

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, 2021
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 | 31,216,931,000 |

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.



P R E M I U M
L E I S U R E C O R P .

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, 2021 |
| Currency (indicate units, if applicable) | PHP |

Balance Sheet

| | Period Ended | Fiscal Year Ended (Audited) |
|-------------------------------|----------------|-----------------------------|
| | Sep 30, 2021 | Dec 31, 2020 |
| Current Assets | 5,608,128,033 | 6,735,160,173 |
| Total Assets | 16,851,477,759 | 17,793,014,064 |
| Current Liabilities | 640,019,590 | 1,172,207,600 |
| Total Liabilities | 704,282,570 | 1,235,426,915 |
| Retained Earnings/(Deficit) | 2,317,619,537 | 2,629,106,978 |
| Stockholders' Equity | 16,147,195,189 | 16,557,587,149 |
| Stockholders' Equity - Parent | 15,867,990,388 | 16,220,076,183 |
| Book Value per Share | 0.51 | 0.53 |

Income Statement

| | Current Year (3 Months) | Previous Year (3 Months) | Current Year-To-Date | Previous Year-To-Date |
|-----------------------|----------------------------|-----------------------------|----------------------|-----------------------|
| Gross Revenue | 258,652,518 | 118,102,729 | 1,269,563,681 | 546,142,719 |
| Gross Expense | 224,562,523 | 244,715,832 | 725,782,204 | 815,986,605 |
| Non-Operating Income | 298,170,702 | 46,506,710 | 364,664,088 | 188,743,742 |
| Non-Operating Expense | 0 | 10,215,055 | 0 | 23,279,186 |

| | | | | |
|--|-------------|-------------|-------------|--------------|
| Income/(Loss) Before Tax | 332,260,697 | -90,321,448 | 908,445,565 | -104,379,330 |
| Income Tax Expense | 2,938,353 | 7,987,027 | 8,877,171 | 21,037,530 |
| Net Income/(Loss) After Tax | 329,322,343 | -98,308,475 | 899,568,394 | -125,416,860 |
| Net Income Attributable to Parent Equity Holder | 353,392,564 | -40,703,065 | 945,233,920 | 13,721,662 |
| Earnings/(Loss) Per Share (Basic) | 0.01 | 0 | 0.03 | 0 |
| Earnings/(Loss) Per Share (Diluted) | 0.01 | 0 | 0.03 | 0 |

| | Current Year (Trailing 12 months) | Previous Year (Trailing 12 months) |
|--|--|---|
| Earnings/(Loss) Per Share (Basic) | 0.04 | 0.01 |
| Earnings/(Loss) Per Share (Diluted) | 0.04 | 0.01 |

| |
|-----------------------------------|
| Other Relevant Information |
| Amend EPS amount |

Filed on behalf by:

| | |
|--------------------|------------------|
| Name | Esperanza Bagsit |
| Designation | Manager |

Darwin L. Mendoza

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Tuesday, November 2, 2021 3:28 PM
To: PLC Governance
Subject: RE: Premium Leisure Corp._SEC Form 17-Q_29October2021

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

(Subject to Verification and Review of the Quality of the Attached Document)

Official copy of the submitted document/report with Bar Code Page (Confirmation Receipt) will be made available after 15 days from receipt through the SEC Express System at the SEC website at www.sec.gov.ph <<http://www.sec.gov.ph/>>

NOTICE

Please be informed that pursuant to SEC Memorandum Circular No. 3, series of 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (PDF) Secondary Reports such as: 17-A, 17-C, 17-L, 17-Q, ICASR, 23-A, 23-B, I-ACGR, Monthly Reports, Quarterly Reports, Letters, IHFS, BDFS,PHFS etc... through email at

ictdsubmission@sec.gov.ph <<mailto:ictdsubmission@sec.gov.ph>>

Note: All submissions through this email are no longer required to submit the hard copy thru mail or over- the- counter.

For those applications that require payment of filing fees, these still need to be filed and sent via email with the SEC RESPECTIVE OPERATING DEPARTMENT.

Further, note that other reports shall be filed thru the ONLINE SUBMISSION TOOL (OST) such as:

AFS, GIS, GFFS, SFFS, LCFS, LCIF, FCFS. FCIF, ANO, ANHAM, FS-PARENT, FS-CONSOLIDATED, OPC_AO, AFS WITH NSPO FORM 1,2,3 AND 4,5,6, AFS WITH NSPO FORM 1,2,3 (FOUNDATIONS)

FOR MC28, please email to:

MC28_S2020@sec.gov.ph <mailto:MC28_S2020@sec.gov.ph>

For your information and guidance.

Thank you and keep safe.

COVER SHEET

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S.E.C. Registration Number

P R E M I U M L E I S U R E C O R P A N D S U B S I -
D I A R I E S

(Company's Full Name)

5 t h F l o o r , T o w e r A , T w o E - C o m
C e n t e r , P a l m C o a s t A v e n u e , M a l l
o f A s i a C o m p l e x , C B P - 1 A , P a s a y
C i t y

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

JACKSON T. ONGSIP

Contact Person

(632) 662-8888

Company Telephone Number

1 2

Month

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 2021
(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, 2021**

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) 8662-8888**

9. Former name, former address, and former fiscal year, if changed since last report.
Not applicable

10. Securities registered pursuant to Sections 4 and 8 of the SRC

| Title of Each Class | Number of Shares of Common Stock Outstanding |
|--|--|
| Common Stock, ₱0.25¹ par value | 31,216,931,000 |

11. Are any or all of these securities listed on the Philippine Stock Exchange (PSE).

Yes No

Out of a total of 31,216,931,000 outstanding shares, 31,216,930,995 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, 2021 and December 31, 2020;
- Consolidated Statements of Comprehensive Income for the Nine Months ended September 30, 2021 and September 30, 2020;
- Consolidated Statements of Changes in Equity for the Nine Months ended September 30, 2021 and September 30, 2020;
- Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2021 and September 30, 2020.

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

PREMIUM LEISURE CORP AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Nine Months Ended September 30 | | Horizontal Analysis | | Vertical Analysis | |
|---|--------------------------------|----------------------|-------------------------------|--------------|-------------------|-------------|
| | 2021 (Unaudited) | 2020 (Audited) | Increase (Decrease) Amount | % | 2021 % | 2020 % |
| INCOME | | | | | | |
| Gaming share revenue | 967,230,957 | 324,808,684 | 642,422,273 | 198% | 76% | 59% |
| Equipment lease rentals | 302,332,724 | 175,213,401 | 127,119,323 | 73% | 24% | 32% |
| Commission and distribution income | - | 46,120,634 | -46,120,634 | -100% | 0% | 8% |
| | 1,269,563,681 | 546,142,719 | 723,420,962 | 132% | 100% | 100% |
| COST AND EXPENSES | | | | | | |
| Salaries and payroll related expenses | 100,619,165 | 126,605,071 | -25,985,906 | -21% | 8% | 23% |
| Repairs, maintenance and communication | 56,030,672 | 51,012,265 | 5,018,407 | 10% | 4% | 9% |
| Software and license fees | 40,468,153 | 30,533,809 | 9,934,344 | 33% | 3% | 6% |
| Online lottery expenses | 1,935,714 | 5,549,861 | -3,614,146 | -65% | 0% | 1% |
| General and administrative expenses | 235,879,478 | 225,875,295 | 10,004,183 | 4% | 19% | 41% |
| Amortization of intangible | 178,854,363 | 178,854,363 | - | 0% | 14% | 33% |
| Depreciation expense | 111,994,659 | 197,555,941 | -85,561,282 | -43% | 9% | 36% |
| | 725,782,204 | 815,986,605 | (90,204,401) | -11% | 57% | 149% |
| OTHER INCOME (EXPENSES) | | | | | | |
| Interest income | 98,869,752 | 166,390,656 | -67,520,904 | -41% | 8% | 30% |
| Dividend Income | - | 22,353,086 | -22,353,086 | -100% | 0% | 4% |
| Other income (charges) | 265,794,336 | (23,279,186) | 289,073,522 | -1242% | 21% | -4% |
| | 364,664,088 | 165,464,556 | 199,199,532 | 120% | 29% | 30% |
| NET INCOME (LOSS) BEFORE INCOME TAX | 908,445,565 | (104,379,330) | 1,012,824,895 | -970% | 72% | -19% |
| PROVISION(BENEFIT FROM) INCOME TAX | 8,877,171 | 21,037,530 | -12,160,359 | -58% | 1% | 4% |
| NET INCOME | 899,568,394 | (125,416,860) | 1,024,985,254 | -817% | 71% | -23% |
| <i>Net income attributable to Parent</i> | 945,233,920 | <i>13,721,662</i> | <i>931,512,258</i> | <i>6789%</i> | <i>74%</i> | <i>3%</i> |
| <i>Net income attributable to Minority interest</i> | (45,665,526) | <i>(139,138,522)</i> | <i>93,472,997</i> | <i>-67%</i> | <i>-4%</i> | <i>-25%</i> |

PLC recognized Php1,269.6 million consolidated revenues for the nine months ended September 30, 2021, up by Php723.4 million or 132% from the same period last year.

The improvement in Premium Leisure Corp.'s revenues is mainly brought about by more robust economic activities in 2021 despite the continuing effects of the Covid-19 pandemic in the country. Because of this, as of September 30, 2021, PLAI gaming revenue share has increased from Php324.8 million to Php967.2 million (198%), and Pacific Online Systems Corporation's (POSC) equipment lease rental income and commission and distribution increased from Php221.3 million to Php302.3 million versus the same period in 2020.

Costs and expenses decreased by Php90.2 million or 11% for the period due to the decrease in the Company's salaries and payroll-related expenses and depreciation expense resulting from the deconsolidation of Lucky Circle Corporation, a subsidiary of POSC that was sold in February 2020.

PLC recognized Php899.6 million net income for the nine months ended September 30, 2021, significantly higher than the net loss of Php125.4 million that was recognized in 2020.

Operating EBITDA (proxy for cash flow) for the period is at Php834.6 million, significantly higher than its EBITDA of Php106.5 million as of September 30, 2020.

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Nine Months Ended September 30 | | Horizontal Analysis | | Vertical Analysis | |
|--|--------------------------------|-------------------|-------------------------------|--------|-------------------|-----------|
| | 2021 (Unaudited) | 2020 (Audited) | Increase (Decrease) Amount | % | 2021 % | 2020 % |
| NET INCOME | 899,568,394 | (125,416,860) | 1,024,985,254 | -817% | 71% | -23% |
| <i>Net income attributable to Parent</i> | 945,233,920 | 13,721,662 | 931,512,258 | 6789% | 74% | 3% |
| <i>Net income attributable to Minority interest</i> | (45,665,526) | (139,138,522) | 93,472,997 | -67% | -4% | -25% |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | | | |
| Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI) | (53,238,993) | (101,696,940) | 48,457,946 | -48% | -4% | -19% |
| Remeasurement loss on DBL | - | 6,682,576 | (6,682,576) | 100% | 0% | 1% |
| Share in OCI | | | | | | |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD | P 846,329,401 | P (220,431,224) | P 1,066,760,625 | -484% | 67% | -40% |
| <i>Total Comprehensive income attr to Parent</i> | 904,635,564 | (64,335,756) | 968,971,320 | -1506% | 71% | -12% |
| <i>Total Comprehensive income attr to Minority</i> | (58,306,163) | (156,095,468) | 97,789,305 | -63% | -5% | -29% |
| Total | 846,329,401 | (220,431,224) | 1,066,760,625 | -484% | 67% | -40% |

PLC's comprehensive income (loss) pertains to the unrealized gains (losses) arising from changes in market value of its financial assets at FVOCI. PLC recognized comprehensive loss amounting to Php53.2 million for the nine months ending September 30, 2021 as a result of the lower share prices of its financial asset investments. As such, PLC recognized a total comprehensive income amounting to Php846.3 million (of which, Php904.6 million is attributable to parent shareholders) as of September 30, 2021.

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 September 30, 2021.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

| | | September 30, 2021 | December 31, 2020 | Horizontal Analysis | | Vertical Analysis | |
|--|----------|-----------------------|-------------------------|-------------------------------|-------------|-------------------|-------------|
| | | (Unaudited) | (Audited) | Increase (Decrease) Amount | % | 2021 % | 2020 % |
| ASSETS | | | | | | | |
| Current Assets | | | | | | | |
| Cash and cash equivalents | P | 1,353,693,331 | 2,218,311,525 | (864,618,194) | -39% | 8% | 12% |
| Trade and other receivables | | 215,259,139 | 468,752,085 | (253,492,946) | -54% | 1% | 3% |
| Investment held for trading | | 65,914,428 | 84,260,926 | (18,346,498) | -22% | 0% | 0% |
| Notes receivable | | 3,705,925,000 | 3,705,925,000 | - | 0% | 22% | 21% |
| Other assets | | 267,336,135 | 257,910,638 | 9,425,497 | 4% | 2% | 1% |
| Total Current Assets | | 5,608,128,033 | 6,735,160,173 | (1,127,032,141) | -17% | 33% | 38% |
| Noncurrent Assets | | | | | | | |
| Intangible asset | | 8,773,800,154 | 8,952,654,519 | (178,854,364) | -2% | 52% | 50% |
| Financial assets at fair value through OC | | 730,839,837 | 287,453,830 | 443,386,007 | 154% | 4% | 2% |
| Investment property | | 285,510,452 | 285,510,452 | - | 0% | 2% | 2% |
| Property and equipment | | 42,264,600 | 83,505,713 | (41,241,113) | -49% | 0% | 0% |
| Right of use asset | | 8,449,867 | 10,119,536 | (1,669,668) | -16% | 0% | 0% |
| Goodwill | | 926,007,748 | 926,007,748 | - | 0% | 5% | 5% |
| Other non-current assets | | 476,477,068 | 512,602,094 | (36,125,026) | -7% | 3% | 3% |
| Total Noncurrent Assets | | 11,243,349,726 | 11,057,853,891 | 185,495,835 | 2% | 67% | 62% |
| Total Assets | P | 16,851,477,759 | P 17,793,014,064 | (941,536,305) | -5% | 100% | 100% |
| LIABILITIES AND EQUITY | | | | | | | |
| Current Liabilities | | | | | | | |
| Trade payables and other current liabilities | P | 633,193,913 | 1,164,524,631 | (531,330,718) | -46% | 4% | 7% |
| Lease liability - ROU current | | 6,825,677 | 7,676,824 | (851,147) | -11% | 0% | 0% |
| Income tax payable | | - | 6,146 | (6,146) | -100% | 0% | 0% |
| Total current liabilities | | 640,019,590 | 1,172,207,601 | (532,188,011) | -45% | 4% | 7% |
| Noncurrent Liability | | | | | | | |
| Lease liability - ROU non current | | 1,986,014 | 3,928,543 | (1,942,529) | 100% | 0% | 0% |
| Retirement liability | | 62,276,966 | 59,290,772 | 2,986,194 | 5% | 0% | 0% |
| Deferred tax liability | | - | - | - | 100% | 0% | 0% |
| Total non-current liabilities | | 64,262,980 | 63,219,315 | 1,043,665 | 2% | 0% | 0% |
| Total Liabilities | P | 704,282,570 | P 1,235,426,916 | (531,144,346) | -43% | 4% | 7% |
| Equity | | | | | | | |
| Capital Stock | | 7,906,827,500 | 7,906,827,500 | - | 0% | 47% | 44% |
| Additional paid-in capital | | 7,238,721,924 | 7,238,721,924 | - | 0% | 43% | 41% |
| Treasury shares | | (220,430,080) | (220,430,080) | - | 0% | -1% | -1% |
| Cost of parent shares held by a subsidiary | | (509,597,055) | (509,597,055) | - | 0% | -3% | -3% |
| Other reserves | | (865,151,438) | (824,553,083) | (40,598,355) | -5% | -5% | -5% |
| Retained earnings (deficit) | | 2,317,619,537 | 2,629,106,978 | (311,487,441) | -12% | 14% | 15% |
| Total equity attributable to Parent | | 15,867,990,388 | 16,220,076,183 | (352,085,795) | -2% | 94% | 91% |
| Non-controlling interest | | 279,204,801 | 337,510,966 | (58,306,165) | -17% | 2% | 2% |
| Total Equity | | 16,147,195,189 | 16,557,587,149 | (410,391,959) | -2% | 96% | 93% |
| Total Liabilities and Equity | P | 16,851,477,759 | P 17,793,014,064 | (941,536,305) | -5% | 100% | 100% |

As at September 30, 2021, PLC's total assets amounted to Php16,851.0 million, lower by Php941.5 million (5%) versus total assets as at December 31, 2020. Key movements in balance sheet items are as follows:

Cash and cash equivalents

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

Cash and cash equivalents decreased by 39% (Php864.6 million) as at September 30, 2021 mainly because of the payment of cash dividends in May 2021 offset by the collection of gaming share during the period. Despite the challenges in 2020, the Company still managed to declare and pay approximately Php1.29 billion in dividends (Php0.04075 per share) during the second quarter of 2021.

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 as well as other receivables. The Company recorded net decrease in trade and other receivables by ₱253.5 million (54%).

Investments held for trading

Investments held for trading decreased by Php18.3 million (22%) from Php84.3 million in 2020 to Php65.9 million in 2021 due to the mark-to-market loss on share price value.

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, 2021 and December 31, 2020, 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 a decrease of Php41.2 million (49%) from Php83.5 million as at December 31, 2020 to Php42.2 million as at September 30, 2021. This is due to the net effect of the depreciation recognized by the Company on its PPE, tempered by additions in the account for the period.

Goodwill

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

Total Liabilities

PLC's total liabilities is at Php704.3 million as at September 30, 2021. The Php531.1 million decrease in liabilities is mainly brought about by the payment and reversal of other current liabilities during the period.

Equity

Stockholders' equity decreased from Php16,557.6 million as at December 31, 2020, to Php16,147.2 million as at September 30, 2021. This decrease of Php410.4 million (2%) was mainly brought about by the declaration and payment of dividends to PLC's shareholders during the second quarter of the year.

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

| Ratio | Manner in which the financial ratios are computed | Sep 30, 2021 | Sep 30, 2020 | Dec 31, 2020 |
|------------------------|--|---------------------|---------------------|---------------------|
| Current ratio | Current assets divided by current liabilities | 8.76 | 3.41 | 5.83 |
| Quick ratio | (Current assets less invty - prepayments) / Current liabilities | 8.34 | 3.31 | 5.65 |
| Solvency ratio | Total assets / total liabilities | 23.93 | 9.00 | 14.13 |
| Asset to equity | Total assets divided by total equity | 1.04 | 1.13 | 1.08 |
| Debt to equity | Interest bearing debt divided by total equity | - | 0.00 | - |
| Interest rate coverage | Earnings before interest, tax, depreciation and amortization divided by interest expense | 1,346 | 20 | 19 |
| Debt ratio | Total debt / total assets | 0.04 | 0.11 | 0.07 |
| Return on assets | Net income (loss) divided by average total assets during the period | 6.8% | -0.9% | 1.6% |
| Return on equity | Net income (loss) divided by average total equity during the period | 7.2% | -1.0% | 1.7% |

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 significantly increased by more than 817% for the nine months ending September 30, 2021, accounting for the significant increase in return on assets and equity versus the same period in 2020.
- b) Current, quick and solvency ratios increased due to decrease in trade payables and other liabilities.

As at September 30, 2021, 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, 2021 and December 31, 2020, except those mentioned in the preceding.

PART II - OTHER INFORMATION

Financial Risk Management Objectives and Policies and Capital Management

The Company's principal financial liabilities comprise trade payables and other current liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents and receivables that derive directly from its operations. The Company also holds investments held for trading, notes receivables, financial assets at FVOCI, guarantee bonds and deposits included as part of "Other noncurrent assets" in the consolidated statement of financial position.

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, receivables and financial assets at FVOCI.

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, financial assets at FVOCI, guarantee bonds and deposits, 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, 2021 and December 31, 2020 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 financial assets at FVOCI 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 financial assets at FVOCI. 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.

Capital Management. The primary objective of the Company's capital management is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes made in the objectives, policies or processes in 2021 and 2020.

Fair Value of Financial Instruments

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 carrying values of cash and cash equivalents, receivables, deposits and trade payables and other current liabilities (excluding statutory liabilities) approximate their fair values due to the short-term nature of the transactions.

The fair values of investments held for trading and financials assets at FVOCI that are quoted equity shares are based on quoted prices in the PSE or those shares whose prices are readily available from brokers or other regulatory agency as at reporting date.

Set out below is a comparison by category of carrying values and fair values of all the Company's financial instruments.

| | September 30, 2021 | | December 31, 2020 | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Carrying value | Fair value | Carrying value | Fair value |
| Financial Assets | | | | |
| Cash and cash equivalents | 1,353,693,331 | 1,353,693,331 | 2,218,311,525 | 2,218,311,525 |
| Investment held for trading | 65,914,428 | 65,914,428 | 84,260,926 | 84,260,926 |
| Notes receivable | 3,705,925,000 | 3,705,925,000 | 3,705,925,000 | 3,705,925,000 |
| Trade and other receivables: | | | | |
| Trade receivables | 193,422,522 | 193,422,522 | 468,516,351 | 468,516,351 |
| Nontrade and others | 21,836,617 | 21,836,617 | 235,734 | 235,734 |
| | 5,340,791,898 | 5,340,791,898 | 6,477,249,536 | 6,477,249,536 |
| AFS Investment | | | | |
| Quoted shares | 730,758,737 | 730,758,737 | 287,372,730 | 287,372,730 |
| Unquoted shares | 81,100 | 81,100 | 81,100 | 81,100 |
| | 730,839,837 | 730,839,837 | 287,453,830 | 287,453,830 |
| | 6,071,631,735 | 6,071,631,735 | 6,764,703,366 | 6,764,703,366 |
| Loans and Borrowings | | | | |
| Accrued expenses & other liabilities* | 630,381,412 | 630,381,412 | 1,160,658,897 | 1,160,658,897 |

*excluding statutory payables amounting to -Php2.8 million and P3.8 million as at September 30, 2021 and December 31, 2020, respectively.

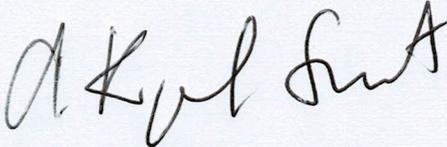
Other Required Disclosures

- 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, 2020.
- 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, 2021 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, 2020, as of September 30, 2021.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

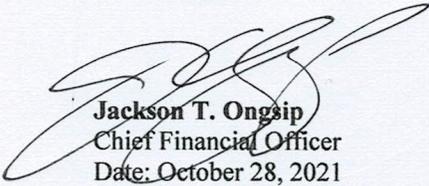
SIGNATURE

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
Date: October 28, 2021



Jackson T. Ongsip
Chief Financial Officer
Date: October 28, 2021

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

| | September 30, 2021 | December 31, 2020 |
|--|-------------------------|-------------------------|
| | (Unaudited) | (Audited) |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | P 1,353,693,331 | P 2,218,311,525 |
| Investment held for trading | 65,914,428 | 84,260,926 |
| Trade and other receivables | 215,259,139 | 468,752,085 |
| Notes receivable | 3,705,925,000 | 3,705,925,000 |
| Other current assets | 267,336,135 | 257,910,637 |
| Total Current Assets | 5,608,128,033 | 6,735,160,173 |
| Noncurrent Assets | | |
| Intangible asset | 8,773,800,154 | 8,952,654,519 |
| Financial assets at fair value through OCI | 730,839,837 | 287,453,830 |
| Property and equipment | 42,264,600 | 83,505,713 |
| Investment property | 285,510,452 | 285,510,452 |
| Goodwill | 926,007,748 | 926,007,748 |
| Deferred tax assets | 82,414,559 | 82,414,559 |
| Right of use asset - net | 8,449,867 | 10,119,536 |
| Other non-current assets | 394,062,509 | 430,187,534 |
| Total Noncurrent Assets | 11,243,349,726 | 11,057,853,891 |
| Total Assets | P 16,851,477,759 | P 17,793,014,064 |
| LIABILITIES AND EQUITY | | |
| Current Liabilities | | |
| Trade payables and other current liabilities | P 633,193,913 | P 1,164,524,630 |
| Lease liabilities - current | 6,825,677 | 7,676,824 |
| Income tax payable | - | 6,146 |
| Total current liabilities | 640,019,590 | 1,172,207,600 |
| Noncurrent Liability | | |
| Retirement liability | 62,276,966 | 59,290,772 |
| Lease liabilities - non current | 1,986,014 | 3,928,543 |
| Total non-current liabilities | 64,262,980 | 63,219,315 |
| | P 704,282,570 | P 1,235,426,915 |
| 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 | (220,430,080) | (220,430,080) |
| Cost of parent shares held by a subsidiary | (509,597,055) | (509,597,055) |
| Other reserves | (865,151,438) | (824,553,084) |
| Retained earnings (deficit) | 2,317,619,537 | 2,629,106,978 |
| Total equity attributable to Parent | 15,867,990,388 | 16,220,076,183 |
| Non-controlling interest | 279,204,801 | 337,510,966 |
| Total Equity | 16,147,195,189 | 16,557,587,149 |
| Total Liabilities and Equity | P 16,851,477,759 | P 17,793,014,064 |

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | Nine Months Ended September 30 | | This quarter | |
|--|--------------------------------|----------------------|----------------------|------------------------|
| | 2021 (Unaudited) | 2020 (Unaudited) | 2021 (Unaudited) | 2020 (Unaudited) |
| INCOME | | | | |
| Gaming share revenue | P 967,230,957 | 324,808,684 | 161,694,468 | 76,891,309 |
| Equipment lease rentals | 302,332,724 | 175,213,401 | 96,958,050 | 41,209,040 |
| Commission and distribution income | - | 46,120,634 | - | 2,380 |
| | 1,269,563,681 | 546,142,719 | 258,652,518 | 118,102,729 |
| COST AND EXPENSES | | | | |
| Salaries and payroll related expenses | 100,619,165 | 126,605,071 | 33,340,114 | 29,971,714 |
| Service and consultancy fees | - | - | - | - |
| Online lottery expenses | 1,935,714 | 5,549,861 | 375,000 | 928,054 |
| Software and license fees | 40,468,153 | 30,533,809 | 10,814,488 | 9,951,263 |
| Repairs, maintenance and communication | 56,030,672 | 51,012,265 | 15,802,488 | 13,986,526 |
| General and administrative expenses | 235,879,478 | 225,875,295 | 65,548,984 | 61,981,345 |
| Amortization of intangible | 178,854,363 | 178,854,363 | 59,618,121 | 59,618,121 |
| Depreciation expense | 111,994,659 | 197,555,941 | 39,063,328 | 68,278,809 |
| | 725,782,204 | 815,986,605 | 224,562,523 | 244,715,832 |
| OTHER INCOME (EXPENSES) | | | | |
| Interest income | 98,869,752 | 166,390,656 | 31,146,600 | 46,828,430 |
| Dividend Income | - | 22,353,086 | - | (321,720) |
| Other income (charges) | 265,794,336 | (23,279,186) | 267,024,102 | (10,215,055) |
| | 364,664,088 | 165,464,556 | 298,170,702 | 36,291,655 |
| NET INCOME (LOSS) BEFORE INCOME TAX | 908,445,565 | (104,379,330) | 332,260,697 | (90,321,448) |
| PROVISION(BENEFIT FROM) INCOME TAX | 8,877,171 | 21,037,530 | 2,938,353 | 7,987,027 |
| NET INCOME(LOSS) | 899,568,394 | (125,416,860) | 329,322,343 | (98,308,475) |
| Net income attributable to Parent | 945,233,920 | 13,721,662 | 353,392,564 | (40,703,065) |
| Net income attributable to Minority interest | (45,665,526) | (139,138,522) | (24,070,220) | (57,605,410) |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | | |
| Unrealized gains (loss) arising from changes in market value of available for sale investments during the year | (53,238,993) | (101,696,940) | (17,775,834) | (5,299,522) |
| Remeasurement loss on DBL | - | 6,682,576 | - | - |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD | P 846,329,401 | (220,431,224) | P 311,546,509 | P (103,607,997) |
| Total Comprehensive income attributable to Parent | 904,635,564 | (64,335,756) | 340,939,103 | (45,004,641) |
| Total Comprehensive income attributable to Minorit | (58,306,163) | (156,095,468) | (29,392,593) | (58,603,356) |
| Total | 846,329,401 | (220,431,224) | 311,546,510 | (103,607,997) |
| Earnings Per Share (Basic) | P 0.03028 | P 0.00044 | P 0.01132 | P (0.00130) |

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

| | Nine Months Ended September 30 | |
|---|---------------------------------------|-----------------------|
| | 2021 | 2020 |
| | (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 | (220,430,080) | (29,430,080) |
| Additions for the year | - | (191,000,000) |
| Balance at the end of period | (220,430,080) | (220,430,080) |
| Other Reserves | | |
| Balance at beginning of year | (824,553,084) | (788,608,549) |
| Net Unrealized loss on available-for-sale investments | (40,598,355) | (81,405,387) |
| Remeasurement gain on Retirement | - | 3,347,980 |
| Balance at the end of period | (865,151,439) | (866,665,956) |
| Cost of Parent Company held by a subsidiary | | |
| Balance at beginning of year | (509,597,055) | (509,597,055) |
| Additional acquisition | - | - |
| Balance at the end of period | (509,597,055) | (509,597,055) |
| RETAINED EARNINGS (DEFICIT) | | |
| Balance at beginning of year | 2,629,106,978 | 3,660,924,536 |
| Declared dividends | (1,256,721,361) | (1,549,390,948) |
| Net income (loss) | 945,233,920 | 13,721,662 |
| Balance at end of period | 2,317,619,537 | 2,125,255,250 |
| NON-CONTROLLING INTEREST | 279,204,801 | 382,790,301 |
| | P 16,147,195,189 | P 16,056,901,884 |

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30

| | 2021 (Unaudited) | 2020 (Unaudited) |
|---|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income (loss) before income tax | P 908,445,565 | P (104,379,330) |
| Adjustments for: | | |
| Unrealized loss (gain) on marketable securities | 18,346,498 | 18,981,976 |
| Finance charges | 620,213 | 6,214,344 |
| Retirement cost | 7,986,195 | 5,400,082 |
| Loss(gain) on sale of marketable securities | - | - |
| Loss (gain) on sale of property and equipment | (10,000) | (850) |
| Loss (gain) on sale of AFS investment | - | - |
| Foreign exchange (gain) loss | 790,421 | (771,578) |
| Gain on sale of subsidiary | - | (9,547,745) |
| Depreciation | 111,994,659 | 197,555,941 |
| Amortization of Intangible | 178,854,363 | 178,854,363 |
| Dividend income | - | (22,353,086) |
| Interest income | (13,695,412) | (38,437,757) |
| Income before working capital changes | 1,213,332,502 | 231,516,360 |
| Decrease (Increase) in: | | |
| Receivables and others | 253,492,946 | (104,820,463) |
| Other current assets | (61,718,970) | (57,232,883) |
| Other noncurrent assets | 36,125,025 | 118,439,750 |
| Right of use asset | 1,669,669 | - |
| Increase (decrease) in: | | |
| Increase in accrued trade and other payables | (531,330,717) | 219,798,119 |
| Retirement contributions paid | (5,000,000) | - |
| Income tax paid | (6,146) | (1,294,285) |
| Net cash provided by operating activities | 906,564,308 | 406,406,598 |
| CASH FLOW FROM INVESTING ACTIVITY | | |
| Acquisitions of: | | |
| Property and equipment | (28,127,661) | (57,273,209) |
| Investment in stocks | (496,625,000) | - |
| Dividends received | - | 22,353,086 |
| Interest received | 13,695,412 | 38,437,757 |
| Proceeds from sale of: | | |
| Subsidiary | - | 137,413,892 |
| Marketable securities | - | 50,000,000 |
| Property and equipment | 10,000 | 850 |
| Net cash from investing activities | (511,047,249) | 190,932,376 |
| CASH FLOW FROM FINANCING ACTIVITY | | |
| Increase (Decrease) in lease liability | (2,793,679) | (34,292,869) |
| Acquisition of Treasury shares | - | (191,000,000) |
| Payment of loan | - | (112,500,000) |
| Interest paid | (620,213) | (6,214,344) |
| Dividends paid | (1,256,721,361) | (1,549,390,949) |
| Net cash from financing activities | (1,260,135,253) | (1,893,398,162) |
| NET INCREASE IN CASH | (864,618,194) | (1,296,059,188) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 2,218,311,525 | 3,537,075,479 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | P 1,353,693,331 | P 2,241,016,291 |

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
September 30, 2021

| <u>NAME</u> | <u>AMOUNT</u> |
|---|------------------------------------|
| Notes receivables - current | 3,705,925,000 |
| Trade receivables - current | 193,422,522 |
| Other receivable | 21,836,617 |
| Other current assets | 267,336,135 |
| Total Receivables and Other Assets | <u><u>4,188,520,274</u></u> |

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

Certification

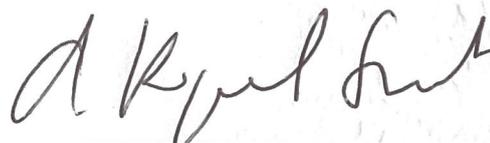
We, **Armin Antonio B. Raquel Santos**, President and Chief Executive Officer, and **Jackson T. Ongsip**, Vice President, Chief Financial Officer, and Treasurer of **Premium Leisure Corp.**, a corporation duly registered under and by virtue of the laws of the Republic of the Philippines, with SEC registration number **AS93009289** and with principal office at **5th Floor, Tower A, Two E-Com Center, Palm Coast Avenue, Mall of Asia Complex, Pasay City**, on oath state:

- 1) That we have caused this **SEC Form 17-Q (Quarterly Report)** for the period ended **September 30, 2021** to be prepared on behalf of **Premium Leisure Corp.**;
- 2) That we have read and understood its contents which are true and correct based on our own personal knowledge and/or on authentic records;
- 3) That the company, **Premium Leisure Corp.**, will comply with the requirements set forth in SEC Notice dated May 12, 2021 to effect a complete and official submission of reports and/or documents through electronic mail;
- 4) That we are fully aware that submitted documents which require pre-evaluation and/or payment of processing fee shall be considered complete and officially received only upon payment of a filing fee; and
- 5) That the e-mail account designated by the company pursuant to SEC Memorandum Circular No. 28, s. 2020 shall be used by the company in its submissions to CGFD.

IN WITNESS WHEREOF, we have hereunto set our hands this OCT 28 2021 day of _____, 2021.



Jackson T. Ongsip



Armin Antonio B. Raquel Santos

MAKATI CITY

SUBSCRIBED AND SWORN to before me this OCT 28 2021 day of _____, 2021, in _____ City, Philippines.

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ATNOTARY PUBLIC APUZ
Notary Public for and in Makati City
Appointment No. M-66 until 12/31/2021
PTR No. 8531012. Jan. 4, 2021 Until Dec. 31 2021 Makati City
Roll No. 45790, IBP, Lifetime N. 04897
MCLE No. VI-0016565 / Jan. 14, 2019
G/F Fedman Suites 199 Salcedo Street
Legaspi Village, Makati City