

From: [Philippine Stock Exchange](#)
:
Subject: Quarterly Report
Date: Friday, July 28, 2023 9:15:25 AM

Dear Sir/Madam:

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

Company Name: Premium Leisure Corp.
Reference Number: 0026960-2023
Date and Time: Friday, July 28, 2023 09:15 AM
Template Name: Quarterly Report
Report Number: CR05522-2023

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, 2023
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
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, 2023
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Jun 30, 2023	Dec 31, 2022
Current Assets	5,721,245,126	6,194,382,283
Total Assets	16,891,235,953	16,985,905,538
Current Liabilities	530,601,652	730,587,574
Total Liabilities	1,051,955,353	816,521,728
Retained Earnings/(Deficit)	1,717,094,427	2,094,797,559

Stockholders' Equity	15,839,280,600	16,169,383,810
Stockholders' Equity - Parent	15,439,151,506	15,803,011,997
Book Value per Share	0.5	0.51

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	689,097,218	741,063,585	1,582,968,542	1,189,443,919
Gross Expense	114,340,919	206,335,925	424,478,570	391,287,468
Non-Operating Income	72,852,991	26,268,330	143,895,275	59,120,719
Non-Operating Expense	0	3,374,291	0	0
Income/(Loss) Before Tax	647,609,290	557,621,699	1,302,385,247	857,277,170
Income Tax Expense	27,923,197	19,096,278	57,309,835	20,368,981
Net Income/(Loss) After Tax	619,686,093	538,525,421	1,245,075,412	836,908,189
Net Income Attributable to Parent Equity Holder	593,470,685	519,483,801	1,171,687,816	812,277,192
Earnings/(Loss) Per Share (Basic)	0.03	0.02	0.03	0.02
Earnings/(Loss) Per Share (Diluted)	0.03	0.02	0.03	0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.05	0.04
Earnings/(Loss) Per Share (Diluted)	0.05	0.04

Other Relevant Information

n.a

Filed on behalf by:

Name	Esperanza Bagsit
Designation	Senior Manager

COVER SHEET

A S 0 9 3 0 0 9 2 8 9

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)

MICHELLE ANGELI T. HERNANDEZ

Contact Person

(632) 8662-8888

Company Telephone Number

1 2 3 1

Month 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 June 2023
(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, 2023**

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 June 30, 2023 and December 31, 2022;
- Consolidated Statements of Comprehensive Income for the Six Months ended June 30, 2023 and June 30, 2022;
- Consolidated Statements of Changes in Equity for the Six Months ended June 30, 2023 and June 30, 2022;
- Consolidated Statements of Cash Flows for the Six Months ended June 30, 2023 and June 30, 2022.

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	
	2023 (Unaudited)	2022 (Unaudited)	Increase (Decrease) Amount	%	2023 %	2022 %
INCOME						
Gaming share revenue	1,239,520,521	970,554,175	268,966,346	28%	78%	82%
Equipment lease rentals	343,448,021	218,889,744	124,558,276	57%	22%	18%
	1,582,968,542	1,189,443,919	393,524,623	33%	100%	100%
COST AND EXPENSES						
General and administrative expenses	170,213,041	121,899,106	48,313,935	40%	11%	10%
Amortization of intangible	119,236,242	119,236,242	-	0%	8%	10%
Salaries and payroll related expenses	48,561,808	51,392,967	-2,831,159	-6%	3%	4%
Software and license fees	39,817,950	25,205,678	14,612,272	58%	3%	2%
Repairs, maintenance and communication	27,112,882	27,691,634	-578,752	-2%	2%	2%
Rental and utilities	16,872,502	16,456,918	415,585	3%	1%	1%
Depreciation expense	2,664,145	29,404,923	-26,740,779	-91%	0%	2%
	424,478,570	391,287,468	33,191,102	8%	27%	33%
OTHER INCOME (EXPENSES)						
Interest income	130,485,213	54,368,141	76,117,073	140%	8%	5%
Dividend income	5,999,263	-	5,999,263	100%	0%	0%
Other income (charges)	7,410,799	4,752,578	2,658,221	56%	0%	0%
	143,895,275	59,120,719	84,774,556	143%	9%	5%
NET INCOME (LOSS) BEFORE INCOME TAX	1,302,385,247	857,277,170	445,108,078	52%	82%	72%
PROVISION(BENEFIT FROM) INCOME TAX	57,309,835	20,368,981	36,940,853	181%	4%	2%
NET INCOME	1,245,075,412	836,908,189	408,167,223	49%	79%	70%
<i>Net income attributable to Parent</i>	<i>1,171,687,816</i>	<i>812,277,192</i>	<i>359,410,625</i>	<i>44%</i>	<i>74%</i>	<i>68%</i>
<i>Net income attributable to Minority interest</i>	<i>73,387,596</i>	<i>24,630,997</i>	<i>48,756,598</i>	<i>198%</i>	<i>5%</i>	<i>2%</i>

PLC recognized consolidated revenues of Php1,583.0 million for the six months ended June 30, 2023, increasing by Php393.5 million or 33% from the same period last year.

The improvement in PLC's revenues is mainly brought about by better and more robust economic activities in 2023 as Covid-19 situation in the country became more and more manageable.

As of June 30, 2023, PLC's subsidiary, PremiumLeisure and Amusement, Inc. (PLAI), which earns gaming revenue share from the City of Dreams Manila (CODM), showed significant increase in revenue, which grew by Php269.0 million (28%) to Php1,239.5 million for the 2023 period from Php970.6 million for the 2022 period because of the improvement in the CODM mass and VIP segment casino operations, due in part by the easing of Covid-19 quarantine and capacity restrictions.

Cost and expenses increased from Php391.3 million as of June 30, 2022 to Php424.5 million as of June 30, 2023 mainly due to the higher variable costs that move in line with the improved operational results for the period.

Other income pertains to interest income earned from investment and money market placements. The increase of Php76.1 million (140%) is due to the increasing market interest rates and better returns on investments.

PLC recognized Php1,245.1 million net income for the six months ended June 30, 2023 which is Php408.2 million (49%) higher than the net income of Php836.9 million that was recognized in 2022.

Operating EBITDA (proxy for cash flow) for the period is at Php1,280.4 million showing an improvement of Php333.6 million (35%) from the reported EBITDA of Php946.8 million as of June 30, 2022.

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30		Horizontal Analysis		Vertical Analysis	
	2023 (Unaudited)	2022 (Unaudited)	Increase (Decrease) Amount	%	2023 %	2022 %
NET INCOME	1,245,075,412	836,908,189	408,167,223	49%	79%	70%
OTHER COMPREHENSIVE INCOME (LOSS)						
Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI)	13,842,646	23,985,230	(10,142,584)	-42%	1%	2%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 1,258,918,058	P 860,893,419	P 398,024,639	46%	80%	72%
<i>Total Comprehensive income attr to Parent</i>	<i>1,185,530,462</i>	<i>836,927,717</i>	<i>348,602,745</i>	<i>42%</i>	<i>75%</i>	<i>70%</i>
<i>Total Comprehensive income attr to Minority</i>	<i>73,387,596</i>	<i>23,965,702</i>	<i>49,421,894</i>	<i>206%</i>	<i>5%</i>	<i>2%</i>
Total	1,258,918,058	860,893,419	398,024,639	46%	80%	72%

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 income amounting to Php13.8 million for the six months ending June 30, 2023 as a result of the improvement in share prices of its financial asset investments. As such, PLC recognized a total comprehensive income amounting to Php1,258.9 million (of which, Php1,185.5 million is attributable to parent shareholders) as of June 30, 2023.

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, 2023.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	June 30, 2023	December 31, 2022	Horizontal Analysis		Vertical Analysis	
	(Unaudited)	(Audited)	Increase (Decrease) Amount	%	2023 %	2022 %
ASSETS						
Current Assets						
Cash and cash equivalents	1,307,070,024	1,778,570,078	(471,500,054)	-27%	8%	10%
Investment held for trading	78,974,937	72,682,452	6,292,485	9%	0%	0%
Notes receivable	3,705,925,000	3,705,925,000	-	0%	22%	22%
Trade and other receivables	366,507,625	212,568,231	153,939,394	72%	2%	1%
Other current assets	262,767,540	424,636,522	(161,868,982)	-38%	2%	2%
Total Current Assets	5,721,245,126	6,194,382,283	(473,137,157)	-8%	34%	36%
Noncurrent Assets						
Intangible asset	8,356,473,307	8,475,709,551	(119,236,244)	-1%	49%	50%
Financial assets at fair value through OCI	700,573,863	686,731,218	13,842,645	2%	4%	4%
Investment property	285,510,452	285,510,452	(0)	0%	2%	2%
Goodwill	926,007,748	926,007,748	0	0%	5%	5%
Property and equipment	1,139,576	2,103,394	(963,818)	-46%	0%	0%
Deferred tax assets	1,718,988	-	1,718,988	100%	0%	0%
Right of use asset	-	1,815,399	(1,815,399)	-100%	0%	0%
Other non-current assets	898,566,893	413,645,493	484,921,400	117%	5%	2%
Total Noncurrent Assets	11,169,990,827	10,791,523,255	378,467,572	4%	66%	64%
Total Assets	P 16,891,235,953	P 16,985,905,538	(94,669,585)	-1%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	530,601,652	728,696,132	(198,094,480)	-27%	3%	4%
Lease liability - current	-	1,891,442	(1,891,442)	-100%	0%	0%
Total current liabilities	530,601,652	730,587,574	(199,985,922)	-27%	3%	4%
Noncurrent Liability						
Loans payable	500,000,000	67,500,000	432,500,000	641%	3%	0%
Deferred tax liability	-	531,152	(531,152)	-100%	0%	0%
Retirement liability	21,353,701	17,903,002	3,450,699	19%	0%	0%
Total non-current liabilities	521,353,701	85,934,154	435,419,547	507%	3%	1%
Total Liabilities	P 1,051,955,353	P 816,521,728	235,433,625	29%	6%	5%
Equity						
Capital Stock	7,906,827,500	7,906,827,500	-	0%	47%	47%
Additional paid-in capital	7,238,721,924	7,238,721,924	-	0%	43%	43%
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	(693,465,210)	(707,307,851)	13,842,641	2%	-4%	-4%
Retained earnings (deficit)	1,717,094,427	2,094,797,559	(377,703,132)	-18%	10%	12%
Total equity attributable to Parent	15,439,151,506	15,803,011,997	(363,860,491)	-2%	91%	93%
Non-controlling interest	400,129,094	366,371,813	33,757,281	9%	2%	2%
Total Equity	15,839,280,600	16,169,383,810	(330,103,211)	-2%	94%	95%
Total Liabilities and Equity	P 16,891,235,953	P 16,985,905,538	(94,669,585)	-1%	100%	100%

As at June 30, 2023, PLC's total assets amounted to Php16,891.2 million, showing a decrease of Php94.7 million (1%) compared to the total assets as at December 31, 2022. 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 Php471.5 million (27%) as at June 30, 2023 mainly because of the payment of cash dividends amounting to Php1,549.4 during March 2023, offset by the collection of gaming revenue share and equipment lease rental revenues, net of disbursements made during the period.

Investments held for trading

Investments held for trading increased by Php6.3 million (9%) from Php72.7 million in 2022 to Php78.9 million in 2023 due to the mark-to-market gain on share price value of the shares of stock.

Trade and other receivables

Trade and other receivables include trade receivables from the Philippine Charity Sweepstakes Office (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 increase in trade and other receivables by ₱154.0 million (72%) due to higher revenues and corresponding receivables for the period.

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, 2023 and December 31, 2022, 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 Php.97 million (46%) from Php2.1 million as at December 31, 2022 to Php1.1 million as at June 30, 2023. This is due to the net effect of the depreciation recognized by the Company on its PPE and disposals 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.

Other Assets

Other assets include creditable withholding taxes, prepaid expenses and advances to suppliers made by PinoyLotto Technologies Corp. (PinoyLotto). Pinoylotto is the Joint Venture operation which is 50%-owned by Pacific Online Systems Corporation (POSC), PLC's subsidiary. PinoyLotto was awarded the five-year lease of the Nationwide PCSO Lottery System. Other assets increased by Php323.1 million (39%) from Php838.3 million as at December 31, 2022 to Php1,161.3 million as at June 30, 2023. The increase in the other assets is because of the downpayments made by PinoyLotto to suppliers as it gears toward nationwide operations.

Total Liabilities

PLC's total liabilities is at Php1,052.0 million as at June 30, 2023. The Php235.4 million (29%) increase in liabilities is mainly due to PinoyLotto's availment of loans, net of the payment of liabilities made during the period. Loans payable amounts to Php500.0 million as at June 30, 2023, increasing by Php432.5 million from the loans payable of Php67.5 million. The loan availment is to be used as funding for equipment purchases as Pinoylotto gears towards commencing nationwide operations for the lottery project with PCSO.

Equity

Stockholders' equity decreased from Php16,169.4 million as at December 31, 2022, to Php15,839.3 million as at June 30, 2023. This decrease of Php330.1 million (2%) was mainly brought about by the declaration and payment of dividends to PLC's shareholders, offset by the net income earned for the period and the improvement in market prices of its available for share investments (under Other Reserves).

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

Ratio	Manner in which the financial ratios are computed	June 30, 2023	June 30, 2022
Current ratio	Current assets divided by current liabilities	10.78	13.40
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	10.29	12.79
Solvency ratio	Total assets / total liabilities	16.06	37.59
Asset to equity	Total assets divided by total equity	1.07	1.03
Debt to equity	Interest bearing debt divided by total equity	-	-
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	51,427	5,868
Debt ratio	Total debt / total assets	0.06	0.03
Return on assets	Net income (loss) divided by average total assets during the period	14.70%	10.08%
Return on equity	Net income (loss) divided by average total equity during the period	15.56%	10.43%

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:

- Net income increased by 49% for the six months ending June 30, 2023, accounting for the increase in return on both assets and equity versus the same period in 2022.
- Current, quick and solvency ratios decreased due to decrease in cash and cash equivalents and increase in total current liabilities.
- Interest rate coverage ratio significantly increased due to the 35% increase in EBITDA and 85% decreased in interest expense in 2023.

As at June 30, 2023, 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, 2023 and December 31, 2022, 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, 2023 and December 31, 2022 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 2023 and 2022.

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, 2023		December 31, 2022	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	1,307,070,024	1,307,070,024	1,778,570,078	1,778,570,078
Investment held for trading	78,974,937	78,974,937	72,682,452	72,682,452
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	235,002,961	235,002,961	80,797,652	80,797,652
Nontrade and others	131,504,664	131,504,664	131,770,579	131,770,579
	5,458,477,586	5,458,477,586	5,769,745,761	5,769,745,761
AFS Investment				
Quoted shares	700,492,763	700,492,763	686,650,118	686,650,118
Unquoted shares	81,100	81,100	81,100	81,100
	700,573,863	700,573,863	686,731,218	686,731,218
	6,159,051,448	6,159,051,448	6,456,476,979	6,456,476,979
Loans and Borrowings				
Accrued expenses & other liabilities*	522,792,637	522,792,637	724,106,358	724,106,358

*excluding statutory payables amounting to -Php7.8 million and P4.6 million as at June 30, 2023 and December 31, 2022, respectively.

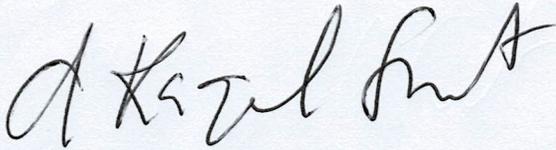
Other Required Disclosures

- 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, 2022.
- 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, 2023 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, 2022, as of June 30, 2023.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

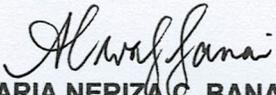
SIGNATURE

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 27, 2023



MARIA NERIZA C. BANARIA
Chief Financial Officer and Treasurer
Date: July 27, 2023

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 1,307,070,024	P 1,778,570,078
Investment held for trading	78,974,937	72,682,452
Notes receivable	3,705,925,000	3,705,925,000
Trade and other receivables	366,507,625	212,568,231
Other current assets	262,767,540	424,636,522
Total Current Assets	5,721,245,126	6,194,382,283
Noncurrent Assets		
Intangible asset	8,356,473,307	8,475,709,551
Financial assets at fair value through OCI	700,573,863	686,731,218
Investment property	285,510,452	285,510,452
Goodwill	926,007,748	926,007,748
Property and equipment	1,139,576	2,103,394
Deferred tax assets	1,718,988	-
Right of use asset - net	-	1,815,399
Other non-current assets	898,566,893	413,645,493
Total Noncurrent Assets	11,169,990,827	10,791,523,255
Total Assets	P 16,891,235,953	P 16,985,905,538
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 530,601,652	P 728,696,132
Lease liabilities - current	-	1,891,442
Income tax payable	-	-
Total current liabilities	530,601,652	730,587,574
Noncurrent Liability		
Loans payable	500,000,000	67,500,000
Retirement liability	21,353,701	17,903,002
Deferred tax liability	-	531,152
Total non-current liabilities	521,353,701	85,934,154
	P 1,051,955,353	P 816,521,728
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	(693,465,210)	(707,307,851)
Retained earnings (deficit)	1,717,094,427	2,094,797,559
Total equity attributable to Parent	15,439,151,506	15,803,011,997
Non-controlling interest	400,129,094	366,371,813
Total Equity	15,839,280,600	16,169,383,810
Total Liabilities and Equity	P 16,891,235,953	P 16,985,905,538

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30		This quarter	
	2023 (Unaudited)	2022 (Unaudited)	2023 (Unaudited)	2022
INCOME				
Gaming share revenue	P 1,239,520,521	970,554,175	524,837,675	626,281,231
Equipment lease rentals	343,448,021	218,889,744	164,259,543	114,782,354
	1,582,968,542	1,189,443,919	689,097,218	741,063,585
COST AND EXPENSES				
General and administrative expenses	170,213,041	121,899,106	(17,554,194)	82,861,671
Amortization of intangible	119,236,242	119,236,242	59,618,121	59,618,121
Salaries and payroll related expenses	48,561,808	51,392,967	28,475,609	26,718,659
Software and license fees	39,817,950	25,205,678	20,329,857	13,414,222
Repairs, maintenance and communication	27,112,882	27,691,634	14,322,940	12,568,241
Rental and utilities	16,872,502	16,456,918	8,027,813	8,497,612
Depreciation and amortization expense	2,664,145	29,404,923	1,120,774	2,599,899
	424,478,570	391,287,468	114,340,919	206,335,925
OTHER INCOME (EXPENSES)				
Interest income	130,485,213	54,368,141	64,843,000	26,268,330
Dividend Income	5,999,263	-	-	-
Other income (charges)	7,410,799	4,752,578	8,009,991	(3,374,291)
	143,895,275	59,120,719	72,852,991	22,894,039
NET INCOME (LOSS) BEFORE INCOME TAX	1,302,385,247	857,277,170	647,609,290	557,621,699
PROVISION(BENEFIT FROM) INCOME TAX	57,309,835	20,368,981	27,923,197	19,096,278
NET INCOME(LOSS)	1,245,075,412	836,908,189	619,686,093	538,525,421
Net income attributable to Parent	1,171,687,816	812,277,192	593,470,685	519,483,801
Net income attributable to Minority interest	73,387,596	24,630,997	26,215,408	19,041,620
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	13,842,646	23,985,230	6,643,137	14,435,122
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 1,258,918,058	860,893,419	P 626,329,229	P 552,960,543
Total Comprehensive income attributable to Parent	1,185,530,462	836,927,717	600,113,821	533,918,922
Total Comprehensive income attributable to Minority interest	73,387,596	23,965,702	26,215,408	19,041,621
Total	1,258,918,058	860,893,419	626,329,229	552,960,543
Earnings Per Share (Basic)	P 0.03753	P 0.02602	P 0.03753	P 0.02602
Earnings Per Share (Diluted)	P 0.03753	P 0.02602	P 0.03753	P 0.02602

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Six Months Ended June 30	
	2023 (Unaudited)	2022 (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)	(220,430,080)
Additions for the year	-	-
Balance at the end of period	(220,430,080)	(220,430,080)
Other Reserves		
Balance at beginning of year	(707,307,856)	(851,048,515)
Net Unrealized loss on available-for-sale investments	13,842,646	24,650,528
Remeasurement gain on Retirement	-	-
Balance at the end of period	(693,465,210)	(826,397,987)
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	2,094,797,559	2,566,288,233
Declared dividends	(1,549,390,949)	(1,549,390,949)
Net income (loss)	1,171,687,816	812,277,193
Balance at end of period	1,717,094,427	1,829,174,477
NON-CONTROLLING INTEREST	400,129,094	291,736,389
	P 15,839,280,600	P 15,710,035,168

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Six Months Ended June 30

	2023 (Unaudited)	2022 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 1,302,385,247	P 857,277,170
Adjustments for:		
Unrealized loss (gain) on marketable securities	(6,292,485)	4,249,379
Finance charges	24,897	161,339
Retirement cost	3,450,699	4,494,383
Loss (gain) on sale of property and equipment	(137,822)	(1,633,225)
Foreign exchange (gain) loss	137,917	503,676
Depreciation	2,664,145	29,404,923
Amortization of Intangible	119,236,242	119,236,242
Dividend income	(5,999,263)	-
Interest income	(17,898,197)	(7,038,176)
Income before working capital changes	1,397,571,380	1,006,655,711
Decrease (Increase) in:		
Receivables and others	(153,939,394)	(289,373,268)
Other current assets	125,529,415	27,921,499
Other noncurrent assets	(484,921,400)	2,195,272
Right of use asset	1,815,399	2,678,693
Increase (decrease) in:		
Increase in accrued trade and other payables	(198,094,480)	(258,712,572)
Net cash provided by operating activities	687,960,920	491,365,335
CASH FLOW FROM INVESTING ACTIVITY		
Interest received	17,898,197	7,038,176
Proceeds from sale of:		
Financial assets at fair value through OCI	-	88,661,790
Property and equipment	26,100	2,487,684
Net cash from investing activities	17,924,297	98,187,650
CASH FLOW FROM FINANCING ACTIVITY		
Increase (Decrease) in lease liability	(1,891,445)	(2,765,610)
Proceeds from loan availments	432,500,000	-
Interest paid	(24,897)	(161,339)
Dividends paid	(1,607,968,929)	(1,549,390,949)
Net cash from financing activities	(1,177,385,271)	(1,552,317,898)
NET INCREASE IN CASH	(471,500,054)	(962,764,913)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,778,570,078	1,660,934,194
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 1,307,070,024	P 698,169,281

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
June 30, 2023

<u>NAME</u>	<u>AMOUNT</u>
Notes receivables - current	3,705,925,000
Trade receivables - current	235,002,962
Other receivable	131,504,663
Other current assets	262,767,540
Total Receivables and Other Assets	<u>4,335,200,164</u>

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