

# 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, 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	Jun 30, 2017
Currency (indicate units, if applicable)	Php

#### Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2017	Dec 31, 2016
<b>Current Assets</b>	4,608,156,933	3,965,117,557
<b>Total Assets</b>	17,328,001,589	16,907,792,772
<b>Current Liabilities</b>	1,128,816,510	635,296,726
<b>Total Liabilities</b>	1,201,251,635	719,490,634
<b>Retained Earnings/(Deficit)</b>	744,838,041	727,181,017
<b>Stockholders' Equity</b>	16,126,749,954	16,188,302,138
<b>Stockholders' Equity - Parent</b>	15,477,992,478	15,357,859,752
<b>Book Value per Share</b>	0.5	0.51

## Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	1,254,334,420	809,290,507	2,516,295,324	1,592,662,183
Gross Expense	712,268,087	459,023,959	1,424,018,335	1,007,982,936
Non-Operating Income	35,435,099	42,767,466	50,105,952	59,622,830
Non-Operating Expense	0	0	9,658,041	0
Income/(Loss) Before Tax	577,501,431	393,034,014	1,132,724,901	644,302,077
Income Tax Expense	52,150,423	95,874,358	105,638,579	183,184,896
Net Income/(Loss) After Tax	525,351,008	297,159,656	1,027,086,322	461,117,181
Net Income Attributable to Parent Equity Holder	470,250,319	230,934,411	895,213,783	353,062,411
Earnings/(Loss) Per Share (Basic)	0.02	0.01	0.03	0.01
Earnings/(Loss) Per Share (Diluted)	0.02	0.01	0.03	0.01

	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

AS093009289

S.E.C. Registration Number

PREMIUM LEISURE CORP AND SUBSIDIARIES

(Company's Full Name)

5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mail 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

377

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

**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, 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:

**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
<b>Common Stock, ₱0.25<sup>1</sup> par value</b>	<b>31,627,310,000</b>

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.

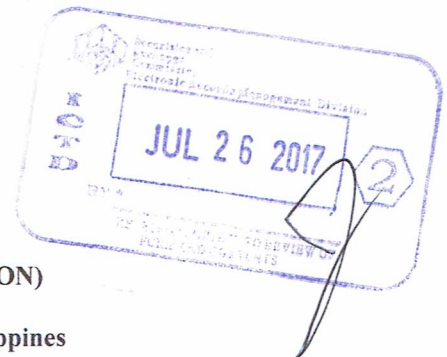
12. Check whether the issuer:

- 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, 2017 and December 31, 2016;
- b.) Consolidated Statements of Comprehensive Income for the Six Months ended June 30, 2017 and June 30, 2016;
- c.) Consolidated Statements of Changes in Equity for the Six Months ended June 30, 2017 and June 30, 2016;
- d.) Consolidated Statements of Cash Flows for the Six Months ended June 30, 2017 and June 30, 2016

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

#### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2017	2016	Increase (Decrease)		2017	2016
	(Unaudited)	(Unaudited)	Amount	%	%	%
<b>INCOME</b>						
Gaming share revenue	P 1,464,393,847	702,027,461	P 762,366,386	109%	58%	44%
Equipment lease rentals	893,140,698	751,267,943	141,872,755	19%	35%	47%
Commission and distribution income	158,760,779	139,366,779	19,394,000	14%	6%	9%
	2,516,295,324	1,592,662,183	923,633,142	58%	100%	100%
<b>COST AND EXPENSES</b>						
Service and consultancy fees	202,391,165	162,712,570	39,678,595	24%	8%	10%
Online lottery expenses	194,614,784	111,476,299	83,138,485	75%	8%	7%
Software and license fees	81,024,007	89,082,056	(8,058,049)	-9%	3%	6%
Repairs, maintenance and communication	50,795,608	45,736,168	5,059,440	11%	2%	3%
General and administrative expenses	682,374,323	314,050,208	368,324,115	117%	27%	20%
Amortization of intangible	119,236,242	205,533,194	(86,296,952)	-42%	5%	13%
Depreciation expense	93,582,206	79,392,441	14,189,765	18%	4%	5%
	1,424,018,335	1,007,982,936	416,035,398	41%	57%	63%
<b>OTHER INCOME (EXPENSES)</b>						
Interest income	32,177,594	20,490,947	11,686,647	57%	1%	1%
Dividend Income	17,928,359	21,964,863	(4,036,504)	-18%	1%	1%
Other income (charges)	(9,658,041)	17,167,020	(26,825,061)	-156%	0%	1%
	40,447,912	59,622,830	(19,174,918)	-32%	2%	4%
<b>NET INCOME BEFORE INCOME TAX</b>	<b>1,132,724,901</b>	<b>644,302,077</b>	<b>488,422,825</b>	<b>76%</b>	<b>45%</b>	<b>40%</b>
<b>PROVISION(BENEFIT FROM) INCOME TAX</b>	<b>105,638,579</b>	<b>183,184,896</b>	<b>(77,546,317)</b>	<b>-42%</b>	<b>4%</b>	<b>12%</b>
<b>NET INCOME</b>	<b>1,027,086,322</b>	<b>461,117,181</b>	<b>565,969,142</b>	<b>123%</b>	<b>41%</b>	<b>29%</b>
Net income attributable to Parent	895,213,783	353,062,411	542,151,372	154%	36%	22%
Net income attributable to Minority interest	131,872,539	108,054,770	23,817,769	22%	5%	7%

Premium Leisure Corp (“PLC” or the “Company”) grew its 2017 first half net income by 123% year on year from P461.1 million to P1.03 billion due to the continued operating growth in its revenues from City of Dreams Manila (CODM) and the overall improvement in the Philippine gaming market.

The Company’s significant operating growth was driven by improvements in all business segments, with revenues totaling Php2.5 billion as of June 30, 2017, which increased by 58% from the same period in 2016.

- Gaming share revenue reported at P1.5 billion was higher by more than double versus the same period last year. The Company has an operating with Melco Crown 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, is at P1.05 billion as of June 30, 2016. This grew by double digits of 18% 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.

Correspondingly, costs and expenses have increased by 41% 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 57% in terms of percentage to revenues in 2017, which is better than the 63% ratio obtained during the same period last year.

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2017 (Unaudited)	2016 (Unaudited)	Increase (Decrease) Amount	%	2017 %	2016 %
<b>NET INCOME</b>	<b>1,027,086,322</b>	461,117,181	565,969,142	123%	41%	29%
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	153,960,914	98,946,828	55,014,086	56%	6%	6%
Remeasurement loss on DBL	-	1,004,556	(1,004,556)	-100%	0%	0%
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>P 1,181,047,235</b>	P 561,068,565	P 619,978,671	110%	47%	35%
<b>Total Comprehensive income attributable to Parent</b>	<b>1,026,483,625</b>	426,687,974	542,151,372	127%	41%	27%
<b>Total Comprehensive income attributable to Minority</b>	<b>154,563,611</b>	134,380,591	23,817,769	18%	6%	8%

Comprehensive income pertains to the unrealized gains (losses) arising from changes in market value of available for sale (AFS) investments during the year. PLC recognized comprehensive gain on its Available for Sale investments amounting to Php154.0 million for the first half ending June 30, 2017 as a result of recovery of share prices of its AFS investments. As such, PLC recognized a total comprehensive income amounting to P1.18 billion (of which Php1.03 billion is attributable to parent shareholders) as of June 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 six months ended June 30, 2017.

### Consolidated Statements of Financial Position

	June 30, 2017	December 31, 2016	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Increase (Decrease)		2017	2015
			Amount	%	%	%
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	P 1,473,895,571	P 1,811,503,962	(337,608,391)	-19%	9%	11%
Investment held for trading	193,460,569	165,990,214	27,470,356	17%	1%	1%
Trade and other receivables	856,334,842	731,760,497	124,574,345	17%	5%	4%
Notes receivable	1,605,925,000	805,925,000	800,000,000	99%	9%	5%
Other assets	193,030,499	164,427,432	28,603,067	17%	1%	1%
	4,322,646,481	3,679,607,105	643,039,376	17%	0	22%
Non-current asset held for sale	285,510,452	285,510,452	-	0%	2%	2%
<b>Total Current Assets</b>	<b>4,608,156,933</b>	<b>3,965,117,557</b>	<b>643,039,376</b>	<b>16%</b>	<b>27%</b>	<b>23%</b>
<b>Noncurrent Assets</b>						
Intangible asset	9,787,308,213	9,906,544,455	(119,236,242)	-1%	56%	59%
Available-for-Sale investments	610,487,854	657,377,801	(46,889,947)	-7%	4%	4%
Property and equipment	425,432,690	479,088,812	(53,656,122)	-11%	2%	3%
Goodwill	1,828,577,952	1,828,577,952	0	0%	11%	11%
Other non-current assets	68,037,947	71,086,195	(3,048,248)	-4%	0%	0%
<b>Total Noncurrent Assets</b>	<b>12,719,844,656</b>	<b>12,942,675,215</b>	<b>(222,830,559)</b>	<b>-2%</b>	<b>73%</b>	<b>77%</b>
<b>Total Assets</b>	<b>P 17,328,001,589</b>	<b>P 16,907,792,772</b>	<b>420,208,817</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES AND EQUITY</b>						
<b>Current Liabilities</b>						
Trade payables and other current liabilities	P 1,052,445,666	P 544,597,585	507,848,081	93%	6%	3%
Current portion of obligations under finance lease	37,321,589	47,698,388	(10,376,799)	-22%	0%	0%
Income tax payable	39,049,255	43,000,753	(3,951,498)	-9%	0%	0%
<b>Total current liabilities</b>	<b>1,128,816,510</b>	<b>635,296,726</b>	<b>493,519,783</b>	<b>78%</b>	<b>7%</b>	<b>4%</b>
<b>Noncurrent Liability</b>						
Obligation under finance lease	64,427,713	71,644,208	(7,216,495)	-10%	0%	0%
Pension liability	8,007,412	12,549,700	(4,542,288)	-36%	0%	0%
<b>Total non-current liabilities</b>	<b>72,435,125</b>	<b>84,193,908</b>	<b>(11,758,783)</b>	<b>-14%</b>	<b>0%</b>	<b>0%</b>
	<b>P 1,201,251,635</b>	<b>P 719,490,634</b>	<b>481,761,001</b>	<b>67%</b>	<b>7%</b>	<b>4%</b>
<b>Equity</b>						
Capital Stock	7,906,827,500	7,906,827,500	-	0%	46%	47%
Additional paid-in capital	7,238,721,924	7,238,721,924	0	0%	42%	43%
Cost of parent shares held by a subsidiary	(467,672,045)	(438,877,905)	(28,794,140)	7%	-3%	-3%
Other reserves	55,277,058	(75,992,784)	131,269,842	-173%	0%	0%
Retained earnings (deficit)	744,838,041	727,181,017	17,657,023	2%	4%	4%
<b>Total equity attributable to Parent</b>	<b>15,477,992,478</b>	<b>15,357,859,752</b>	<b>120,132,726</b>	<b>1%</b>	<b>89%</b>	<b>91%</b>
<b>Non-controlling interest</b>	<b>648,757,476</b>	<b>830,442,386</b>	<b>(181,684,910)</b>	<b>-22%</b>	<b>4%</b>	<b>5%</b>
<b>Total Equity</b>	<b>16,126,749,954</b>	<b>16,188,302,138</b>	<b>(61,552,184)</b>	<b>0%</b>	<b>93%</b>	<b>96%</b>
<b>Total Liabilities and Equity</b>	<b>P 17,328,001,589</b>	<b>P 16,907,792,772</b>	<b>420,208,817</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>

As at June 30, 2017, PLC's total assets amounted to Php17.3 billion, higher by Php420.2 million, or 2% 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.

The 19% decrease (Php337.6 million) in cash and cash equivalents is due mainly to the dividends paid out by the Company (around Php888 million) in March 2017 as well additional notes receivable worth Php800 million. These cash outflows are offset by the higher monthly collections for the first half of the year, largely brought about by the higher revenues.

#### Investments held for trading

Investments held for trading increased by 17% mainly due to additional trading instruments obtained during the quarter, 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 ₱124.6 million (17%) 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 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 Php53.7 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 ₱481.8 million or 67% as at June 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 decreased by ₱61.5 million as at June 30, 2017 from ₱16.18 billion as of December 31, 2016. The decrease was due mainly to the declaration and payment of dividends during the period worth around Php888 million. This decrease was offset by the net income earned for the period and the recovery

of share prices of the Company's available for sale investments under other reserves. Minority interest is at Php648.8 million as at June 30, 2017.

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

<b>Ratio</b>	<b>Manner in which the financial ratios are computed</b>	<b>June 30, 2017</b>	<b>June 30, 2016</b>	<b>December 31, 2016</b>
Current ratio	Current assets divided by current liabilities	4.08	6.24	6.24
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	3.66	5.53	5.53
Solvency ratio	Total assets / total liabilities	14.42	23.50	23.50
Asset to equity	Total assets divided by total equity	1.07	1.04	1.04
Debt to equity	Interest bearing debt divided by total equity	0.01	0.01	0.01
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	7,085.62	2,127.60	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	12.0%	5.6%	7.0%
Return on equity	Net income (loss) divided by average total equity during the period	12.7%	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:

- 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.
- Current, Quick and Solvency ratios decreased due to the increase in trade, other and accrued payables for the quarter. Despite this, however, the assets of the Company are more than enough to meet its liabilities.
- There is no significant change in the other ratios presented.

As at June 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 June 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 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 is Belle, a major stockholder, of which outstanding balance covers around 67% and 52% of the Company's total notes and other receivables as at March 31, 2017 and December 31, 2016, respectively. MCE Leisure Philippines Corporation (MCE), 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 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, 2017		December 31, 2016	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial Assets</b>				
Cash and cash equivalents	1,473,895,571	1,473,895,571	1,811,503,962	1,811,503,962
Investment held for trading	193,460,569	193,460,569	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	670,883,923	670,883,923	682,390,655	682,390,655
Nontrade and others	185,450,920	185,450,920	49,369,842	49,369,842
	<b>4,129,615,983</b>	<b>4,129,615,983</b>	<b>3,515,179,673</b>	<b>3,515,179,673</b>
<b>AFS Investment</b>				
Quoted shares	610,406,754	610,406,754	657,296,701	657,296,701
Unquoted shares	81,100	81,100	81,100	81,100
	<b>610,487,854</b>	<b>610,487,854</b>	<b>657,377,801</b>	<b>657,377,801</b>
	<b>4,740,103,837</b>	<b>4,740,103,837</b>	<b>4,172,557,474</b>	<b>4,172,557,474</b>
<b>Loans and Borrowings</b>				
Accrued expenses & other liabilities*	<b>1,042,198,006</b>	<b>1,042,198,006</b>	<b>523,579,305</b>	<b>523,579,305</b>

\*excluding statutory payables amounting to - Php10.2 million and P21.0 million as at June 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 or liabilities;
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

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

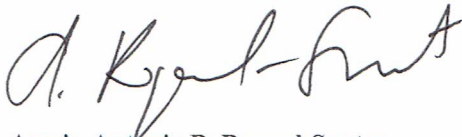
#### Other Required Disclosures

- A.) The attached interim financial reports were prepared in accordance with accounting standards generally accepted in the Philippines. The accounting policies and methods of computation followed in these interim financial statements are the same compared with the audited financial statements for the period ended December 31, 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 June 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 June 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 June 30, 2017.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

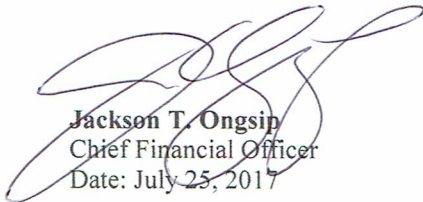
## SIGNATURE

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**



**Armin Antonio B. Raquel-Santos**  
President and Chief Executive Officer  
Date: July 25, 2017



**Jackson T. Ongsin**  
Chief Financial Officer  
Date: July 25, 2017

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

	June 30, 2017	December 31, 2016
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P 1,473,895,571	P 1,811,503,962
Investment held for trading	193,460,569	165,990,214
Trade and other receivables	856,334,842	731,760,497
Notes receivable	1,605,925,000	805,925,000
Other assets	193,030,499	164,427,432
	4,322,646,481	3,679,607,105
Non-current asset held for sale	285,510,452	285,510,452
<b>Total Current Assets</b>	<b>4,608,156,933</b>	<b>3,965,117,557</b>
<b>Noncurrent Assets</b>		
Intangible asset	9,787,308,213	9,906,544,455
Available-for-Sale investments	610,487,854	657,377,801
Property and equipment	425,432,690	479,088,812
Goodwill	1,828,577,952	1,828,577,952
Other non-current assets	68,037,947	71,086,195
<b>Total Noncurrent Assets</b>	<b>12,719,844,656</b>	<b>12,942,675,215</b>
<b>Total Assets</b>	<b>P 17,328,001,589</b>	<b>P 16,907,792,772</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Trade payables and other current liabilities	P 1,052,445,666	P 544,597,585
Current portion of obligations under finance lease	37,321,589	47,698,388
Income tax payable	39,049,255	43,000,753
<b>Total current liabilities</b>	<b>1,128,816,510</b>	<b>635,296,726</b>
<b>Noncurrent Liability</b>		
Obligation under finance lease	64,427,713	71,644,208
Pension liability	8,007,412	12,549,700
<b>Total non-current liabilities</b>	<b>72,435,125</b>	<b>84,193,908</b>
	P 1,201,251,635	P 719,490,634
<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	(467,672,045)	(438,877,905)
Other reserves	55,277,058	(75,992,784)
Retained earnings (deficit)	744,838,041	727,181,017
<b>Total equity attributable to Parent</b>	<b>15,477,992,478</b>	<b>15,357,859,752</b>
<b>Non-controlling interest</b>	<b>648,757,476</b>	<b>830,442,386</b>
<b>Total Equity</b>	<b>16,126,749,954</b>	<b>16,188,302,138</b>
<b>Total Liabilities and Equity</b>	<b>P 17,328,001,589</b>	<b>P 16,907,792,772</b>

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

	Six Months Ended June 30		This quarter	
	2017	2016	2017	2016
	(Unaudited)	(Unaudited)	(Unaudited)	
<b>INCOME</b>				
Gaming share revenue	P 1,464,393,847	702,027,461	742,522,574	352,618,230
Equipment lease rentals	893,140,698	751,267,943	431,272,660	374,493,619
Commission and distribution income	158,760,779	139,366,779	80,539,185	82,178,658
	<b>2,516,295,324</b>	<b>1,592,662,183</b>	<b>1,254,334,420</b>	<b>809,290,507</b>
<b>COST AND EXPENSES</b>				
Service and consultancy fees	202,391,165	162,712,570	93,517,198	77,807,940
Online lottery expenses	194,614,784	111,476,299	103,866,585	48,558,460
Software and license fees	81,024,007	89,082,056	41,194,316	44,174,822
Repairs, maintenance and communication	50,795,608	45,736,168	26,016,473	23,424,572
General and administrative expenses	682,374,323	314,050,208	340,780,086	167,973,278
Amortization of intangible	119,236,242	205,533,194	59,618,121	59,618,121
Depreciation expense	93,582,206	79,392,441	47,275,308	37,466,766
	<b>1,424,018,335</b>	<b>1,007,982,936</b>	<b>712,268,087</b>	<b>459,023,959</b>
<b>OTHER INCOME (EXPENSES)</b>				
Interest income	32,177,594	20,490,947	18,615,067	11,935,227
Dividend Income	17,928,359	21,964,863	5,745,100	-
Other income (charges)	(9,658,041)	17,167,020	11,074,932	30,832,239
	<b>40,447,912</b>	<b>59,622,830</b>	<b>35,435,099</b>	<b>42,767,466</b>
<b>NET INCOME BEFORE INCOME TAX</b>	<b>1,132,724,901</b>	<b>644,302,077</b>	<b>577,501,432</b>	<b>393,034,014</b>
<b>PROVISION(BENEFIT FROM) INCOME TAX</b>	<b>105,638,579</b>	<b>183,184,896</b>	<b>52,150,423</b>	<b>95,874,358</b>
<b>NET INCOME</b>	<b>1,027,086,322</b>	<b>461,117,181</b>	<b>525,351,009</b>	<b>297,159,656</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	153,960,914	98,946,828	(26,996,122)	(108,876,919)
Remeasurement loss on DBL	-	1,004,556	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>P 1,181,047,235</b>	<b>P 561,068,565</b>	<b>P 498,354,887</b>	<b>P 188,282,737</b>
<b>Total Comprehensive income attributable to Parent</b>	<b>1,026,483,625</b>	<b>426,687,974</b>	<b>448,243,303</b>	<b>195,895,584</b>
<b>Total Comprehensive income attributable to Minority</b>	<b>154,563,611</b>	<b>134,380,591</b>	<b>50,111,584</b>	<b>(7,612,847)</b>
<b>Basic/Diluted Loss Per Common Share</b>	<b>P 0.02831</b>	<b>P 0.01116</b>		



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

Six Months Ended June 30				
		2017		2016
		(Unaudited)		(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	11,384,284,906	P	11,355,561,606
Issuances (transfer from subscribed)		-		28,723,300
Balance at end of period		11,384,284,906		11,384,284,906
Subscribed:				
Balance at beginning of year		(3,477,457,406)		(3,448,734,106)
Issuances (transfer to issued)		-		(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)
Collections		-		185,480,975
Balance at end of period		-		-
Balance at the end of period		7,906,827,500		7,906,827,500
<b>ADDITIONAL PAID-IN CAPITAL (APIC)</b>				
Beginning balance		7,238,721,924		7,238,721,924
Balance at the end of period		7,238,721,924		7,238,721,924
<b>Other Reserves</b>				
Balance at beginning of year		(75,992,783)		(121,523,954)
Net Unrealized loss on available-for-sale investments		131,269,842		98,946,828
Remeasurement gain on Retirement		-		1,004,556
Balance at the end of period		55,277,059		(21,572,570)
<b>Cost of Parent Company held by a subsidiary</b>				
Balance at beginning of year		(438,877,905)		(438,877,905)
Additional acquisition		(28,794,140)		-
Balance at the end of period		(467,672,045)		(438,877,905)
<b>RETAINED EARNINGS (DEFICIT)</b>				
Balance at beginning of year		727,181,017		440,361,437
Declared dividends		(877,556,761)		(673,030,066)
Net income (loss)		895,213,784		353,062,411
Balance at end of period		744,838,040		120,393,782
<b>NON-CONTROLLING INTEREST</b>		648,757,476		865,782,253
	P	16,126,749,954	P	15,671,274,984

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

Six Months Ended June 30

	2017 (Unaudited)	2016 (Unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income (loss) before income tax	P 1,132,724,901	P 644,302,077
Adjustments for:		
Provisions for impairment of Receivables and others	-	1,591,817
Unrealized loss (gain) on marketable securities	(11,841,926)	-
Finance charges	184,189	290,837
Retirement cost	10,476,768	4,800,000
Loss(gain) on sale of marketable securities	-	(9,616,654)
Loss (gain) on sale of property and equipment	(39,999)	(9,999)
Loss on sale of AFS investement	31,095,741	-
Foreign exchange losses (gain)	(2,616,804)	1,941,811
Depreciation	93,582,206	79,392,441
Amortization of Intangible	119,236,242	205,533,194
Dividend income	(17,928,359)	(21,964,863)
Interest income	(8,132,566)	(20,490,947)
Income before working capital changes	1,346,740,393	885,769,714
Decrease (Increase) in:		
Receivables and others	(126,244,077)	35,496,654
Other current assets	(31,195,503)	(93,021,949)
Other noncurrent assets	3,048,248	7,989,813
Increase (decrease) in:		
Increase in accrued trade and other payables	445,520,776	57,847,559
Retirement contributions paid	(6,000,000)	(2,000,000)
Income tax paid	(110,751,967)	(136,812,292)
Net cash provided by operating activities	1,521,117,869	755,269,499
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Acquisitions of:		
Marketable securities	(15,628,430)	(5,337,738)
Property and equipment	(39,918,722)	(21,286,741)
Investment in stocks	(28,794,140)	(16,667,415)
Dividends received	17,928,359	21,964,863
Interest received	8,132,566	20,490,947
Proceeds from sale of:		
Investment in stocks	169,755,120	29,251,916
Property and equipment	39,999	343,433
Net cash from investing activities	111,514,752	28,759,265
<b>CASH FLOW FROM FINANCING ACTIVITY</b>		
Increase in Notes receivable	(800,000,000)	-
Payment of obligation under finance lease	(17,593,294)	(16,728,774)
Acquisition of Treasury shares by the subsidiary	(211,593,911)	-
Interest paid	(184,189)	(290,837)
Dividends paid	(940,869,618)	(762,384,095)
Net cash from financing activities	(1,970,241,012)	(779,403,706)
<b>NET INCREASE IN CASH</b>	<b>(337,608,391)</b>	<b>4,625,058</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>1,811,503,962</b>	<b>1,187,556,503</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>P 1,473,895,571</b>	<b>P 1,192,181,561</b>

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

<b>NAME</b>	<b>AMOUNT</b>
Notes receivables - current	1,605,925,000
Trade receivables - current	670,883,923
Other receivable	185,450,920
Other current assets	193,030,499
<b>Total Receivables and Other Assets</b>	<b>2,655,290,341</b>

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