay  
City

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

JACKSON T. ONGSIP

Contact Person

(632) 662-8888

Company Telephone Number

12 31  
Month Day

17-Q  
FORM TYPE

Month Day  
Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

379  
Total No. of Stockholders

Total Amount of Borrowings

Domestic 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 **June 30, 2016**
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:  
**5<sup>th</sup> Floor, Tower A, Two E-Com Center, Palm Coast Avenue,  
Mall of Asia Complex, CBP-1A, Pasay City**
8. Registrant's telephone number, including area code: **(632) 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, ₱0.25 <sup>1</sup> par value	31,627,310,000

Subscriptions receivable on the 31,627,310,000 outstanding shares were fully paid during the year.

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

<sup>1</sup>New par value of ₱0.25 was approved by the Securities and Exchange Commission on May 29, 2014.

## PART 1- FINANCIAL INFORMATION

### Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

- a.) Consolidated Statements of Financial Position as of June 30, 2016 and December 31, 2015;
- b.) Consolidated Statements of Comprehensive Income for the Six Months ended June 30, 2016 and June 30, 2015;
- c.) Consolidated Statements of Changes in Equity for the Six Months ended June 30, 2016 and June 30, 2015;
- d.) Consolidated Statements of Cash Flows for the Six Months ended June 30, 2016 and June 30, 2015.

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

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2016 (Unaudited)	2015 (Unaudited)	Increase (Decrease) Amount	%	2016 %	2015 %
<b>INCOME</b>						
Gaming share revenue	P 702,027,461	P 360,686,938	341,340,523	95%	44%	100%
Equipment lease rentals	751,267,943	-	751,267,943	100%	47%	0%
Commission and distribution income	139,366,779	-	139,366,779	100%	9%	0%
	<b>1,592,662,182</b>	<b>360,686,938</b>	<b>1,231,975,244</b>	<b>342%</b>	<b>100%</b>	<b>100%</b>
<b>COST AND EXPENSES</b>						
Service and consultancy fees	162,712,570	39,207,754	123,504,816	315%	10%	11%
Online lottery expenses	111,476,299	-	111,476,299	100%	7%	0%
Software and license fees	89,082,056	-	89,082,056	100%	6%	0%
Repairs, maintenance and communication	45,736,168	-	45,736,168	100%	3%	0%
General and administrative expenses	314,050,208	31,593,523	282,456,685	894%	20%	9%
Amortization of intangible	205,533,194	271,447,487	(65,914,293)	-24%	13%	75%
Depreciation expense	79,392,441	172,928	79,219,513	45811%	5%	0%
	<b>1,007,982,935</b>	<b>342,421,692</b>	<b>665,561,243</b>	<b>194%</b>	<b>63%</b>	<b>95%</b>
<b>OTHER INCOME (EXPENSES)</b>						
Equity share in net earnings of an associate	-	14,056,637	(14,056,637)	-100%	0%	4%
Interest income	20,490,947	20,827,780	(336,833)	-2%	1%	6%
Dividend income	21,984,863	17,997,789	3,987,074	22%	1%	5%
Other income (charges)	17,167,020	10,992,915	6,174,105	56%	1%	3%
	<b>59,622,830</b>	<b>63,875,121</b>	<b>(4,252,291)</b>	<b>-7%</b>	<b>4%</b>	<b>18%</b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>644,302,077</b>	<b>82,140,367</b>	<b>562,161,711</b>	<b>684%</b>	<b>40%</b>	<b>23%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>183,184,896</b>	<b>58,228,440</b>	<b>124,956,456</b>	<b>215%</b>	<b>12%</b>	<b>16%</b>
<b>NET INCOME</b>	<b>461,117,181</b>	<b>23,911,927</b>	<b>437,205,255</b>	<b>1828%</b>	<b>29%</b>	<b>7%</b>
Net income attributable to Parent	353,062,411	23,911,927	329,150,484	1377%	22%	7%
Net income attributable to Minority Interest	108,054,771	-	108,054,771	100%	7%	0%

Premium Leisure Corp ("PLC" or the "Company") realized revenues amounting to Php1,592.7 million for the period ending June 30, 2016. This is 342% higher than, and more than four times, the revenue of the same period in 2015. This is mainly attributable to the following:

- a.) 95% increase in gaming revenue share from City of Dreams Manila (Php702.0 million) for the period ended June 30, 2016 compared to the Php360.7 million for the same period last year.
- b.) Consolidation of Pacific Online Systems Corporation (POSC) for the period ended June 30, 2016 contributed additional revenues amounting to Php890.6 million from equipment lease rentals, commission income and the distribution of instant scratch tickets following the Company's acquisition of controlling interest in POSC on August 5, 2015.

Correspondingly, costs and expenses have increased by 194% which is mainly attributable to the expenses of POSC following consolidation and additional costs as a result of the increase in gaming revenue share.

The remarkable second quarter 2016 performance translates to the Company recognizing operating EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) of Php869.6 million for the period, up by 200% from 2015 operating EBITDA of Php289.9 million.

Consequently, net income for the first half of 2016 is up by 1,828% at Php461.1 million coming from Php23.9 million for the same period in 2015. Revenues have increased greatly, costs and expenses as a percentage to total revenues have decreased from 95% as of June 30, 2015 to 63% as of the first half of the year, indicating continuous improvement in the Company.

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2016 (Unaudited)	2015 (Unaudited)	Increase (Decrease) Amount	%	2016 %	2015 %
<b>NET INCOME</b>	<b>461,117,181</b>	<b>23,911,927</b>	<b>437,205,255</b>	<b>1828%</b>	<b>29%</b>	<b>7%</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	98,946,828	(158,160,598)	257,107,424	163%	8%	-44%
Remeasurement gain on DBL	1,004,556	-	1,004,556	100%	0%	0%
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>P 661,068,565</b>	<b>P (134,248,669)</b>	<b>695,317,235</b>	<b>516%</b>	<b>35%</b>	<b>-37%</b>
Total Comprehensive income attributable to Parent	426,687,974	(134,248,669)	560,936,643	418%	27%	-37%
Total Comprehensive income attributable to Minority	134,380,592	-	134,380,592	100%	8%	0%

Comprehensive income pertains to the unrealized gains (losses) arising from changes in market value of available for sale investments during the year. PLC recognized comprehensive gain on its Available for Sale investments amounting to Php98.9 million for the six months ended June 30, 2016 as a result of recovery of share prices of its AFS investments. It also recognized a gain on re-measurement of defined benefits obligation of Php1 million. As such, PLC recognized a total comprehensive income amounting to P561.1 million for the second quarter ending June 30, 2016.

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 six months ended June 30, 2016.

	June 30, 2016		December 31, 2015		Horizontal Analysis		Vertical Analysis	
					Increase (Decrease)		2016	2015
	(Unaudited)		(Audited)		Amount	%	%	%
<b>ASSETS</b>								
<b>Current Assets</b>								
Cash	P	1,192,181,561	P	1,187,556,503	4,625,058	0%	7%	7%
Investment held for trading		212,449,167		226,746,690	(14,297,524)	-6%	1%	1%
Trade and other receivables		472,539,585		509,585,194	(37,045,609)	-7%	3%	3%
Notes receivable		805,925,000		805,925,000	-	0%	5%	5%
Other assets		224,982,323		131,884,968	93,077,335	71%	1%	1%
		<b>2,908,057,636</b>		<b>2,861,698,376</b>	<b>46,359,260</b>	<b>2%</b>		<b>17%</b>
Non-current asset held for sale		286,510,452		285,510,452	-	0%	2%	2%
<b>Total Current Assets</b>		<b>3,193,568,088</b>		<b>3,147,208,826</b>	<b>46,359,260</b>	<b>1%</b>	<b>20%</b>	<b>19%</b>
<b>Noncurrent Assets</b>								
Intangible asset		10,025,780,697		10,231,313,891	(205,533,194)	-2%	62%	62%
Available-for-Sale investments		694,126,991		586,543,693	107,583,098	18%	4%	4%
Property and equipment		459,127,104		544,628,438	(85,501,334)	-16%	3%	3%
Goodwill		1,828,577,952		1,828,577,952	-	0%	11%	11%
Other non-current assets		95,734,990		103,724,801	(7,989,811)	-8%	1%	1%
<b>Total Noncurrent Assets</b>		<b>13,103,347,734</b>		<b>13,294,788,975</b>	<b>(191,441,242)</b>	<b>-1%</b>	<b>80%</b>	<b>81%</b>
<b>Total Assets</b>	<b>P</b>	<b>16,296,915,821</b>	<b>P</b>	<b>16,441,997,803</b>	<b>(145,081,982)</b>	<b>-1%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>								
<b>Current Liabilities</b>								
Trade payables and other current liabilities	P	434,352,181	P	365,772,706	68,579,476	18%	3%	2%
Current portion of obligations under finance lease		8,472,535		25,201,309	(16,728,774)	-66%	0%	0%
Income tax payable		96,283,429		49,600,322	46,683,108	94%	1%	0%
<b>Total current liabilities</b>		<b>539,108,146</b>		<b>440,574,337</b>	<b>98,533,809</b>	<b>22%</b>	<b>3%</b>	<b>2%</b>
<b>Noncurrent Liability</b>								
Obligation under finance lease		75,826,343		93,527,275	(17,700,932)	-19%	0%	1%
Pension liability		10,706,349		18,638,268	(7,931,917)	-43%	0%	0%
<b>Total non-current liabilities</b>		<b>86,532,692</b>		<b>112,165,541</b>	<b>(25,632,849)</b>	<b>-23%</b>	<b>1%</b>	<b>1%</b>
<b>Total Liabilities</b>	<b>P</b>	<b>625,640,838</b>	<b>P</b>	<b>552,739,878</b>	<b>72,900,960</b>	<b>13%</b>	<b>4%</b>	<b>3%</b>
<b>Equity</b>								
Capital Stock		7,906,827,500		7,906,827,500	-	0%	49%	49%
Additional paid-in capital		7,238,721,924		7,238,721,924	0	0%	44%	44%
Subscription receivable		0		0	-	0%	0%	0%
Cost of parent shares held by a subsidiary		(438,877,905)		(422,210,490)	(16,667,415)	-4%	-3%	-3%
Other reserves		(21,572,570)		(121,523,954)	99,951,384	82%	0%	-1%
Retained earnings (deficit)		120,393,782		440,361,436	(319,967,654)	-73%	1%	3%
<b>Total equity attributable to Parent</b>		<b>14,805,492,731</b>		<b>15,042,176,416</b>	<b>(236,683,685)</b>	<b>-2%</b>	<b>91%</b>	<b>92%</b>
<b>Non-controlling Interest</b>		<b>865,782,253</b>		<b>847,081,509</b>	<b>18,700,744</b>	<b>2%</b>	<b>5%</b>	<b>5%</b>
<b>Total Equity</b>		<b>15,671,274,984</b>		<b>15,889,257,925</b>	<b>(217,982,941)</b>	<b>-1%</b>	<b>96%</b>	<b>97%</b>
<b>Total Liabilities and Equity</b>	<b>P</b>	<b>16,296,915,821</b>	<b>P</b>	<b>16,441,997,803</b>	<b>(145,081,982)</b>	<b>-1%</b>	<b>100%</b>	<b>100%</b>

As of June 30, 2016, PLC's total assets amounted to Php16,296.9 million, lower by Php145.1 million, or 1% versus total assets as at December 31, 2015. Key movements in balance sheet items are as follows:

#### Cash

Slight increase in cash pertains to the collection of Gaming share from November 2015 to May 2016, receipt of cash dividends from its available for sale investments as well as interest income from banks and notes receivables offset by the payment of dividends to its shareholders last February 2016 as well as payments of expenses and fees.

### Investments held for trading

Investments held for trading decreased by 6% mainly due to sale of investments during the second quarter of the year as well as 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 from Meico for City of Dreams Manila's gaming share revenue. The Company recorded net decrease in trade and other receivables by ₱37.0 million.

### Intangible Asset

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

### Property and equipment

Property and equipment (PPE) of the Company pertains to online lottery equipment, leasehold improvements, office and transportation equipment. There is an overall decrease of Php85.5 million in the account compared to balances at December 31, 2015 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 ₱72.9 million or 13% as at June 30, 2016 from total liabilities of ₱552.7 million as at December 31, 2015. The increase is due mostly to the increase in trade and other payables related to POSC's operations as well as increased service fees related to the increase in gaming share revenue from City of Dreams Manila. Income tax payable is also up by Php46.6 million (94%) due to the higher revenues and overall net income for the quarter.

### Equity

Stockholders' equity decreased by ₱218.0 million (1%) as of June 30, 2016 from ₱15,889.3 million as of December 31, 2015. The decrease was due mainly to the declaration and payment of dividends during the period worth Php680 million. This decrease was tempered partially by the net income earned for the first half of the year and recovery of share prices of the Company's available for sale investments under other reserves. Minority interest is at Php865.8 million as at June 30, 2016.

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

	<b>Manner by which the Company calculates the key performance indicators</b>	<b>June 30, 2016 (unaudited)</b>	<b>June 30, 2015 (unaudited)</b>	<b>December 31, 2015 (audited)</b>
Current ratio	Current assets over current liabilities	5.92	27.04	7.14
Return on assets	Annualized net income or (loss) over average total assets during the period	5.63%	0.31%	1.38%
Return on equity	Annualized net income or (loss) over average stockholders' equity during the period	5.84%	0.31%	1.41%
Asset-to-equity ratio	Total assets over total equity	1.04	1.01	1.03
Debt to equity ratio	Total debt over total equity	Not applicable	Not applicable	Not applicable
Interest rate coverage ratio	Earnings before interest and taxes over interest expense	Not applicable	Not applicable	Not applicable

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) City of Dreams Manila gaming revenue share increased for the second quarter of 2016 versus the same period in 2015. This in turn generated higher returns on assets and on equity for the Company.
- b) Current ratio decreased compared with that of the same period in 2015 as well compared with amounts on December 31, 2015 due to the increase in accrued expenses and payables in relation to the increase in revenues for the first half of 2016.
- c) There is no significant change on the asset to equity ratio of the Company.

As of June 30, 2016, 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 June 30, 2016 and December 31, 2015, 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 Philippine Charity Sweepstakes Office (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 are Belle, a major stockholder, of which outstanding balance covers around 5.4% of the Company's total loan and other receivables March 31, 2016 and December 31, 2015, and MCE Leisure Philippines Corporation (MCE), from whom the gaming revenue share is collected. As such, the Company ensures that terms and conditions with the agreements with both Belle and MCE 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.

	June 30, 2016		December 31, 2015	
	Carrying value	Fair value	Carrying value	Fair value
<b>Loans and Receivables</b>				
Cash	1,192,181,561	1,192,181,561	1,187,556,503	1,187,556,503
Investment held for trading	212,449,167	212,449,167	226,746,690	226,746,690
Notes receivable	805,925,000	805,925,000	805,925,000	805,925,000
Trade and other receivables:				
Trade receivables	460,723,398	460,723,398	409,491,938	409,491,938
Nontrade and others	2,623,047	2,623,047	93,112,141	93,112,141
Advances to related parties	9,193,140	9,193,140	6,981,116	6,981,116
	<b>2,683,095,313</b>	<b>2,683,095,313</b>	<b>2,729,813,388</b>	<b>2,729,813,388</b>
<b>AFS Investment</b>				
Quoted shares	694,115,891	694,115,891	586,532,793	586,532,793
Unquoted shares	11,100	11,100	11,100	580,809,700
	<b>694,126,991</b>	<b>694,126,991</b>	<b>586,543,893</b>	<b>1,167,342,493</b>
	<b>3,377,222,303</b>	<b>3,377,222,303</b>	<b>3,316,357,281</b>	<b>3,897,155,881</b>
<b>Loans and Borrowings</b>				
Accrued expenses & other liabilities*	<b>432,764,659</b>	<b>432,764,659</b>	<b>377,762,896</b>	<b>377,762,896</b>

\*excluding statutory payables amounting to -Php10.1 million and P13.2 million as at June 30, 2016 and December 31, 2015, 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.

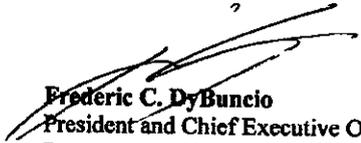
Other Required Disclosures

- 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, 2015. 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 June 30, 2016, 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 June 30, 2016 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, 2015, as of June 30, 2016.
- 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**



**Frederic C. DyBuncio**  
President and Chief Executive Officer  
Date: August 10, 2016



**Jackson T. Ongsip**  
Chief Finance Officer  
Date: August 10, 2016

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

	June 30, 2016	December 31, 2015
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	P 1,192,181,561	P 1,187,556,503
Investment held for trading	212,449,167	226,746,690
Trade and other receivables	472,539,585	509,585,194
Notes receivable	805,925,000	805,925,000
Other assets	224,962,323	131,884,988
	2,908,057,636	2,861,698,376
Non-current asset held for sale	285,510,452	285,510,452
<b>Total Current Assets</b>	<b>3,193,568,088</b>	<b>3,147,208,828</b>
<b>Noncurrent Assets</b>		
Intangible asset	10,025,780,697	10,231,313,891
Available-for-Sale investments	694,126,991	586,543,893
Property and equipment	459,127,104	544,628,438
Goodwill	1,828,577,952	1,828,577,952
Other non-current assets	95,734,990	103,724,801
<b>Total Noncurrent Assets</b>	<b>13,103,347,734</b>	<b>13,294,788,975</b>
<b>Total Assets</b>	<b>P 16,296,915,821</b>	<b>P 16,441,997,803</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade payables and other current liabilities	P 434,352,181	P 365,772,706
Current portion of obligations under finance lease	8,472,535	25,201,309
Income tax payable	96,283,429	49,600,322
<b>Total current liabilities</b>	<b>539,108,146</b>	<b>440,574,337</b>
<b>Noncurrent Liability</b>		
Obligation under finance lease	75,826,343	93,527,275
Pension liability	10,706,349	18,638,266
<b>Total non-current liabilities</b>	<b>86,532,692</b>	<b>112,165,541</b>
<b>Total Liabilities</b>	<b>P 625,640,838</b>	<b>P 552,739,878</b>
<b>Equity</b>		
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	(438,877,905)	(422,210,490)
Other reserves	(21,572,570)	(121,523,954)
Retained earnings (deficit)	120,393,782	440,361,436
<b>Total equity attributable to Parent</b>	<b>14,805,492,731</b>	<b>15,042,176,416</b>
<b>Non-controlling interest</b>	<b>865,782,253</b>	<b>847,081,509</b>
<b>Total Equity</b>	<b>15,671,274,984</b>	<b>15,889,257,925</b>
<b>Total Liabilities and Equity</b>	<b>P 16,296,915,821</b>	<b>P 16,441,997,803</b>

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

	Six Months Ended June 30	
	2016	2015
	(Unaudited)	(Unaudited)
<b>INCOME</b>		
Gaming share revenue	P 702,027,461	P 360,686,938
Equipment lease rentals	751,267,943	-
Commission and distribution income	139,366,779	-
	<b>1,592,662,182</b>	<b>360,686,938</b>
<b>COST AND EXPENSES</b>		
Software and license fees	89,082,056	-
Service and consultancy fees	162,712,570	39,207,754
Online lottery expenses	111,476,299	-
Repairs, maintenance and communication	45,736,168	-
General and administrative expenses	314,050,208	31,593,523
Amortization of intangible	205,533,194	271,447,487
Depreciation expense	79,392,441	172,928
	<b>1,007,982,935</b>	<b>342,421,692</b>
<b>OTHER INCOME (EXPENSES)</b>		
Equity share in net earnings of an associate	-	14,056,637
Interest income	20,490,947	20,827,780
Dividend income	21,964,863	17,997,789
Other income (charges)	17,167,020	10,992,915
	<b>59,622,830</b>	<b>63,875,121</b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>644,302,077</b>	<b>82,140,367</b>
<b>PROVISION(BENEFIT FROM) INCOME TAX</b>	<b>183,184,896</b>	<b>58,228,440</b>
<b>NET INCOME(LOSS)</b>	<b>461,117,181</b>	<b>23,911,927</b>
Net income attributable to Parent	353,062,411	23,911,927
Net income attributable to Minority interest	108,054,771	-
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	98,946,828	(158,160,596)
Remeasurement gain on DBL	1,004,556	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>P 561,068,565</b>	<b>P (134,248,669)</b>
Total Comprehensive income attributable to Parent	426,687,974	(134,248,669)
Total Comprehensive income attributable to Minority	134,380,592	-
<b>Total</b>	<b>561,068,566</b>	<b>(134,248,669)</b>
<b>Basic/Diluted Loss Per Common Share</b>	<b>P 0.01116</b>	<b>P 0.00094</b>

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

	Six Months Ended June 30		This quarter	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
<b>INCOME</b>				
Gaming share revenue	P 702,027,461	P 360,686,938	352,618,230	163,938,159
Equipment lease rentals	751,267,943	-	374,493,619	-
Commission and distribution income	139,366,779	-	82,178,658	-
	<b>1,592,662,182</b>	<b>360,686,938</b>	<b>809,290,506</b>	<b>163,938,159</b>
<b>COST AND EXPENSES</b>				
Software and license fees	89,082,056	-	44,174,822	-
Service and consultancy fees	162,712,570	39,207,754	77,807,940	5,068,272
Online lottery expenses	111,476,299	-	48,558,460	-
Repairs, maintenance and communication	45,736,168	-	23,424,572	-
General and administrative expenses	314,050,208	31,593,523	167,973,278	13,248,285
Amortization of intangible	205,533,194	271,447,487	59,618,121	145,915,073
Depreciation expense	79,392,441	172,928	37,466,766	85,050
	<b>1,007,982,935</b>	<b>342,421,692</b>	<b>459,023,958</b>	<b>164,316,680</b>
<b>OTHER INCOME (EXPENSES)</b>				
Equity share in net earnings of an associate	-	14,056,637	-	(5,105,647)
Interest income	20,490,947	20,827,780	11,935,227	17,724,545
Dividend Income	21,964,863	17,997,789	(0)	-
Other income (charges)	17,167,020	10,992,915	30,832,239	10,992,915
	<b>59,622,830</b>	<b>63,875,121</b>	<b>42,767,466</b>	<b>23,611,813</b>
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	<b>644,302,077</b>	<b>82,140,367</b>	<b>393,034,014</b>	<b>23,233,292</b>
<b>PROVISION(BENEFIT FROM) INCOME TAX</b>	<b>183,184,896</b>	<b>58,228,440</b>	<b>95,874,358</b>	<b>28,958,767</b>
<b>NET INCOME(LOSS)</b>	<b>461,117,181</b>	<b>23,911,927</b>	<b>297,159,656</b>	<b>(5,725,475)</b>
Net income attributable to Parent	353,062,411	23,911,927	230,934,411	(5,725,475)
Net income attributable to Minority interest	108,054,771	-	66,225,245	-
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	98,946,828	(158,160,596)	(108,876,919)	(158,160,596)
Remeasurement gain on DBL	1,004,556	-	(0)	-
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>P 561,068,565</b>	<b>P (134,248,669)</b>	<b>P 188,282,737</b>	<b>P (163,886,071)</b>
Total Comprehensive income attributable to Parent	426,687,974	(134,248,669)	195,895,586	(163,886,071)
Total Comprehensive income attributable to Minority	134,380,592	-	(7,612,847)	-
<b>Total</b>	<b>561,068,566</b>	<b>(134,248,669)</b>	<b>188,282,739</b>	<b>(163,886,071)</b>
<b>Basic/Diluted Loss Per Common Share</b>	<b>P 0.01116</b>	<b>P 0.00094</b>		

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

	Six Months Ended June 30	
	2016 (Unaudited)	2015 (Unaudited)
<b>CAPITAL STOCK</b>	P0.25 per share	P0.25 per share
Authorized:		
Preferred shares	6,000,000,000 shares	6,000,000,000 shares
Common shares	37,630,000,000 shares	37,630,000,000 shares
Issued:		
Balance at beginning of year	P 11,355,561,606	P 11,355,561,606
Cancellation (1B shares)	-	-
Effect of quasi-reorganization (reduction of par)	-	-
New issuance	-	-
Issuances (transfer from subscribed)	28,723,300	28,723,300
Balance at end of period	11,384,284,906	11,384,284,906
Subscribed:		
Balance at beginning of year	(3,448,734,106)	(3,448,734,106)
Issuances (transfer to issued)	(28,723,300)	(28,723,300)
Balance at end of period	(3,477,457,406)	(3,477,457,406)
Subscription receivable:		
Balance at beginning of year	(185,480,975)	(185,480,975)
Collections	185,480,975	185,480,975
Balance at end of period	-	-
	7,906,827,500	7,906,827,500
<b>ADDITIONAL PAID-IN CAPITAL (APIC)</b>		
Beginning balance	7,238,721,924	6,946,201,780
Other adjustments	-	-
	7,238,721,924	6,946,201,780
<b>Other Reserves</b>		
Balance at beginning of year	(121,523,954)	139,381,879
Net Unrealized loss on available-for-sale investments	98,946,828	(158,160,596)
Remeasurement gain on Retirement	1,004,556	-
Balance at the end of period	(21,572,570)	(18,778,717)
Cost of Parent Company held by a subsidiary	(438,877,905)	-
	(438,877,905)	-
<b>RETAINED EARNINGS (DEFICIT)</b>		
Balance at beginning of year	440,361,437	980,929,502
Declared dividends	(673,030,066)	(700,000,000)
Net income (loss)	353,062,411	23,911,927
Balance at end of period	120,393,782	304,841,429
<b>NON-CONTROLLING INTEREST</b>	865,782,251	-
	P 15,671,274,984	P 15,139,091,992

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

Six Months Ended June 30

	2016 (Unaudited)	2015 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) before income tax	P 644,302,077	P 58,907,075
Adjustments for:		
Provisions for Impairment of Receivables and others	1,691,817	-
Reversal of impairment (net)	-	-
(Gain) or loss on sale of marketable securities	(9,798,408)	-
Finance charges	290,837	-
Retirement cost	4,800,000	-
Loss (gain) on sale of marketable securities	181,754	-
Loss (gain) on sale of property and equipment	(9,999)	-
Foreign exchange losses (gain)	1,941,811	-
Depreciation	79,392,441	-
Amortization of Intangible	205,533,194	125,532,414
Dividend income	(21,964,863)	(17,997,789)
Equity in net earnings of investee	-	(19,162,284)
Interest income	(20,490,947)	(3,103,235)
Income before working capital changes	885,769,715	144,176,181
Decrease (Increase) in:		
Receivables and others	35,496,654	(659,787,040)
Other current assets	(93,021,949)	-
Other noncurrent assets	7,989,811	(1,249,842,358)
Increase (decrease) in:		
Increase in accrued trade and other payables	68,579,476	30,235,379
Retirement liability	(10,731,917)	-
Retirement contributions paid	(2,000,000)	-
Income tax paid	(136,812,292)	-
<b>Net cash provided by operating activities</b>	<b>755,269,498</b>	<b>(1,735,217,838)</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Acquisitions of:		
Marketable securities	(5,337,738)	-
Property and equipment	(21,286,741)	-
Investment in stocks	(16,687,415)	-
Dividends received	21,964,863	17,997,789
Interest received	20,490,947	3,103,235
Proceeds from sale of:		
Marketable securities	29,251,916	-
Property and equipment	343,433	-
<b>Net cash from investing activities</b>	<b>28,759,265</b>	<b>21,101,024</b>
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Payment of obligation under finance lease	(16,728,774)	-
Collection of subscription receivable	-	185,480,975
Interest paid	(290,837)	-
Dividend payment	(762,384,095)	-
<b>Net cash from financing activities</b>	<b>(779,403,706)</b>	<b>185,480,975</b>
<b>NET INCREASE IN CASH</b>	<b>4,625,058</b>	<b>(1,528,635,838)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>1,187,556,503</b>	<b>2,692,121,573</b>
<b>CASH AT END OF PERIOD</b>	<b>P 1,192,181,561</b>	<b>P 1,163,485,735</b>

**PREMIUM LEISURE CORP AND SUBSIDIARIES**  
**SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS**  
**June 30, 2016**

<u>NAME</u>	<u>AMOUNT</u>
Trade receivables -current	460,723,398
Notes receivables -current	805,925,000
Other receivable	11,816,187
Other Current Assets	<u>224,962,323</u>
<b>Total Receivables and Other Assets</b>	<b><u>1,503,426,908</u></b>

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