

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
Mar 31, 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. 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	Mar 31, 2021
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	Fiscal Year Ended (Audited)
	Mar 31, 2021	Dec 31, 2020
Current Assets	6,919,862,123	6,735,160,173
Total Assets	17,867,118,983	17,793,014,064
Current Liabilities	982,107,875	1,172,207,600
Total Liabilities	1,045,309,256	1,235,426,915
Retained Earnings/(Deficit)	2,939,130,367	2,629,106,978
Stockholders' Equity	16,821,809,727	16,557,587,149
Stockholders' Equity - Parent	16,498,786,961	16,220,076,183
Book Value per Share	0.53	0.53

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	553,867,363	625,145,276	553,867,363	625,145,276
Gross Expense	283,613,610	361,610,550	283,613,610	361,610,550
Non-Operating Income	36,641,851	65,370,723	36,641,851	65,370,723
Non-Operating Expense	0	0	0	0
Income/(Loss) Before Tax	306,895,604	328,905,449	306,895,604	328,905,449
Income Tax Expense	3,376,856	4,941,629	3,376,856	4,941,629

Net Income/(Loss) After Tax	303,518,748	323,963,820	303,518,748	323,963,820
Net Income Attributable to Parent Equity Holder	310,023,389	338,395,530	310,023,389	338,395,530
Earnings/(Loss) Per Share (Basic)	0	0.01	0	0.01
Earnings/(Loss) Per Share (Diluted)	0	0.01	0	0.01

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.01	0.06
Earnings/(Loss) Per Share (Diluted)	0.01	0.06

Other Relevant Information
n.a.

Filed on behalf by:

Name	Esperanza Bagsit
Designation	Manager

COVER SHEET

AS093009289

S.E.C. Registration Number

PREMIUM LEISURE CORP AND SUBSIDIARIES

(Company's Full Name)

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

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

JACKSON T. ONGSIP

Contact Person

(632) 662-8888

Company Telephone Number

12

Month

31

Day

17-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)

31 March 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 **March 31, 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.

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 (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 Common Stock, ₱0.25¹ par value	Number of Shares of Common Stock Outstanding 31,216,931,000
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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 March 31, 2021 and December 31, 2020;
- Consolidated Statements of Comprehensive Income for the Three Months ended March 31, 2021 and March 31, 2020;
- Consolidated Statements of Changes in Equity for the Three Months ended March 31, 2021 and March 31, 2020;
- Consolidated Statements of Cash Flows for the Three Months ended March 31, 2021 and March 31, 2020.

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

	Three Months Ended March 31		Horizontal Analysis		Vertical Analysis	
	2021 (Unaudited)	2020 (Audited)	Increase (Decrease) Amount	%	2021 %	2020 %
INCOME						
Gaming share revenue	431,051,182	445,037,022	-13,985,839	-3%	78%	71%
Equipment lease rentals	122,816,181	134,004,361	-11,188,180	-8%	22%	21%
Commission and distribution income	-	46,103,893	-46,103,893	-100%	0%	7%
	553,867,363	625,145,276	(71,277,913)	-11%	100%	100%
COST AND EXPENSES						
Salaries and payroll related expenses	31,036,167	61,799,751	-30,763,584	-50%	6%	10%
Software and license fees	20,544,420	20,582,546	-38,126	0%	4%	3%
Repairs, maintenance and communication	18,715,317	27,521,926	-8,806,609	-32%	3%	4%
Online lottery expenses	1,182,507	4,561,825	-3,379,318	-74%	0%	1%
General and administrative expenses	114,520,839	125,181,988	-10,661,149	-9%	21%	20%
Amortization of intangible	59,618,121	59,618,121	-	0%	11%	10%
Depreciation expense	37,996,239	62,344,393	-24,348,153	-39%	7%	10%
	283,613,610	361,610,550	(77,996,941)	-22%	51%	58%
OTHER INCOME (EXPENSES)						
Interest income	35,056,122	57,082,123	-22,026,001	-39%	6%	9%
Dividend Income	-	10,354,560	-10,354,560	-100%	0%	2%
Other income (charges)	1,585,729	(2,065,960)	3,651,690	-177%	0%	0%
	36,641,851	65,370,723	(28,728,872)	-44%	7%	10%
NET INCOME (LOSS) BEFORE INCOME TAX	306,895,604	328,905,449	(22,009,845)	-7%	55%	53%
PROVISION(BENEFIT FROM) INCOME TAX	3,376,856	4,941,629	-1,564,773	-32%	1%	1%
NET INCOME	303,518,748	323,963,820	(20,445,072)	-6%	55%	52%
<i>Net income attributable to Parent</i>	310,023,389	338,395,530	(28,372,140)	-8%	56%	54%
<i>Net income attributable to Minority interest</i>	(6,504,641)	(14,431,710)	7,927,069	-55%	-1%	-2%

PLC recognized Php553.9 million consolidated revenues for the three months ended March 31, 2021, down by Php71.3 million or 11% from the same period last year.

The decline in Premium Leisure Corp.'s revenues are mainly brought about by the economic effects of the Covid-19 pandemic to the country, which include a decline in tourist arrivals to the Philippines and the implementation of the nationwide community quarantines resulting to either temporary suspensions of gaming and lottery operations or allowing operations at a significantly limited capacity to conform with the regulations set out by government regulators. Because of this, as of March 31, 2021, PLAI gaming revenue share has decreased from Php445.0 million to Php431.1 million (3%), and Pacific Online Systems Corporation's (POSC) equipment lease rental income and commission and distribution decreased from Php180.1 million to Php122.8 million versus the same period in 2020.

Costs and expenses decreased by Php78.0 million or 22% 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 Php303.5 million net income for the three months ended March 31, 2021, 6% down from its net income of Php324.0 for the same period in 2020.

Operating EBITDA (proxy for cash flow) for the period is at Php367.9 million, 5% lower than its EBITDA of Php385.5 million as of March 31, 2020.

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31		Horizontal Analysis		Vertical Analysis	
	2021	2020	Increase (Decrease)		2021	2020
	(Unaudited)	(Audited)	Amount	%	%	%
NET INCOME	303,518,748	323,963,820	(20,445,072)	-6%	55%	52%
OTHER COMPREHENSIVE INCOME (LOSS)						
Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI)	(39,296,174)	(113,122,490)	73,826,316	-65%	-7%	-18%
Remeasurement loss on DBL	-	6,682,576	(6,682,576)	100%	0%	1%
Share in OCI						
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P 264,222,574	P 217,523,906	P 46,698,667	21%	48%	35%
<i>Total Comprehensive income attr to Parent</i>	<i>278,710,776</i>	251,241,100	27,469,675	11%	50%	40%
<i>Total Comprehensive income attr to Minority</i>	<i>(14,488,202)</i>	(33,717,194)	19,228,992	-57%	-3%	-5%
Total	264,222,574	217,523,906	46,698,667	21%	48%	35%

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 Php39.3 million for the three months ending March 31, 2021 as a result of the lower share prices of its financial asset investments. As such, PLC recognized a total comprehensive income amounting to Php264.2 million (of which, Php278.71 million is attributable to parent shareholders) as of March 31, 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 three months ended March 31, 2021.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2021	December 31, 2020	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2021	2020
	(Unaudited)	(Audited)	Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	P 2,355,640,786	2,218,311,525	137,329,261	6%	13%	12%
Trade and other receivables	547,817,553	468,752,085	79,065,468	17%	3%	3%
Investment held for trading	80,678,480	84,260,926	(3,582,445)	-4%	0%	0%
Notes receivable	3,705,925,000	3,705,925,000	-	0%	21%	21%
Other assets	229,800,304	257,910,637	(28,110,333)	-11%	1%	1%
Total Current Assets	6,919,862,123	6,735,160,173	184,701,949	3%	39%	38%
Noncurrent Assets						
Intangible asset	8,893,036,396	8,952,654,519	(59,618,122)	-1%	50%	50%
Financial assets at fair value through OCI	248,157,657	287,453,830	(39,296,173)	-14%	1%	2%
Investment property	285,510,452	285,510,452	-	0%	2%	2%
Property and equipment	67,633,325	83,505,713	(15,872,388)	-19%	0%	0%
Right of use asset	5,463,309	10,119,536	(4,656,227)	-46%	0%	0%
Goodwill	926,007,748	926,007,748	-	0%	5%	5%
Deferred tax assets	82,414,559	82,414,559	-	0%	0%	0%
Other non-current assets	439,033,414	430,187,534	8,845,880	2%	2%	2%
Total Noncurrent Assets	10,947,256,860	11,057,853,891	(110,597,031)	-1%	61%	62%
Total Assets	P 17,867,118,983	P 17,793,014,064	74,104,919	0%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	P 976,436,811	1,164,524,630	(188,087,819)	-16%	5%	7%
Lease liability - ROU current	5,664,918	7,676,824	(2,011,906)	-26%	0%	0%
Income tax payable	6,146	6,146	-	0%	0%	0%
Total current liabilities	982,107,875	1,172,207,600	(190,099,725)	-16%	5%	7%
Noncurrent Liability						
Lease liability - ROU non current	1,248,544	3,928,543	(2,679,999)	100%	0%	0%
Retirement liability	61,952,837	59,290,772	2,662,065	4%	0%	0%
Total non-current liabilities	63,201,381	63,219,315	(17,934)	0%	0%	0%
Total Liabilities	P 1,045,309,256	P 1,235,426,915	(190,117,658)	-15%	6%	7%
Equity						
Capital Stock	7,906,827,500	7,906,827,500	-	0%	44%	44%
Additional paid-in capital	7,238,721,924	7,238,721,924	-	0%	41%	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	(855,865,695)	(824,553,084)	(31,312,611)	-4%	-5%	-5%
Retained earnings (deficit)	2,939,130,367	2,629,106,978	310,023,389	12%	16%	15%
Total equity attributable to Parent	16,498,786,961	16,220,076,183	278,710,778	2%	92%	91%
Non-controlling interest	323,022,766	337,510,966	(14,488,200)	-4%	2%	2%
Total Equity	16,821,809,727	16,557,587,149	264,222,578	2%	94%	93%
Total Liabilities and Equity	P 17,867,118,983	P 17,793,014,064	74,104,919	0%	100%	100%

As at March 31, 2021, PLC's total assets amounted to Php17,867.1 million, higher by Php74.1 million (0.4%) 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 increased by 6% (Php137.33 million) as at March 31, 2021 mainly because of the collection of gaming share, net of disbursements made, during the period.

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 increase in trade and other receivables by ₱79.1 million (17%).

Investments held for trading

Investments held for trading decreased by Php3.6 million (4%) mainly 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 March 31, 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 decrease of Php15.9 million (19%) in the account compared to balances at December 31, 2020 as 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 Php1,045.3 million as at March 31, 2021. The Php190.1 million decrease in liabilities is mainly brought about by the payment of other current liabilities during the period.

Equity

Stockholders' equity increased from Php16,557.6 million as at December 31, 2020, to Php16,821.8 million as at March 31, 2021. This increase of Php264.22 million was mainly brought about by the net income earned for the period offset by the change 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	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Current ratio	Current assets divided by current liabilities	7.05	3.86	5.83
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	6.81	3.72	5.65
Solvency ratio	Total assets / total liabilities	17.09	10.24	14.13
Asset to equity	Total assets divided by total equity	1.06	1.11	1.08
Debt to equity	Interest bearing debt divided by total equity	-	0.01	-
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	1,154	165	19
Debt ratio	Total debt / total assets	0.06	0.10	0.07
Return on assets	Net income (loss) divided by average total assets during the period	6.8%	6.8%	1.6%
Return on equity	Net income (loss) divided by average total equity during the period	7.3%	7.5%	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 decreased by 6% for the three months ending March 31, 2021, accounting for the slight decrease in return on equity versus the same period in 2020.
- b) Current, quick and solvency ratios increased due to increase in cash and trade receivables.

As at March 31, 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 March 31, 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 March 31, 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 financial 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.

	March 31, 2021		December 31, 2020	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,355,640,786	2,355,640,786	2,218,311,525	2,218,311,525
Investment held for trading	80,678,480	80,678,480	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	535,263,891	535,263,891	468,516,351	468,516,351
Nontrade and others	12,553,662	12,553,662	235,734	235,734
	6,690,061,819	6,690,061,819	6,477,249,536	6,477,249,536
AFS Investment				
Quoted shares	248,076,557	248,076,557	287,372,730	287,372,730
Unquoted shares	81,100	81,100	81,100	81,100
	248,157,657	248,157,657	287,453,830	287,453,830
	6,938,219,476	6,938,219,476	6,764,703,366	6,764,703,366
Loans and Borrowings				
Accrued expenses & other liabilities*	973,616,568	973,616,568	1,160,658,897	1,160,658,897

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

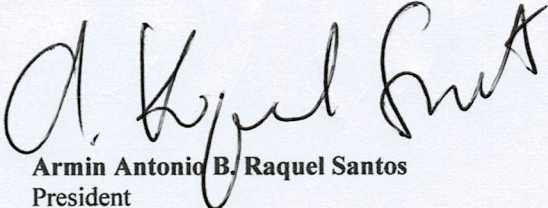
Other Required Disclosures

- 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 March 31, 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 March 31, 2021.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

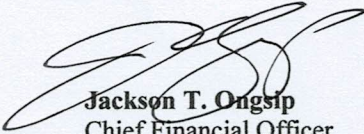
SIGNATURE

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: May 12, 2021



Jackson T. Ongsip
Chief Financial Officer
Date: May 12, 2021

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	March 31, 2021		December 31, 2020	
	(Unaudited)		(Audited)	
ASSETS				
Current Assets				
Cash and cash equivalents	P	2,355,640,786	P	2,218,311,525
Investment held for trading		80,678,480		84,260,926
Trade and other receivables		547,817,553		468,752,085
Notes receivable		3,705,925,000		3,705,925,000
Other current assets		229,800,304		257,910,637
Total Current Assets		6,919,862,123		6,735,160,173
Noncurrent Assets				
Intangible asset		8,893,036,396		8,952,654,519
Financial assets at fair value through OCI		248,157,657		287,453,830
Property and equipment		67,633,325		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		5,463,309		10,119,536
Other non-current assets		439,033,414		430,187,534
Total Noncurrent Assets		10,947,256,860		11,057,853,891
Total Assets	P	17,867,118,983	P	17,793,014,064
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities	P	976,436,811	P	1,164,524,630
Lease liabilities - current		5,664,918		7,676,824
Income tax payable		6,146		6,146
Total current liabilities		982,107,875		1,172,207,600
Noncurrent Liability				
Retirement liability		61,952,837		59,290,772
Lease liabilities - non current		1,248,544		3,928,543
Total non-current liabilities		63,201,381		63,219,315
	P	1,045,309,256	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		(855,865,695)		(824,553,084)
Retained earnings (deficit)		2,939,130,367		2,629,106,978
Total equity attributable to Parent		16,498,786,961		16,220,076,183
Non-controlling interest		323,022,766		337,510,966
Total Equity		16,821,809,727		16,557,587,149
Total Liabilities and Equity	P	17,867,118,983	P	17,793,014,064

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Three Months Ended March 31		This quarter	
		2021	2020	2021	2020
		(Unaudited)	(Unaudited)	(Unaudited)	
INCOME					
Gaming share revenue	P	431,051,182	445,037,022	431,051,182	445,037,022
Equipment lease rentals		122,816,181	134,004,361	122,816,181	134,004,361
Commission and distribution income		-	46,103,893	-	46,103,893
		553,867,363	625,145,276	553,867,363	625,145,276
COST AND EXPENSES					
Salaries and payroll related expenses		31,036,167	61,799,751	31,036,167	61,799,751
Service and consultancy fees		-	-	-	-
Online lottery expenses		1,182,507	4,561,825	1,182,507	4,561,825
Software and license fees		20,544,420	20,582,546	20,544,420	20,582,546
Repairs, maintenance and communication		18,715,317	27,521,926	18,715,317	27,521,926
General and administrative expenses		114,520,839	125,181,988	114,520,839	125,181,988
Amortization of intangible		59,618,121	59,618,121	59,618,121	59,618,121
Depreciation expense		37,996,239	62,344,393	37,996,239	62,344,393
		283,613,610	361,610,550	283,613,610	361,610,550
OTHER INCOME (EXPENSES)					
Interest income		35,056,122	57,082,123	35,056,122	57,082,123
Dividend Income		-	10,354,560	-	10,354,560
Other income (charges)		1,585,729	(2,065,960)	1,585,729	(2,065,960)
		36,641,851	65,370,723	36,641,851	65,370,723
NET INCOME (LOSS) BEFORE INCOME TAX		306,895,604	328,905,449	306,895,603	328,905,449
PROVISION(BENEFIT FROM) INCOME TAX		3,376,856	4,941,629	3,376,856	4,941,629
NET INCOME(LOSS)		303,518,748	323,963,820	303,518,747	323,963,820
Net income attributable to Parent		310,023,389	338,395,530	310,023,389	338,395,530
Net income attributable to Minority interest		(6,504,641)	(14,431,710)	(6,504,641)	(14,431,710)
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year		(39,296,174)	(113,122,490)	(39,296,174)	(113,122,490)
Remeasurement loss on DBL			6,682,576	-	6,682,576
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P	264,222,574	217,523,906	P 264,222,573	P 217,523,906
Total Comprehensive income attributable to Parent		278,710,777	251,241,100	278,710,777	251,241,100
Total Comprehensive income attributable to Minority		(14,488,203)	(33,717,194)	(14,488,203)	(33,717,194)
Total		264,222,574	217,523,906	264,222,574	217,523,906
Earnings Per Share (Basic)	P	0.00993	P 0.01084		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

		Three Months Ended March 31	
		2021	2020
		(Unaudited)	(Audited)
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)	(788,608,550)
Net Unrealized loss on available-for-sale investments		(31,312,611)	(90,502,398)
Remeasurement gain on Retirement		-	3,347,970
Balance at the end of period		(855,865,695)	(875,762,978)
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		-	(1,549,390,950)
Net income (loss)		310,023,389	338,395,530
Balance at end of period		2,939,130,367	2,449,929,116
NON-CONTROLLING INTEREST		323,022,766	505,168,579
	P	16,821,809,727	P 16,494,857,005

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Three Months Ended March 31

	2021 (Unaudited)	2020 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P 306,895,604	P 328,905,449
Adjustments for:		
Unrealized loss (gain) on marketable securities	3,582,445	14,225,217
Finance charges	318,795	2,340,487
Retirement cost	2,662,065	1,500,000
Loss(gain) on sale of marketable securities	-	-
Loss (gain) on sale of property and equipment	-	(850)
Loss (gain) on sale of AFS investment	-	-
Foreign exchange (gain) loss	399,103	(205,522)
Gain on sale of subsidiary	-	(9,547,745)
Depreciation	37,996,239	62,344,393
Amortization of Intangible	59,618,121	59,618,121
Dividend income	-	(10,354,560)
Interest income	(6,180,367)	(17,167,788)
Income before working capital changes	405,292,005	431,657,202
Decrease (Increase) in:		
Receivables and others	(79,065,468)	(296,182,973)
Other current assets	2,973,611	19,696,179
Other noncurrent assets	(8,845,880)	(26,569,334)
Right of use asset	4,656,227	-
Increase (decrease) in:		
Increase in accrued trade and other payables	(188,087,819)	(79,864,117)
Retirement contributions paid	-	-
Income tax paid	-	(356,854)
Net cash provided by operating activities	136,922,676	48,380,103
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Property and equipment	(763,079)	(57,118,506)
Investment in stocks	-	-
Right of use of Asset	-	34,601,276
Dividends received		10,354,560
Interest received	6,180,367	17,167,788
Proceeds from sale of:		
Subsidiary	-	137,413,892
Marketable securities	-	50,000,000
Property and equipment	-	850
Net cash from investing activities	5,417,288	192,419,860
CASH FLOW FROM FINANCING ACTIVITY		
Increase (Decrease) in lease liability	(4,691,908)	(7,662,233)
Payment of loan	-	(37,500,000)
Acquisition of Treasury shares	-	(191,000,000)
Interest paid	(318,795)	(2,340,487)
Dividends paid	-	(1,528,773,508)
Net cash from financing activities	(5,010,703)	(1,767,276,228)
NET INCREASE IN CASH	137,329,261	(1,526,476,265)
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 2,355,640,786	P 2,010,599,214

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
March 31, 2021

NAME	AMOUNT
Notes receivables - current	3,705,925,000
Trade receivables - current	535,263,891
Other receivable	12,553,662
Other current assets	229,800,304
Total Receivables and Other Assets	<u>4,483,542,857</u>

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