107262019008511

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	AS93009289
Company Name	PREMIUM LEISURE CORP.
Industry Classification	Financial Holding Company Activities
Company Type	Stock Corporation

Document Information

Document ID	107262019008511
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COVER SHEET

AS093009289

S.E.C. Registration Number

PREMIUM LEISURE CORP AND SUBSI-
DIARIES

(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	31	17-Q		
Month	Day	FORM TYPE	Month	Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

362

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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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, 2019**

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) 662-8888**

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, ₱0.25[1] par value	**31,598,931,000**

11. Are any or all of these securities listed on the Philippine Stock Exchange (PSE).
    Yes [x] No [ ]

    Out of a total of 31,598,931,000 outstanding shares, 31,598,930,995 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 [x] No [ ]

    b) has been subject to such filing requirements for the past 90 days.
       Yes [x] No [ ]

[1]New par value of ₱0.25 was approved by the Securities and Exchange Commission on May 29, 2014.

PART 1- FINANCIAL INFORMATION

Item 1. Financial Statements

The following unaudited financial statements are submitted as part of this report:

a.) Consolidated Statements of Financial Position as of June 30, 2019 and December 31, 2018;
b.) Consolidated Statements of Comprehensive Income for the Six Months ended June 30, 2019 and June 30, 2018;
c.) Consolidated Statements of Changes in Equity for the Six Months ended June 30, 2019 and June 30, 2018;
d.) Consolidated Statements of Cash Flows for the Six Months ended June 30, 2019 and June 30, 2018.

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

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	6 months ended June		**Horizontal Analysis**		**Vertical Analysis**	
	2019 (Unaudited)	2018 (Unaudited)	Increase (Decrease) Amount	%	2019 %	2018 %
INCOME						
Gaming share revenue	**1,883,672,506**	1,732,583,702	151,088,804	9%	77%	61%
Equipment lease rentals	**369,046,428**	855,252,481	(486,206,052)	-57%	15%	30%
Commission and distribution income	**189,716,658**	242,626,997	(52,910,339)	-22%	8%	9%
	2,442,435,593	2,830,463,179	(388,027,586)	-14%	100%	100%
COST AND EXPENSES						
Salaries and payroll related expenses	**184,060,276**	202,380,298	(18,320,023)	-9%	8%	7%
Software and license fees	**91,017,845**	116,868,842	(25,850,997)	-22%	4%	4%
Repairs, maintenance and communication	**62,675,797**	67,455,854	(4,780,057)	-7%	3%	2%
Online lottery expenses	**26,876,828**	117,643,111	(90,766,283)	-77%	1%	4%
Service and consultancy fees	**1,634,426**	167,755,412	(166,120,986)	-99%	0%	6%
General and administrative expenses	**642,995,128**	620,665,446	22,329,682	4%	26%	22%
Amortization of intangible	**119,236,242**	119,236,242	-	0%	5%	4%
Depreciation expense	**109,068,062**	104,396,749	4,671,314	4%	4%	4%
	1,237,564,605	1,516,401,954	(278,837,349)	-18%	51%	54%
OTHER INCOME (EXPENSES)						
Interest income	**138,342,239**	47,320,360	91,021,879	192%	6%	2%
Dividend Income	**19,998,086**	22,827,521	(2,829,434)	-12%	1%	1%
Other income (charges)	**15,250,918**	49,481,307	(34,230,389)	-69%	1%	2%
	173,591,243	119,629,187	53,962,056	45%	7%	4%
NET INCOME (LOSS) BEFORE INCOME TAX	**1,378,462,231**	1,433,690,412	(55,228,181)	-4%	56%	51%
PROVISION(BENEFIT FROM) INCOME TAX	**11,986,797**	93,659,658	(81,672,861)	-87%	0%	3%
NET INCOME	**1,366,475,434**	1,340,030,754	26,444,680	2%	56%	47%
Net income attributable to Parent	***1,404,609,090***	*1,231,181,740*	*173,427,350*	*14%*	*58%*	*43%*
Net income attributable to Minority interest	***(38,133,656)***	*108,849,016*	*(146,982,672)*	*-135%*	*-2%*	*4%*

For the six months ended June 30, 2019, PLC recognized net income of Php1,366.5 million, higher by 2% (or Php26.4 million) compared to the net income of Php1,340.0 million recognized for the same period in 2018.

Operating EBITDA (proxy for cash flow) for the period is at Php1,433.2 million, 7% lower than its reported EBITDA of Php1,537.7 million for the same period in 2018.

Revenues for the period decreased by 14% from Php2.83 billion to Php2.44 billion due to the decline in Pacific Online Systems Corporation (POSC) equipment lease rental revenues from lotto and KENO as a result of lower sales volume for the first half of the year largely because of competition from small-town lottery (STL) in areas where POSC is operating. This decline is offset in part by the 9% growth in gaming share revenue of from the City of Dreams Manila, contributing Php1.88 billion or 77% of the Company's consolidated revenues.

Costs and expenses decreased by Php278.8 million or 18% for the period due to the decrease in the Company's service and consultancy fees, online lottery expenses and software and license fees and payroll related expenses.

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	6 months ended June		Horizontal Analysis		Vertical Analysis	
	2019	2018	Increase (Decrease)		2019	2018
	(Unaudited)	(Unaudited)	Amount	%	%	%
NET INCOME	**1,366,475,434**	1,340,030,754	26,444,680	2%	56%	47%
OTHER COMPREHENSIVE INCOME (LOSS)						
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year	**3,533,013**	(122,947,532)	126,480,545	-103%	0%	-4%
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**P 1,370,008,448**	P 1,217,083,222	P 152,925,225	13%	56%	43%
Total Comprehensive income attr to Parent	***1,407,476,806***	*1,132,813,261*	*274,663,545*	*24%*	*58%*	*40%*
Total Comprehensive income attr to Minority	***(37,468,359)***	*84,269,961*	*(121,738,320)*	*-144%*	*-2%*	*3%*
Total	***1,370,008,448***	*1,217,083,222*	*152,925,225*	*13%*	*56%*	*43%*

PLC's comprehensive income pertains to the unrealized gains (losses) arising from changes in market value of available for sale (AFS) investments during the year. PLC recognized comprehensive income on its Available for Sale investments amounting to Php3.5 million for the six months ending June 30, 2019 as a result of the recovery in share prices of its AFS investments. As such, PLC recognized a total comprehensive income amounting to Php1.37 billion (of which Php1.41 billion is attributable to parent shareholders) as of June 30, 2019.

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, 2019.

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

	June 30, 2019	December 31, 2018	Horizontal Analysis		Vertical Analysis	
			Increase (Decrease)		2019	2018
	(Unaudited)	(Audited)	Amount	%	%	%
ASSETS						
Current Assets						
Cash and cash equivalents	**P 2,168,436,421**	2,314,012,080	(145,575,659)	-6%	11%	12%
Trade and other receivables	**739,142,277**	354,582,921	384,559,356	108%	4%	2%
Investment held for trading	**164,678,603**	155,704,892	8,973,711	6%	1%	1%
Notes receivable	**3,705,925,000**	3,705,925,000	-	0%	19%	19%
Other assets	**360,641,607**	353,132,463	7,509,144	2%	2%	2%
Total Current Assets	**7,138,823,909**	6,883,357,356	255,466,552	4%	37%	36%
Noncurrent Assets						
Intangible asset	**9,310,363,244**	9,429,599,486	(119,236,242)	-1%	48%	49%
Financial assets at fair value through OCI	**391,277,276**	387,744,261	3,533,014	1%	2%	2%
Investment property	**285,510,452**	285,510,452	-	0%	1%	1%
Property and equipment	**168,726,759**	259,903,572	(91,176,812)	-35%	1%	1%
Right to use an asset	**12,028,883**	-	12,028,883	100%	0%	0%
Goodwill	**1,721,326,738**	1,721,326,738	-	0%	9%	9%
Other non-current assets	**187,071,608**	222,347,224	(35,275,616)	-16%	1%	1%
Total Noncurrent Assets	**12,076,304,960**	12,306,431,733	(230,126,773)	-2%	63%	64%
Total Assets	**P 19,215,128,869**	P 19,189,789,089	25,339,780	0%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	**P 1,774,276,484**	1,526,587,303	247,689,182	16%	9%	8%
Current portion of obligations under finance	**20,492,159**	19,379,463	1,112,696	6%	0%	0%
Current portion of installment payable	**10,510,944**	9,205,042	1,305,902	14%	0%	0%
Income tax payable	**4,706,260**	9,415,467	(4,709,207)	-50%	0%	0%
Total current liabilities	**1,809,985,848**	1,564,587,275	245,398,573	16%	9%	8%
Noncurrent Liability						
Lease liability - ROU non current	**1,940,558**	-	1,940,558	100%	0%	0%
Obligation under finance lease	**5,470,757**	15,995,011	(10,524,254)	-66%	0%	0%
Retirement liability	**6,981,493**	6,981,493	-	0%	0%	0%
Deferred tax liability	**33,260,349**	46,161,265	(12,900,916)	-28%	0%	0%
Total non-current liabilities	**47,653,159**	69,137,769	(21,484,611)	-31%	0%	0%
Total Liabilities	**P 1,857,639,006**	P 1,633,725,044	223,913,963	14%	10%	9%
Equity						
Capital Stock	**7,906,827,500**	7,906,827,500	-	0%	41%	41%
Additional paid-in capital	**7,238,721,924**	7,238,721,924	-	0%	38%	38%
Treasury shares	**(29,430,080)**	(29,430,080)	-	-100%	0%	0%
Cost of parent shares held by a subsidiary	**(509,597,055)**	(509,597,055)	-	0%	-3%	-3%
Other reserves	**(734,062,697)**	(736,930,414)	2,867,717	0%	-4%	-4%
Retained earnings (deficit)	**2,828,804,370**	2,967,544,418	(138,740,049)	-5%	15%	15%
Total equity attributable to Parent	**16,701,263,961**	16,837,136,293	(135,872,332)	-1%	87%	88%
Non-controlling interest	**656,225,902**	718,927,752	(62,701,851)	-9%	3%	4%
Total Equity	**17,357,489,862**	17,556,064,045	(198,574,183)	-1%	90%	91%
Total Liabilities and Equity	**P 19,215,128,869**	P 19,189,789,089	25,339,780	0%	100%	100%

As at June 30, 2019, PLC's total assets amounted to Php19.2 billion, lower by Php25.3 million versus total assets as at December 31, 2018. 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 6% (Php145.6 million) as at June 30, 2019 due mainly to the payment of dividends to shareholders in March 2019, offset by collections in gaming share revenue, equipment lease rentals and higher interest earned for the period. The remarkable success of the Company in 2018 allowed it to declare and pay around Php1,588.8 million in dividends (Php0.05024 per share) early in 2019. This dividend amount is 14% higher than the dividends paid in 2018.

Investments held for trading

Investments held for trading increased by 6% mainly due to the mark-to-market gains and losses due to changes in share prices.

Trade, notes 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. The Company recorded net increase in trade and other receivables by ₱384.6 million (108%).

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, 2019 and December 31, 2018, 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 Php91.2 million (35%) in the account compared to balances at December 31, 2018 due to recognized depreciation that was tempered by additions in PPE 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

PLCs total liabilities increased by ₱223.9 million or 14% as at June 30, 2019 from total liabilities of ₱1.63 billion as at December 31, 2018. The increase is due mostly to the increase in trade and other payables related the Company's operations as well as increase in accrued expenses of the Company.

Equity

Stockholders' equity decreased by ₱198.6 million as at June 30, 2019 from ₱17.56 billion as of December 31, 2018. The decrease is due mainly to the dividends declared and paid in March 2019 amounting to around Php1,588.8 million. This is tempered by the change in market prices of its available for share investments (under Other Reserves) and the net income earned for the first half of the year.

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

Ratio	Manner in which the financial rations are computed	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Current ratio	Current assets divided by current liabilities	3.94	4.04	4.40
Quick ratio	(Current assets less invty - prepayments) / Current liabilities	3.74	3.53	4.17
Solvency ratio	Total assets / total liabilities	10.34	12.17	11.75
Asset to equity	Total assets divided by total equity	1.11	1.09	1.09
Debt to equity	Interest bearing debt divided by total equity	0.00	0.00	0.00
Debt ratio	Total debt / total assets	0.10	0.08	0.09
Return on assets	Net income (loss) divided by average total assets during the period	14.2%	14.6%	12.2%
Return on equity	Net income (loss) divided by average total equity during the period	15.7%	15.9%	13.3%

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 is flat, increasing by 2% for the first half of 2019, accounting for the insignificant movement in the return on assets and return on equity versus the same period in 2018.
b) There is no significant change in the other ratios presented.

As at June 30, 2019, 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, 2019 and December 31, 2018, except those mentioned in the preceding.

PART II - OTHER INFORMATION

Financial Risk Management

The Company's principal financial instruments comprise cash and cash equivalents, trade receivables, and obligations under finance lease. The main purpose of these financial instruments is to raise financing for the Company's operations and capital expenditures. The Company has other financial assets and liabilities such as investments held for trading, AFS financial assets, trade and other receivables and trade and other current liabilities which arise directly from its operations.

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 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 and AFS financial assets, 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, 2018 and December 31, 2017 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 AFS financial assets 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 AFS financial assets. 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.

Fair Value of Financial Instruments

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

	June 30, 2019		December 31, 2018	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial Assets				
Cash and cash equivalents	2,168,436,421	2,168,436,421	2,314,012,081	2,314,012,081
Investment held for trading	164,678,603	164,678,603	155,704,892	155,704,892
Notes receivable	3,705,925,000	3,705,925,000	3,705,925,000	3,705,925,000
Trade and other receivables:				
Trade receivables	733,506,887	733,506,887	331,628,182	331,628,182
Nontrade and others	5,635,390	5,635,390	19,107,363	19,107,363
	6,778,182,301	**6,778,182,301**	**6,526,377,518**	**6,526,377,518**
AFS Investment				
Quoted shares	391,196,176	391,196,176	387,663,161	387,663,161
Unquoted shares	81,100	81,100	81,100	81,100
	391,277,276	**391,277,276**	**387,744,261**	**387,744,261**
	7,169,459,576	**7,169,459,576**	**6,914,121,779**	**6,914,121,779**
Loans and Borrowings				
Accrued expenses & other liabilities*	**1,767,359,513**	**1,767,359,513**	**1,526,843,674**	**1,526,843,674**

**excluding statutory payables amounting to - Php6.9 million and P8.9 million as at June 30, 2019 and December 31, 2018, respectively.*

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 Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets of liabilities;
- Level 2: other techniques for which all inputs which have significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts of cash, receivables and others and accrued expenses and other current liabilities approximate their fair values due to the short-term nature of the transactions.

The fair values of AFS investments in quoted equity shares are based on quoted prices in the Philippine Stock Exchange as of reporting date. There are no quoted market prices for the unlisted shares of stock and there are no other reliable sources of their fair values, therefore, these are carried at cost, net of any impairment loss.

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, 2018.

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, 2019 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, 2018, as of June 30, 2019.

H.) There exist no material contingencies and other material events or transactions affecting the current interim period.

SIGNATURE

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

Issuer: **Premium Leisure Corp**

Armin Antonio B. Raquel Santos
President
Date: July 26, 2019

PREMIUM LEISURE CORP AND SUBSIDIARIES
Consolidated Statements of Financial Position

		June 30, 2019		December 31, 2018
		(Unaudited)		(Audited)
ASSETS				
Current Assets				
Cash and cash equivalents	P	2,168,436,421	P	2,314,012,081
Investment held for trading		164,678,603		155,704,892
Trade and other receivables		739,142,277		350,735,545
Notes receivable		3,705,925,000		3,705,925,000
Other assets		360,641,607		356,979,838
Total Current Assets		7,138,823,908		6,883,357,356
Noncurrent Assets				
Intangible asset		9,310,363,244		9,429,599,487
Financial assets at fair value through OCI		391,277,276		387,744,261
Property and equipment		168,726,759		259,903,572
Investment property		285,510,452		285,510,452
Right of use asset - net		12,028,883		-
Goodwill		1,721,326,738		1,721,326,738
Deferred tax assets		-		8,864,126
Retirement assets		4,210,023		7,855,553
Other non-current assets		182,861,585		205,627,543
Total Noncurrent Assets		12,076,304,960		12,306,431,732
Total Assets	P	19,215,128,868	P	19,189,789,088
LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities	P	1,774,276,484	P	1,535,792,345
Current portion of obligations under finance lease		20,492,159		19,379,463
Lease liability - ROU current		10,510,944		
Income tax payable		4,706,260		9,415,467
Total current liabilities		1,809,985,847		1,564,587,275
Noncurrent Liability				
Obligation under finance lease		5,470,757		15,995,011
Retirement liability		6,981,493		6,981,493
Deferred tax liability		33,260,349		46,161,265
Lease liability - ROU non current		1,940,558		-
Total non-current liabilities		47,653,157		69,137,769
	P	1,857,639,004	P	1,633,725,044
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		(29,430,080)		(29,430,080)
Cost of parent shares held by a subsidiary		(509,597,055)		(509,597,055)
Other reserves		(734,062,697)		(736,930,415)
Retained earnings (deficit)		2,828,804,370		2,967,544,418
Total equity attributable to Parent		16,701,263,962		16,837,136,292
Non-controlling interest		656,225,902		718,927,752
Total Equity		17,357,489,864		17,556,064,044
Total Liabilities and Equity	P	19,215,128,868	P	19,189,789,088

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Six Months Ended June 30		This quarter	
		2019	2018	**2019**	2018
		(Unaudited)	(Unaudited)	**(Unaudited)**	
INCOME					
Gaming share revenue	**P**	**1,883,672,506**	1,732,583,702	1,158,956,563	1,068,246,981
Equipment lease rentals		**369,046,428**	855,252,481	169,440,108	415,398,022
Commission and distribution income		**189,716,658**	242,626,997	95,520,255	122,686,600
		2,442,435,592	2,830,463,180	1,423,916,926	1,606,331,603
COST AND EXPENSES					
Salaries and payroll related expenses		**184,060,276**	202,380,298	92,757,103	103,082,587
Service and consultancy fees		**1,634,426**	167,755,412	756,067	72,109,787
Online lottery expenses		**26,876,828**	117,643,111	12,335,708	67,402,409
Software and license fees		**91,017,845**	116,868,842	44,390,036	56,988,611
Repairs, maintenance and communication		**62,675,797**	67,455,854	28,391,892	34,062,345
General and administrative expenses		**642,995,128**	620,665,446	327,801,228	352,412,284
Amortization of intangible		**119,236,242**	119,236,242	59,618,121	59,618,121
Depreciation expense		**109,068,062**	104,396,749	57,496,793	52,063,265
		1,237,564,604	1,516,401,954	623,546,948	797,739,409
OTHER INCOME (EXPENSES)					
Interest income		**138,342,239**	47,320,360	68,267,115	21,757,128
Dividend Income		**19,998,086**	22,827,521	11,998,526	261,419
Other income (charges)		**15,250,918**	49,481,307	9,450,352	(4,991,712)
		173,591,243	119,629,188	89,715,993	17,026,835
NET INCOME (LOSS) BEFORE INCOME TAX		**1,378,462,231**	1,433,690,414	890,085,971	825,619,029
PROVISION(BENEFIT FROM) INCOME TAX		**11,986,797**	93,659,658	8,837,160	41,937,077
NET INCOME(LOSS)		**1,366,475,434**	1,340,030,756	881,248,811	783,681,952
Net income attributable to Parent		**1,404,609,090**	1,231,181,740	909,549,741	756,759,228
Net income attributable to Minority interest		**(38,133,656)**	108,849,016	(28,300,930)	26,922,724
OTHER COMPREHENSIVE INCOME (LOSS)					
Unrealized gains (loss) arising from changes in market value of available for sale investments during the year		**3,533,013**	(122,947,532)	(1,666,508)	(94,833,910)
Remeasurement gain on DBL				-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**P**	**1,370,008,447**	1,217,083,224	P 879,582,303	P 688,848,042
Total Comprehensive income attributable to Parent		**1,407,476,806**	1,132,813,261	908,215,881	576,464,456
Total Comprehensive income attributable to Minority		**(37,468,359)**	84,269,963	(28,633,578)	112,383,586
Total		**1,370,008,447**	1,217,083,224	879,582,303	688,848,042
Earnings Per Share (Basic and diluted)	**P**	**0.04445**	P 0.03896		

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Six Months Ended June 30	
	2019 (Unaudited)	2018 (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)**	-
Additions for the year	**-**	(29,430,080)
Balance at the end of period	**(29,430,080)**	(29,430,080)
Other Reserves		
Balance at beginning of year	**(736,930,415)**	40,848,816
Net Unrealized loss on available-for-sale investments	**2,867,718**	(98,368,480)
Balance at the end of period	**(734,062,697)**	(57,519,664)
Cost of Parent Company held by a subsidiary		
Balance at beginning of year	**(509,597,055)**	(475,427,035)
Additional acquisition	**-**	(34,170,020)
Balance at the end of period	**(509,597,055)**	(509,597,055)
RETAINED EARNINGS (DEFICIT)		
Balance at beginning of year	**2,967,544,420**	1,604,112,305
Declared dividends	**(1,543,349,140)**	(1,372,626,733)
Net income (loss)	**1,404,609,090**	1,231,181,740
Balance at end of period	**2,828,804,370**	1,462,667,312
NON-CONTROLLING INTEREST	**656,225,902**	697,350,848
	P **17,357,489,864**	P 16,709,020,784

PREMIUM LEISURE CORP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30	
	2019 (Unaudited)	2018 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss) before income tax	**P 1,378,462,231**	P 1,433,690,414
Adjustments for:		
Unrealized loss (gain) on marketable securities	**(8,973,711)**	660,345
Finance charges	**2,747,585**	190,364
Retirement cost	**5,145,530**	3,600,000
Loss(gain) on sale of marketable securities	**-**	(2,224,652)
Loss (gain) on sale of property and equipment	**(39,998)**	(446,997)
Foreign exchange (gain) loss	**(379,439)**	(64,595)
Depreciation	**109,068,062**	104,396,749
Amortization of Intangible	**119,236,242**	119,236,242
Dividend income	**(19,998,086)**	(22,827,521)
Interest income	**(21,825,926)**	(19,798,089)
Income before working capital changes	**1,563,442,490**	1,616,412,260
Decrease (Increase) in:		
Receivables and others	**(388,406,732)**	(61,973,323)
Other current assets	**(409,584)**	(247,900,316)
Other noncurrent assets	**26,768,423**	1,041,096
Increase (decrease) in:		
Increase in accrued trade and other payables	**238,484,139**	(111,450,486)
Retirement contributions paid	**(1,500,000)**	(1,000,000)
Income tax paid	**(18,402,467)**	(80,798,982)
Net cash provided by operating activities	**1,419,976,269**	1,114,330,248
CASH FLOW FROM INVESTING ACTIVITY		
Acquisitions of:		
Property and equipment	**(17,891,746)**	(350,336)
Investment in stocks	**-**	(34,170,020)
Dividends received	**19,998,086**	22,827,521
Interest received	**21,825,926**	19,798,089
Proceeds from sale of:		
Marketable securities	**-**	12,349,517
Property and equipment	**39,998**	446,997
Net cash from investing activities	**23,972,264**	20,901,768
CASH FLOW FROM FINANCING ACTIVITY		
Increase (Decrease) in obligations under finance lease	**(8,988,937)**	(27,442,668)
Increase (Decrease) in installment payable	**(9,205,042)**	1,272,416
Acquisition of Treasury shares by the subsidiary	**-**	(16,584,828)
Acquisition of Treasury shares	**-**	(29,430,080)
Interest paid	**(2,747,585)**	(190,364)
Dividends paid	**(1,568,582,629)**	(1,432,798,318)
Net cash from financing activities	**(1,589,524,193)**	(1,505,173,842)
NET INCREASE IN CASH	**(145,575,660)**	(369,941,826)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**2,314,012,081**	2,962,635,687
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P 2,168,436,421**	P 2,592,693,861

PREMIUM LEISURE CORP AND SUBSIDIARIES
SCHEDULE OF RECEIVABLES, ADVANCES AND OTHER ASSETS
June 30, 2019

NAME	AMOUNT
Notes receivables - current	3,705,925,000
Trade receivables - current	733,506,887
Other receivable	5,635,390
Other current assets	360,641,607
Total Receivables and Other Assets	**4,805,708,884**

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