

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended
Sep 30, 2020
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	Sep 30, 2020
Currency (indicate units, if applicable)	PHP

Balance Sheet

	Period Ended	
	Sep 30, 2020	Fiscal Year Ended (Audited) Dec 31, 2019
Current Assets	6,645,146,851	8,030,049,966
Total Assets	18,065,001,834	19,930,922,355
Current Liabilities	1,950,700,314	1,847,671,093
Total Liabilities	2,008,099,950	1,913,198,308
Retained Earnings/(Deficit)	2,125,255,250	3,660,924,536
Stockholders' Equity	16,056,901,884	18,017,724,047
Stockholders' Equity - Parent	15,674,111,583	17,478,838,275
Book Value per Share	0.51	0.57

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	118,102,729	703,788,288	546,142,719	3,146,223,880
Gross Expense	244,715,832	511,892,421	815,986,605	1,749,457,025
Non-Operating Income	36,291,655	50,659,592	165,464,556	224,250,835
Non-Operating Expense	0	0	0	0
Income/(Loss) Before Tax	-90,321,448	242,555,459	-104,379,330	1,621,017,690
Income Tax Expense	7,987,027	5,570,705	21,037,530	17,557,502
Net Income/(Loss) After Tax	-98,308,475	236,984,754	-125,416,860	1,603,460,188
Net Income Attributable to Parent Equity Holder	-40,703,065	299,609,998	13,721,662	1,704,219,088
Earnings/(Loss) Per Share (Basic)	0	0.05	0	0.05
Earnings/(Loss) Per Share (Diluted)	0	0.05	0	0.05

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.01	0.08
Earnings/(Loss) Per Share (Diluted)	0.01	0.08

Other Relevant Information

n.a

Filed on behalf by:

Name	Esperanza Bagsit
Designation	Manager

COVER SHEET

AS 093009289

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)

30 September 2020
(Quarter Ending)

SEC FORM 17-Q
(Form Type)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE**

1. For quarterly period ended **September 30, 2020**
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 September 30, 2020 and December 31, 2019;
- b.) Consolidated Statements of Comprehensive Income for the Nine Months ended September 30, 2020 and September 30, 2019;
- c.) Consolidated Statements of Changes in Equity for the Nine Months ended September 30, 2020 and September 30, 2019;
- d.) Consolidated Statements of Cash Flows for the Nine Months ended September 30, 2020 and September 30, 2019.

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

PREMIUM LEISURE CORP AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

	Nine Months Ended September 30		Horizontal Analysis		Vertical Analysis	
	2020 (Unaudited)	2019 (Unaudited)	Increase (Decrease) Amount	%	2020 %	2019 %
INCOME						
Gaming share revenue	324,808,684	2,379,810,271	-2,055,001,587	-86%	59%	76%
Equipment lease rentals	175,213,401	530,301,534	-355,088,133	-67%	32%	17%
Commission and distribution income	46,120,634	236,112,075	-189,991,441	-80%	8%	8%
	546,142,719	3,146,223,880	(2,600,081,161)	-83%	100%	100%
COST AND EXPENSES						
Salaries and payroll related expenses	126,605,071	263,625,809	-137,020,738	-52%	23%	8%
Repairs, maintenance and communication	51,012,265	87,724,345	-36,712,079	-42%	9%	3%
Software and license fees	30,533,809	120,241,104	-89,707,295	-75%	6%	4%
Online lottery expenses	5,549,861	30,186,145	-24,636,284	-82%	1%	1%
General and administrative expenses	225,875,295	924,795,625	-698,920,330	-76%	41%	29%
Amortization of intangible	178,854,363	178,854,363	-	0%	33%	6%
Depreciation expense	197,555,941	144,029,634	53,526,307	37%	36%	5%
	815,986,605	1,749,457,025	(933,470,420)	-53%	149%	56%
OTHER INCOME (EXPENSES)						
Interest income	166,390,656	208,437,358	-42,046,702	-20%	30%	7%
Dividend Income	22,353,086	24,708,086	-2,355,000	-10%	4%	1%
Other income (charges)	(23,279,186)	(8,894,609)	-14,384,577	162%	-4%	0%
	165,464,556	224,250,835	(58,786,279)	-26%	30%	7%
NET INCOME (LOSS) BEFORE INCOME TAX	(104,379,329)	1,621,017,690	(1,725,397,020)	-106%	-19%	52%
PROVISION(BENEFIT FROM) INCOME TAX	21,037,530	17,557,502	3,480,029	20%	4%	1%
NET INCOME	(125,416,860)	1,603,460,188	(1,728,877,048)	-108%	-23%	51%
<i>Net income attributable to Parent</i>	<i>13,721,662</i>	<i>1,704,219,088</i>	<i>(1,690,497,426)</i>	<i>-99%</i>	<i>3%</i>	<i>54%</i>
<i>Net income attributable to Minority interest</i>	<i>(139,138,522)</i>	<i>(100,758,900)</i>	<i>(38,379,622)</i>	<i>38%</i>	<i>-25%</i>	<i>-3%</i>

PLC recognized Php546.14 million consolidated revenues for the nine months ended September 30, 2020, down by Php2.60 billion or 83% 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 temporary suspension of gaming operations or operating at a significantly limited 30% capacity to conform with the regulations set out by the

Philippine Amusement and Gaming Corporation (PAGCOR). Because of this, gaming revenue share has decreased from Php2.38 billion to Php324.81 million for the period.

This has affected the gaming revenue share from City of Dreams Manila (CODM) at the early part of the year. The effect was compounded by the suspension of gaming operations at the CODM on March 16, 2020, in compliance with the government measures to contain the infection. From March 16 to September 30, 2020, gaming operations have either been suspended or significantly limited to 30% capacity to make way for proper social distancing. As a result, gaming share revenue has dropped from Php2.38 billion to Php324.81 million for the period.

Pacific Online Systems Corporation (POSC), PLC's subsidiary responsible for its equipment lease rental income, was also greatly affected by the imposed suspension of operations because of the community quarantine. Equipment lease rentals declined from Php530.30 million to Php175.21 million for the period.

Costs and expenses decreased by Php933.47 million or 53% for the period due to the decrease in the Company's general and administrative expenses, payroll and related expenses, software license fees, and the effect of deconsolidation following the sale of a subsidiary in February 2020.

PLC recognized Php125.42 million net loss for the nine months ended September 30, 2020, 108% down from its net income for the same period in 2019.

Operating EBITDA (proxy for cash flow) for the period is at Php106.57 million, 94% lower than its EBITDA of Php1.72 billion as of September 30, 2019.

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

	Nine Months Ended September 30		Horizontal Analysis		Vertical Analysis	
	2020	2019	Increase (Decrease)		2020	2019
	(Unaudited)	(Unaudited)	Amount	%	%	%
NET INCOME	(125,416,860)	1,603,460,188	(1,728,877,048)	-108%	-23%	51%
OTHER COMPREHENSIVE INCOME (LOSS)						
Marked-to-market loss on financial assets at fair value through other comprehensive income (FVOCI)	(101,696,940)	(36,363,159)	(65,333,780)	180%	-19%	-1%
Remeasurement loss on DBL	6,682,576	-	6,682,576	100%	1%	0%
Share in OCI						
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P (220,431,224)	P 1,567,097,029	P (1,787,528,253)	-114%	-40%	50%
<i>Total Comprehensive income attr to Parent</i>	<i>(64,335,756)</i>	1,675,174,193	<i>(1,739,509,949)</i>	-104%	-12%	53%
<i>Total Comprehensive income attr to Minority</i>	<i>(156,095,468)</i>	<i>(108,077,164)</i>	<i>(48,018,304)</i>	44%	-29%	-3%
Total	(220,431,224)	1,567,097,029	(1,787,528,253)	-114%	-40%	50%

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 Php101.70 million for the nine months ending September 30, 2020 as a result of the lower share prices of its financial asset investments. As such, PLC recognized a total comprehensive loss amounting to Php220.43 million (of which, -Php64.34 million is attributable to parent shareholders) as of September 30, 2020.

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 nine months ended September 30, 2020.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	September 30, 2020		December 31, 2019		Horizontal Analysis		Vertical Analysis	
		(Unaudited)	(Audited)		Increase (Decrease) Amount	%	2020 %	2019 %
ASSETS								
Current Assets								
Cash and cash equivalents	P	2,241,016,291	3,537,075,479	(1,296,059,187)	-37%	12%	18%	
Trade and other receivables		442,355,639	337,535,176	104,820,463	31%	2%	2%	
Investment held for trading		71,474,605	140,456,581	(68,981,976)	-49%	0%	1%	
Notes receivable		3,705,925,000	3,705,925,000	-	0%	21%	19%	
Other assets		184,375,316	309,057,730	(124,682,414)	-40%	1%	2%	
Total Current Assets		6,645,146,851	8,030,049,966	(1,384,903,115)	-17%	37%	40%	
Noncurrent Assets								
Intangible asset		9,012,272,639	9,191,127,003	(178,854,364)	-2%	50%	46%	
Financial assets at fair value through OCI		232,819,093	334,516,031	(101,696,939)	-30%	1%	2%	
Investment property		285,510,452	285,510,452	-	0%	2%	1%	
Property and equipment		86,194,622	107,432,510	(21,237,888)	-20%	0%	1%	
Right of use asset		39,875,668	73,225,966	(33,350,298)	-46%	0%	0%	
Goodwill		1,358,298,121	1,358,298,121	0	0%	8%	7%	
Other non-current assets		404,884,388	550,762,306	(145,877,918)	-26%	2%	3%	
Total Noncurrent Assets		11,419,854,983	11,900,872,389	(481,017,406)	-4%	63%	60%	
Total Assets	P	18,065,001,834	P 19,930,922,355	(1,865,920,521)	-9%	100%	100%	
LIABILITIES AND EQUITY								
Current Liabilities								
Trade payables and other current liabilities	P	1,859,640,601	1,618,365,470	241,275,131	15%	10%	8%	
Loans payable		37,500,000	150,000,000	(112,500,000)	-75%	0%	1%	
Lease liability - ROU current		53,553,670	75,030,683	(21,477,012)	-29%	0%	0%	
Income tax payable		6,043	4,274,940	(4,268,897)	-100%	0%	0%	
Total current liabilities		1,950,700,315	1,847,671,093	103,029,222	6%	11%	9%	
Noncurrent Liability								
Lease liability - ROU non current		3,760,792	16,576,645	(12,815,853)	100%	0%	0%	
Retirement liability		46,760,475	48,950,570	(2,190,095)	-4%	0%	0%	
Deferred tax liability		6,878,369	-	6,878,369	100%	0%	0%	
Total non-current liabilities		57,399,636	65,527,215	(8,127,579)	-12%	0%	0%	
Total Liabilities	P	2,008,099,950	P 1,913,198,308	94,901,643	5%	11%	10%	
Equity								
Capital Stock		7,906,827,500	7,906,827,500	-	0%	44%	40%	
Additional paid-in capital		7,238,721,924	7,238,721,924	-	0%	40%	36%	
Treasury shares		(220,430,080)	(29,430,080)	(191,000,000)	649%	-1%	0%	
Cost of parent shares held by a subsidiary		(509,597,055)	(509,597,055)	-	0%	-3%	-3%	
Other reserves		(866,665,956)	(788,608,550)	(78,057,406)	-10%	-5%	-4%	
Retained earnings (deficit)		2,125,255,250	3,660,924,536	(1,535,669,286)	-42%	12%	18%	
Total equity attributable to Parent		15,674,111,583	17,478,838,275	(1,804,726,692)	-10%	87%	88%	
Non-controlling interest		382,790,301	538,885,772	(156,095,471)	-29%	2%	3%	
Total Equity		16,056,901,884	18,017,724,047	(1,960,822,163)	-11%	89%	90%	
Total Liabilities and Equity	P	18,065,001,834	P 19,930,922,355	(1,865,920,521)	-9%	100%	100%	

As at September 30, 2020, PLC's total assets amounted to Php18.07 billion, lower by Php1.87 billion (9%) versus total assets as at December 31, 2019. 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 37% (Php1.30 billion) as at September 30, 2020 mainly because of the payment of dividends to shareholders in March 2020. The steady success of the Company in 2019 allowed

it to declare and pay around Php1.59 billion in dividends (Php0.05024 per share) during the first quarter of 2020.

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 ₱104.82 million.

Investments held for trading

Investments held for trading decreased by 49% mainly due to investment share price the mark-to-market loss as an effect of the Covid-19 pandemic to the economy and the business sector of the country.

Intangible Asset

The Company's intangible asset pertains to the Philippine Gaming and Amusement Corporation (PAGCOR) gaming license obtained by PLC through its subsidiary, PremiumLeisure and Amusement, Inc. (PLAI). The decrease in the intangible asset account is brought about by the amortization of the license.

Investment Property

As at September 30, 2020 and December 31, 2019, 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 Php21.24 million (20%) in the account compared to balances at December 31, 2019 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 Php2.01 billion as at September 30, 2020. The increase is mainly brought about by the increase in trade and other current liabilities in relation to its lottery business segment.

Equity

Stockholders' equity declined from Php18.02 billion as at December 31, 2019, to Php16.06 billion as at September 30, 2020. This decrease of Php1.96 billion was mainly brought about by the declaration and payment of dividends to PLC's shareholders during the first quarter of the year as well as an increase in the treasury shares of the Company because of a buyback program implemented at the start of the year.

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

Ratio	Manner in which the financial ratios are computed	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Current ratio	Current assets divided by current liabilities	3.41	3.61	3.82
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	3.31	3.41	3.63
Solvency ratio	Total assets / total liabilities	9.00	9.10	9.07
Asset to equity	Total assets divided by total equity	1.13	1.12	1.12
Debt to equity	Interest bearing debt divided by total equity	0.00	0.00	0.00
Interest rate coverage	Earnings before interest, tax, depreciation and amortization divided by interest expense	20	352	472
Debt ratio	Total debt / total assets	0.11	0.11	0.11
Return on assets	Net income (loss) divided by average total assets during the period	-0.9%	11.0%	10.7%
Return on equity	Net income (loss) divided by average total equity during the period	-1.0%	12.2%	11.9%

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 108% for the nine months ending September 30, 2020, accounting for the decrease in the return on assets and return on equity (which are both negative) versus the same period in 2019.
- b) Current, quick and solvency ratios decreased minimally.

As at September 30, 2020, except for what has been noted in the preceding, there were no material events or uncertainties known to management that had a material impact on past performance, or that would have a material impact on the future operations, in respect of the following:

- Known trends, demands, commitments, events or uncertainties that would have a material impact on the Company;
- Material commitments for capital expenditures that are reasonably expected to have a material impact on the Company's short-term or long-term liquidity;
- Known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations;
- Significant elements of income or loss that did not arise from the Company's continuing operations;
- Seasonal aspects that had a material impact on the Company's results of operations; and
- Material changes in the financial statements of the Company for the periods ended September 30, 2020 and December 31, 2019, 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, trade receivables and others, financial assets at FVOCI and AFS financial assets.

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, 2020 and December 31, 2019 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 2020 and 2019.

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.

	September 30, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,241,016,291	2,241,016,291	3,537,075,479	3,537,075,479
Investment held for trading	71,474,605	71,474,605	140,456,581	140,456,581
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	180,079,620	180,079,620	332,479,558	332,479,558
Nontrade and others	262,276,019	262,276,019	5,055,618	5,055,618
	6,460,771,535	6,460,771,535	7,720,992,236	7,720,992,236
AFS Investment				
Quoted shares	232,737,993	232,737,993	334,434,931	334,434,931
Unquoted shares	81,100	81,100	81,100	81,100
	232,819,093	232,819,093	334,516,031	334,516,031
	6,693,590,628	6,693,590,628	8,055,508,267	8,055,508,267
Loans and Borrowings				
Accrued expenses & other liabilities*	1,851,136,141	1,851,136,141	1,611,644,270	1,611,644,270

*excluding statutory payables amounting to P8.5 million and P6.7 million as at September 30, 2020 and December 31, 2019, respectively.

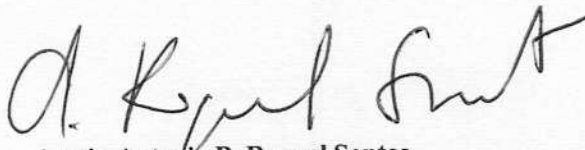
Other Required Disclosures

- 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, 2019.
- B.) Except as reported in the Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), there were no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
- C.) There were no material changes in estimates of amounts reported in prior periods that have material effects in the current interim period.
- D.) Except as disclosed in the MD&A, there were no other issuance, repurchases and repayments of debt and equity securities.
- E.) There were no material events that occurred subsequent to September 30, 2020 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, aside from the deconsolidation of Lucky Circle Corporation (LCC), a subsidiary of PLC's subsidiary, Pacific Online Systems Corporation (POSC). LCC, which is in the business of distributing, marketing, and selling Lotto, KENO and scratch tickets, was sold effective February 29, 2020.
- G.) There were no changes in contingent liabilities or contingent assets since December 31, 2019, as of September 30, 2020.
- H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

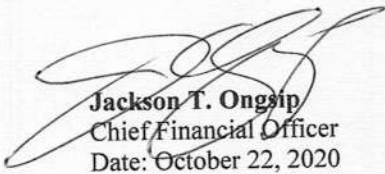
SIGNATURE

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

Issuer: **Premium Leisure Corp**



Armin Antonio B. Raquel Santos
President
Date: October 22, 2020



Jackson T. Ongsip
Chief Financial Officer
Date: October 22, 2020

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	September 30, 2020	December 31, 2019
	(Unaudited)	(Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	P 2,241,016,291	P 3,537,075,479
Investment held for trading	71,474,605	140,456,581
Trade and other receivables	442,355,639	337,535,176
Notes receivable	3,705,925,000	3,705,925,000
Contract asset - current	-	40,510,763
Other current assets	184,375,316	268,546,967
Total Current Assets	6,645,146,851	8,030,049,966
Noncurrent Assets		
Intangible asset	9,012,272,639	9,191,127,003
Financial assets at fair value through OCI	232,819,093	334,516,031
Property and equipment	86,194,622	107,432,510
Investment property	285,510,452	285,510,452
Right of use asset - net	39,875,668	73,225,966
Goodwill	1,358,298,121	1,358,298,121
Deferred tax assets	35,698,045	52,824,625
Retirement assets	-	10,311,588
Contract asset - noncurrent	-	89,612,359
Other non-current assets	369,186,343	398,013,734
Total Noncurrent Assets	11,419,854,983	11,900,872,389
Total Assets	P 18,065,001,834	P 19,930,922,355
LIABILITIES AND EQUITY		
Current Liabilities		
Trade payables and other current liabilities	P 1,859,640,601	P 1,618,365,470
Loans payable	37,500,000	150,000,000
Lease liability - ROU current	53,553,670	75,030,683
Income tax payable	6,043	4,274,940
Total current liabilities	1,950,700,314	1,847,671,093
Noncurrent Liability		
Retirement liability	46,760,475	48,950,570
Deferred tax liability	6,878,369	-
Lease liability - ROU non current	3,760,792	16,576,645
Total non-current liabilities	57,399,636	65,527,215
	P 2,008,099,950	P 1,913,198,308
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)	(29,430,080)
Cost of parent shares held by a subsidiary	(509,597,055)	(509,597,055)
Other reserves	(866,665,956)	(788,608,550)
Retained earnings (deficit)	2,125,255,250	3,660,924,536
Total equity attributable to Parent	15,674,111,583	17,478,838,275
Non-controlling interest	382,790,301	538,885,772
Total Equity	16,056,901,884	18,017,724,047
Total Liabilities and Equity	P 18,065,001,834	P 19,930,922,355

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30		This quarter	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
INCOME				
Gaming share revenue	P 324,808,684	2,379,810,271	76,891,309	496,137,765
Equipment lease rentals	175,213,401	530,301,534	41,209,040	161,255,106
Commission and distribution income	46,120,634	236,112,075	2,380	46,395,417
	546,142,719	3,146,223,880	118,102,729	703,788,288
COST AND EXPENSES				
Salaries and payroll related expenses	126,605,071	263,625,809	29,971,714	79,565,533
Service and consultancy fees	-	-	-	(1,634,426)
Online lottery expenses	5,549,861	30,186,145	928,054	3,309,317
Software and license fees	30,533,809	120,241,104	9,951,263	29,223,259
Repairs, maintenance and communication	51,012,265	87,724,345	13,986,526	25,048,548
General and administrative expenses	225,875,295	924,795,625	61,981,345	281,800,497
Amortization of intangible	178,854,363	178,854,363	59,618,121	59,618,121
Depreciation expense	197,555,941	144,029,634	68,278,809	34,961,572
	815,986,605	1,749,457,025	244,715,832	511,892,421
OTHER INCOME (EXPENSES)				
Interest income	166,390,656	208,437,358	46,828,430	70,095,119
Dividend Income	22,353,086	24,708,086	(321,720)	4,710,000
Other income (charges)	(23,279,186)	(8,894,609)	(10,215,055)	(24,145,527)
	165,464,556	224,250,835	36,291,655	50,659,592
NET INCOME (LOSS) BEFORE INCOME TAX	(104,379,330)	1,621,017,690	(90,321,448)	242,555,459
PROVISION(BENEFIT FROM) INCOME TAX	21,037,530	17,557,502	7,987,027	5,570,705
NET INCOME(LOSS)	(125,416,860)	1,603,460,188	(98,308,475)	236,984,754
Net income attributable to Parent	13,721,662	1,704,219,088	(40,703,065)	299,609,998
Net income attributable to Minority interest	(139,138,522)	(100,758,900)	(57,605,410)	(62,625,244)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	(101,696,940)	(36,363,159)	(5,299,522)	(39,916,172)
Remeasurement loss on DBL	6,682,576	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	P (220,431,224)	1,567,097,029	P (103,607,997)	P 197,068,582
Total Comprehensive income attributable to Parent	(64,335,756)	1,675,174,193	(45,004,641)	267,697,385
Total Comprehensive income attributable to Minorit	(156,095,468)	(108,077,164)	(58,603,356)	(70,608,803)
Total	(220,431,224)	1,567,097,029	(103,607,997)	197,088,582
Earnings Per Share (Basic)	P 0.00044	P 0.05393		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Nine Months Ended September 30	
	2020 (Unaudited)	2019 (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	(29,430,080)	(29,430,080)
Additions for the year	(191,000,000)	-
Balance at the end of period	(220,430,080)	(29,430,080)
Other Reserves		
Balance at beginning of year	(788,608,549)	(736,930,415)
Net Unrealized loss on available-for-sale investments	(81,405,387)	(29,044,894)
Remeasurement gain on Retirement	3,347,980	-
Balance at the end of period	(866,665,956)	(765,975,309)
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	3,660,924,536	2,967,544,420
Declared dividends	(1,549,390,948)	(1,543,349,140)
Net income (loss)	13,721,662	1,704,219,088
Balance at end of period	2,125,255,250	3,128,414,368
NON-CONTROLLING INTEREST	382,790,301	585,617,098
	P 16,056,901,884	P 17,554,578,446

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended September 30

	2020 (Unaudited)	2019 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	P (104,379,330)	P 1,621,017,690
Adjustments for:		
Unrealized loss (gain) on marketable securities	18,981,976	(1,766,409)
Finance charges	6,214,344	4,891,755
Retirement cost	5,400,082	7,725,530
Loss(gain) on sale of marketable securities	-	-
Loss (gain) on sale of property and equipment	(850)	(49,998)
Loss (gain) on sale of AFS investment	-	-
Foreign exchange (gain) loss	(771,578)	(429,354)
Gain on sale of subsidiary	(9,547,745)	-
Depreciation	197,555,941	144,029,634
Amortization of Intangible	178,854,363	178,854,363
Dividend income	(22,353,086)	(24,708,086)
Interest income	(38,437,757)	(39,144,612)
Income before working capital changes	231,516,360	1,890,420,512
Decrease (Increase) in:		
Receivables and others	(104,820,463)	(113,385,653)
Other current assets	(57,232,883)	(71,088,756)
Other noncurrent assets	118,439,750	53,736,896
Increase (decrease) in:		
Increase in accrued trade and other payables	219,798,119	551,551,947
Retirement contributions paid	(0)	(6,500,000)
Income tax paid	(1,294,285)	(17,750,174)
Net cash provided by operating activities	406,406,598	2,286,984,772
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Property and equipment	(57,273,209)	(176,629,895)
Investment in stocks	-	-
Right of use of Asset	-	(42,285,674)
Dividends received	22,353,086	24,708,086
Interest received	38,437,757	39,144,612
Proceeds from sale of:		
Subsidiary	137,413,892	-
Marketable securities	50,000,000	-
Property and equipment	850	49,998
Net cash from investing activities	190,932,376	(155,012,873)
CASH FLOW FROM FINANCING ACTIVITY		
Increase (Decrease) in obligations under finance lease	-	(11,058,576)
Increase (Decrease) in installment payable	-	(9,205,042)
Increase (Decrease) in lease liability	(34,292,869)	15,472,103
Acquisition of Treasury shares	(191,000,000)	-
Payment of loan	(112,500,000)	-
Interest paid	(6,214,344)	(4,891,755)
Dividends paid	(1,549,390,949)	(1,568,582,629)
Net cash from financing activities	(1,893,398,162)	(1,578,265,899)
NET INCREASE IN CASH	(1,296,059,188)	553,706,001
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	3,537,075,479	2,314,012,081
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 2,241,016,291	P 2,867,718,082

	September 30, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Financial Assets				
Cash and cash equivalents	2,241,016,291	2,241,016,291	3,537,075,479	3,537,075,479
Investment held for trading	71,474,605	71,474,605	140,456,581	140,456,581
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	180,079,620	180,079,620	332,479,558	332,479,558
Nontrade and others	262,276,019	262,276,019	5,055,618	5,055,618
	6,460,771,535	6,460,771,535	7,720,992,236	7,720,992,236
AFS Investment				
Quoted shares	232,737,993	232,737,993	334,434,931	334,434,931
Unquoted shares	81,100	81,100	81,100	81,100
	232,819,093	232,819,093	334,516,031	334,516,031
	6,693,590,628	6,693,590,628	8,055,508,267	8,055,508,267
Loans and Borrowings				
Accrued expenses & other liabilities*	1,851,136,141	1,851,136,141	1,611,644,270	1,611,644,270

*excluding statutory payables amounting to - Php8.5 million and P6.7 million as at September 30, 2020 and December 31, 2019, respectively.

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
September 30, 2020

<u>NAME</u>	<u>AMOUNT</u>
Notes receivables - current	3,705,925,000
Trade receivables - current	180,079,620
Other receivable	262,276,019
Other current assets	184,375,316
Total Receivables and Other Assets	<u>4,332,655,956</u>

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