

Darwin L. Mendoza

From: ICTD Submission <ictdsubmission+canned.response@sec.gov.ph>
Sent: Thursday, July 29, 2021 3:10 PM
To: PLC Governance
Subject: Re: Premium Leisure Corp._SEC Form 17-Q_29July2021

Dear Customer,

Your report/document has been SUCCESSFULLY ACCEPTED by ICTD.

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

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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.

Darwin L. Mendoza

From: Philippine Stock Exchange <no-reply@pse.com.ph>
Sent: Friday, July 30, 2021 9:32 AM
To: Darwin L. Mendoza;
Esperanza B. Dino; Maria Neriza C. Banaria; PLC Governance; disclosure@pse.com.ph
Subject: Quarterly Report

Dear Sir/Madam:

Your disclosure was approved as Company Report. Details are as follows:

Company Name: Premium Leisure Corp.

Reference Number: 0025598-2021

Date and Time: Friday, July 30, 2021 09:32 AM Template Name: Quarterly Report Report Number: CR05617-2021

Best Regards,
PSE EDGE

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The Philippine Stock Exchange, Inc., 6th to 10th Floors, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines 1634

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, 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.



PREMIUM LEISURE CORP.

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, 2021
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2021	Dec 31, 2020
Current Assets	5,983,179,078	6,735,160,173
Total Assets	16,830,963,417	17,793,014,064
Current Liabilities	935,699,837	1,172,207,600
Total Liabilities	995,314,738	1,235,426,915
Retained Earnings/(Deficit)	1,964,226,973	2,629,106,978
Stockholders' Equity	15,835,648,679	16,557,587,149
Stockholders' Equity - Parent	15,527,051,285	16,220,076,183
Book Value per Share	0.5	0.53

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	457,043,800	-197,105,286	1,010,911,163	428,039,990
Gross Expense	217,606,071	209,660,223	501,219,681	571,270,773
Non-Operating Income	29,851,535	63,802,179	66,493,386	129,172,902
Non-Operating Expense	0	0	0	0

Income/(Loss) Before Tax	269,289,264	-342,963,330	576,184,868	-14,057,881
Income Tax Expense	2,561,962	8,108,874	5,938,818	13,050,503
Net Income/(Loss) After Tax	266,727,302	-351,072,204	570,246,050	-27,108,384
Net Income Attributable to Parent Equity Holder	281,817,967	-283,970,803	591,841,356	54,424,727
Earnings/(Loss) Per Share (Basic)	0.01	0	0.01	0
Earnings/(Loss) Per Share (Diluted)	0.01	0	0.01	0

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.03	0.02
Earnings/(Loss) Per Share (Diluted)	0.03	0.02

Other Relevant Information
n.a

Filed on behalf by:

Name	Esperanza Bagsit
Designation	Manager

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

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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 June 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 **June 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:

- a.) Consolidated Statements of Financial Position as of June 30, 2021 and December 31, 2020;
- b.) Consolidated Statements of Comprehensive Income for the Six Months ended June 30, 2021 and June 30, 2020;
- c.) Consolidated Statements of Changes in Equity for the Six Months ended June 30, 2021 and June 30, 2020;
- d.) Consolidated Statements of Cash Flows for the Six Months ended June 30, 2021 and June 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

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2021 (Unaudited)	2020 (Unaudited)	Increase (Decrease) Amount	%	2021 %	2020 %
INCOME						
Gaming share revenue	805,536,489	247,917,375	557,619,114	225%	80%	58%
Equipment lease rentals	205,374,674	134,004,361	71,370,313	53%	20%	31%
Commission and distribution income	-	46,118,254	-46,118,254	-100%	0%	11%
	1,010,911,163	428,039,990	582,871,173	136%	100%	100%
COST AND EXPENSES						
Salaries and payroll related expenses	67,279,051	96,633,357	-29,354,306	-30%	7%	23%
Repairs, maintenance and communicatio	40,228,184	37,025,739	3,202,445	9%	4%	9%
Software and license fees	29,653,665	20,582,546	9,071,120	44%	3%	5%
Online lottery expenses	1,560,714	4,621,807	-3,061,093	-66%	0%	1%
General and administrative expenses	170,330,494	163,893,950	6,436,544	4%	17%	38%
Amortization of intangible	119,236,242	119,236,242	-	0%	12%	28%
Depreciation expense	72,931,331	129,277,132	-56,345,801	-44%	7%	30%
	501,219,681	571,270,773	(70,051,093)	-12%	50%	133%
OTHER INCOME (EXPENSES)						
Interest income	67,723,152	119,562,227	-51,839,076	-43%	7%	28%
Dividend Income	-	22,674,806	-22,674,806	-100%	0%	5%
Other income (charges)	(1,229,766)	(13,064,131)	11,834,365	-91%	0%	-3%
	66,493,386	129,172,902	(62,679,516)	-49%	7%	30%
NET INCOME (LOSS) BEFORE INCOME TAX	576,184,868	(14,057,881)	590,242,749	-4199%	57%	-3%
PROVISION(BENEFIT FROM) INCOME TAX	5,938,818	13,050,503	-7,111,685	-54%	1%	3%
NET INCOME	570,246,050	(27,108,384)	597,354,434	-2204%	56%	-6%
<i>Net income attributable to Parent</i>	591,841,356	54,424,727	537,416,629	987%	59%	13%
<i>Net income attributable to Minority interest</i>	(21,595,306)	(81,533,111)	59,937,805	-74%	-2%	-19%

PLC recognized Php1,010.9 million consolidated revenues for the six months ended June 30, 2021, up by Php582.9 million or 136% from the same period last year.

The improvement in Premium Leisure Corp.'s revenues are mainly brought about by more vigorous economic activities in 2021 despite the continuing effects of the Covid-19 pandemic in the country. Because of this, as of June 30, 2021, PLAI gaming revenue share has increased from Php247.9 million to Php805.5 million (225%), and Pacific Online Systems Corporation's (POSC) equipment lease rental income and commission and distribution increased from Php180.1 million to Php205.4 million versus the same period in 2020.

Costs and expenses decreased by Php70.1 million or 12% for the period due to the decrease in the Company's salaries and payroll-related expenses, general and administrative expenses, repairs, maintenance and communication, resulting from the deconsolidation of Lucky Circle Corporation, a subsidiary of POSC that was sold in February 2020.

PLC recognized Php570.2 million net income for the six months ended June 30, 2021, significantly higher than the net loss of Php27.1 million that was recognized in 2020.

Operating EBITDA (proxy for cash flow) for the period is at Php701.8 million, significantly higher than its EBITDA of Php105.3 million as of June 30, 2020.

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2021 (Unaudited)	2020 (Unaudited)	Increase (Decrease) Amount	%	2021 %	2020 %
NET INCOME	570,246,050	(27,108,384)	597,354,434	-2204%	56%	-6%
OTHER COMPREHENSIVE INCOME (LOSS)						
Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI)	(35,463,159)	(96,397,418)	60,934,259	-63%	-4%	-23%
Remeasurement loss on DBL Share in OCI	-	6,682,576	(6,682,576)	100%	0%	2%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 534,782,891	P (116,823,226)	P 651,606,116	-558%	53%	-27%
<i>Total Comprehensive income attr to Parent</i>	<i>563,696,461</i>	<i>(19,331,115)</i>	<i>583,027,576</i>	<i>-3016%</i>	<i>56%</i>	<i>-5%</i>
<i>Total Comprehensive income attr to Minority</i>	<i>(28,913,570)</i>	<i>(97,492,111)</i>	<i>68,578,541</i>	<i>-70%</i>	<i>-3%</i>	<i>-23%</i>
Total	534,782,891	(116,823,226)	651,606,116	-558%	53%	-27%

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 Php35.5 million for the six months ending June 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 Php534.8 million (of which, Php563.7 million is attributable to parent shareholders) as of June 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 June 30, 2021.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	June 30, 2021	December 31, 2020	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Increase (Decrease) Amount	%	2021 %	2020 %
ASSETS						
Current Assets						
Cash and cash equivalents	P 1,574,283,601	2,218,311,525	(644,027,924)	-29%	9%	12%
Trade and other receivables	375,127,370	468,752,085	(93,624,715)	-20%	2%	3%
Investment held for trading	78,192,111	84,260,926	(6,068,814)	-7%	0%	0%
Notes receivable	3,705,925,000	3,705,925,000	-	0%	22%	21%
Other assets	249,650,996	257,910,638	(8,259,642)	-3%	1%	1%
Total Current Assets	5,983,179,078	6,735,160,173	(751,981,096)	-11%	36%	38%
Noncurrent Assets						
Intangible asset	8,833,418,275	8,952,654,519	(119,236,243)	-1%	52%	50%
Financial assets at fair value through OC	251,990,672	287,453,830	(35,463,158)	-12%	1%	2%
Investment property	285,510,452	285,510,452	-	0%	2%	2%
Property and equipment	52,620,726	83,505,713	(30,884,987)	-37%	0%	0%
Right of use asset	3,614,960	10,119,536	(6,504,576)	-64%	0%	0%
Goodwill	926,007,748	926,007,748	-	0%	6%	5%
Other non-current assets	494,621,506	512,602,094	(17,980,588)	-4%	3%	3%
Total Noncurrent Assets	10,847,784,339	11,057,853,891	(210,069,552)	-2%	64%	62%
Total Assets	P 16,830,963,417	P 17,793,014,064	(962,050,647)	-5%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	P 931,732,415	1,164,524,630	(232,792,215)	-20%	6%	7%
Lease liability - ROU current	3,961,276	7,676,824	(3,715,548)	-48%	0%	0%
Income tax payable	6,146	6,146	-	0%	0%	0%
Total current liabilities	935,699,837	1,172,207,600	(236,507,763)	-20%	6%	7%
Noncurrent Liability						
Lease liability - ROU non current	-	3,928,543	(3,928,543)	100%	0%	0%
Retirement liability	59,614,901	59,290,772	324,129	1%	0%	0%
Deferred tax liability	-	-	-	100%	0%	0%
Total non-current liabilities	59,614,901	63,219,315	(3,604,414)	-6%	0%	0%
Total Liabilities	P 995,314,738	P 1,235,426,915	(240,112,177)	-19%	6%	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	(852,697,977)	(824,553,083)	(28,144,894)	-3%	-5%	-5%
Retained earnings (deficit)	1,964,226,973	2,629,106,978	(664,880,005)	-25%	12%	15%
Total equity attributable to Parent	15,527,051,285	16,220,076,183	(693,024,898)	-4%	92%	91%
Non-controlling interest	308,597,394	337,510,966	(28,913,572)	-9%	2%	2%
Total Equity	15,835,648,679	16,557,587,149	(721,938,470)	-4%	94%	93%
Total Liabilities and Equity	P 16,830,963,417	P 17,793,014,064	(962,050,647)	-5%	100%	100%

As at June 30, 2021, PLC's total assets amounted to Php16,831.0 million, lower by Php962.1 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 29% (Php644.0 million) as at June 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 ₱93.6 million (20%).

Investments held for trading

Investments held for trading decreased by Php6.1 million (7%) from Php84.3 million in 2020 to Php78.2 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 June 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 Php30.9 million (37%) from Php83.5 million as at December 31, 2020 to Php52.6 million as at June 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 Php995.3 million as at June 30, 2021. The Php240.1 million decrease in liabilities is mainly brought about by the payment of other current liabilities during the period.

Equity

Stockholders' equity decreased from Php16,557.6 million as at December 31, 2020, to Php15,835.7 million as at June 30, 2021. This decrease of Php721.9 million (4%) 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	June 30, 2021	Jun 30, 2020	Dec 31, 2020
Current ratio	Current assets divided by current liabilities	6.39	3.42	5.83
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	6.13	3.42	5.65
Solvency ratio	Total assets / total liabilities	16.91	9.44	14.13
Asset to equity	Total assets divided by total equity	1.06	1.12	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	1,670	25	19
Debt ratio	Total debt / total assets	0.06	0.11	0.07
Return on assets	Net income (loss) divided by average total assets during the period	13.2%	-0.3%	1.6%
Return on equity	Net income (loss) divided by average total equity during the period	14.1%	-0.3%	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 2,200% for the six months ending June 30, 2021, accounting for the significant increase in return on 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 June 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 June 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 June 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.

	June 30, 2021		December 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	1,574,283,601	1,574,283,601	2,218,311,525	2,218,311,525
Investment held for trading	78,192,111	78,192,111	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	234,667,305	234,667,305	468,516,351	468,516,351
Nontrade and others	140,460,064	140,460,064	235,734	235,734
	5,733,528,081	5,733,528,081	6,477,249,536	6,477,249,536
AFS Investment				
Quoted shares	251,909,572	251,909,572	287,372,730	287,372,730
Unquoted shares	81,100	81,100	81,100	81,100
	251,990,672	251,990,672	287,453,830	287,453,830
	5,985,518,753	5,985,518,753	6,764,703,366	6,764,703,366
Loans and Borrowings				
Accrued expenses & other liabilities*	929,049,474	929,049,474	1,160,658,897	1,160,658,897

*excluding statutory payables amounting to -Php2.7 million and P3.8 million as at June 30, 2021 and December 31, 2020, respectively.

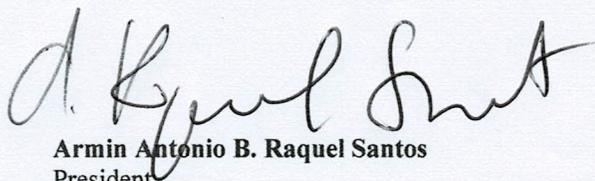
Other Required Disclosures

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

SIGNATURE

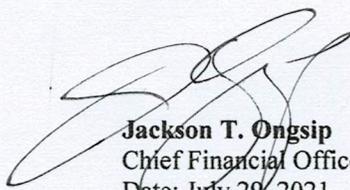
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **Premium Leisure Corp**



Armin Antonio B. Raquel Santos
President

Date: July 29, 2021



Jackson T. Ongsip
Chief Financial Officer
Date: July 29, 2021

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	June 30, 2021	December 31, 2020
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 1,574,283,601	P 2,218,311,525
Investment held for trading	78,192,111	84,260,926
Trade and other receivables	375,127,370	468,752,085
Notes receivable	3,705,925,000	3,705,925,000
Other current assets	249,650,996	257,910,637
Total Current Assets	5,983,179,078	6,735,160,173
Noncurrent Assets		
Intangible asset	8,833,418,275	8,952,654,519
Financial assets at fair value through OCI	251,990,672	287,453,830
Property and equipment	52,620,726	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	3,614,960	10,119,536
Other non-current assets	412,206,947	430,187,534
Total Noncurrent Assets	10,847,784,339	11,057,853,891
Total Assets	P 16,830,963,417	P 17,793,014,064
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 931,732,415	P 1,164,524,630
Lease liabilities - current	3,961,276	7,676,824
Income tax payable	6,146	6,146
Total current liabilities	935,699,837	1,172,207,600
Noncurrent Liability		
Retirement liability	59,614,901	59,290,772
Lease liabilities - non current	-	3,928,543
Total non-current liabilities	59,614,901	63,219,315
	P 995,314,738	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	(852,697,977)	(824,553,084)
Retained earnings (deficit)	1,964,226,973	2,629,106,978
Total equity attributable to Parent	15,527,051,285	16,220,076,183
Non-controlling interest	308,597,394	337,510,966
Total Equity	15,835,648,679	16,557,587,149
Total Liabilities and Equity	P 16,830,963,417	P 17,793,014,064

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30		This quarter	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
INCOME				
Gaming share revenue	P 805,536,489	247,917,375	374,485,307	(197,119,647)
Equipment lease rentals	205,374,674	134,004,361	82,558,493	-
Commission and distribution income	-	46,118,254	-	14,361
	1,010,911,163	428,039,990	457,043,800	(197,105,286)
COST AND EXPENSES				
Salaries and payroll related expenses	67,279,051	96,633,357	36,242,884	34,833,606
Service and consultancy fees	-	-	-	-
Online lottery expenses	1,560,714	4,621,807	378,207	59,982
Software and license fees	29,653,665	20,582,546	9,109,245	-
Repairs, maintenance and communication	40,228,184	37,025,739	21,512,867	9,503,813
General and administrative expenses	170,330,494	163,893,950	55,809,655	38,711,962
Amortization of intangible	119,236,242	119,236,242	59,618,121	59,618,121
Depreciation expense	72,931,331	129,277,132	34,935,092	66,932,739
	501,219,681	571,270,773	217,606,071	209,660,223
OTHER INCOME (EXPENSES)				
Interest income	67,723,152	119,562,227	32,667,030	62,480,104
Dividend Income	-	22,674,806	-	12,320,246
Other income (charges)	(1,229,766)	(13,064,131)	(2,815,495)	(10,998,171)
	66,493,386	129,172,902	29,851,535	63,802,179
NET INCOME (LOSS) BEFORE INCOME TAX	576,184,868	(14,057,881)	269,289,264	(342,963,330)
PROVISION(BENEFIT FROM) INCOME TAX	5,938,818	13,050,503	2,561,962	8,108,874
NET INCOME(LOSS)	570,246,050	(27,108,384)	266,727,302	(351,072,204)
Net income attributable to Parent	591,841,356	54,424,727	281,817,967	(283,970,803)
Net income attributable to Minority interest	(21,595,306)	(81,533,111)	(15,090,665)	(67,101,401)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	(35,463,159)	(96,397,418)	3,833,015	16,725,072
Remeasurement loss on DBL	-	6,682,576	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 534,782,891	(116,823,226)	P 270,560,317	P (334,347,132)
Total Comprehensive income attributable to Parent	563,696,461	(19,331,115)	284,985,684	(270,572,215)
Total Comprehensive income attributable to Minority	(28,913,570)	(97,492,111)	(14,425,367)	(63,774,917)
Total	534,782,891	(116,823,226)	270,560,317	(334,347,132)
Earnings Per Share (Basic)	P 0.01896	P 0.00172		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Six Months Ended June 30	
	2021 (Unaudited)	2020 (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	(28,144,893)	(77,103,811)
Remeasurement gain on Retirement	-	3,347,980
Balance at the end of period	(852,697,977)	(862,364,380)
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)	591,841,356	54,424,727
Balance at end of period	1,964,226,973	2,165,958,315
NON-CONTROLLING INTEREST	308,597,394	441,393,660
	P 15,835,648,679	P 16,160,509,884

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Six Months Ended June 30

	2021 (Unaudited)	2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 576,184,868	P (14,057,881)
Adjustments for:		
Unrealized loss (gain) on marketable securities	6,068,814	17,870,164
Finance charges	420,232	4,995,063
Retirement cost	5,324,130	1,500,000
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	758,525	(156,678)
Gain on sale of subsidiary	-	(9,547,745)
Depreciation	72,931,331	129,277,132
Amortization of Intangible	119,236,242	119,236,242
Dividend income	-	(22,674,806)
Interest income	(10,851,925)	(32,896,379)
Income before working capital changes	770,062,217	193,544,262
Decrease (Increase) in:		
Receivables and others	93,624,715	(127,435,120)
Other current assets	(38,398,748)	251,411,081
Other noncurrent assets	17,980,588	(278,025,730)
Right of use asset	6,504,576	-
Increase (decrease) in:		
Increase in accrued trade and other payables	(232,792,215)	82,979,001
Retirement contributions paid	(5,000,000)	(1,010,356)
Income tax paid	(6,146)	1,294,285
Net cash provided by operating activities	611,974,987	122,757,424
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Property and equipment	(2,079,149)	(140,964,849)
Investment in stocks	-	-
Dividends received		22,674,806
Interest received	10,851,925	32,896,379
Proceeds from sale of:		
Subsidiary	-	137,413,892
Marketable securities	-	50,000,000
Property and equipment	10,000	850
Net cash from investing activities	8,782,776	102,021,077
CASH FLOW FROM FINANCING ACTIVITY		
Increase (Decrease) in lease liability	(7,644,094)	(44,545,376)
Payment of loan	-	(75,038,612)
Interest paid	(420,232)	(4,995,063)
Dividends paid	(1,256,721,361)	(1,549,390,949)
Net cash from financing activities	(1,264,785,687)	(1,673,970,000)
NET INCREASE IN CASH	(644,027,924)	(1,449,191,498)
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 1,574,283,601	P 2,087,883,981

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

<u>NAME</u>	<u>AMOUNT</u>
Notes receivables - current	3,705,925,000
Trade receivables - current	234,667,305
Other receivable	140,460,064
Other current assets	249,650,996
Total Receivables and Other Assets	<u>4,330,703,365</u>

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