

COVER SHEET

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SEC Registration Number

P R E M I E R E H O R I Z O N A L L I A N C E
C O R P O R A T I O N

(Company's Full Name)

U N I T 1 7 0 5 1 7 T H F L O O R E A S T T O W E
E R P H I L I P P I N E S T O C K E X C H A N G E
C E N T R E , E X C H A N G E R O A D O R T I G A S
C E N T E R , P A S I G C I T Y

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

RAUL MA. F. ANONAS
Contact Person

8632-7715
Company Telephone Number

1 2 3 1
Month Day

Calendar Year

SEC FORM 17-Q

FORM TYPE

0 5
Month Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

PSE No.
SEC No. **147584**
FILE No. _____

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **June 30, 2023**

2. Commission identification number: **147584**

3. BIR Tax Identification No.: **002-727-376-000**

4. Exact name of registrant as specified in its charter:

PREMIERE HORIZON ALLIANCE CORPORATION (PHA)

5. Province, country or other jurisdiction of incorporation or organization:
PHILIPPINES

6. Industry Classification Code: (SEC Use Only)

7. Address of registrant's principal office: Postal Code

**Unit 1705, 17th Floor, East Tower, Philippine Stock Exchange Centre,
Exchange Road, Ortigas Center, Pasig City. 1605**

8. Registrant's telephone number, including area code: **(02) 8362-7715**

9. Former name, former address and former fiscal year, if changed since last report:

NOT APPLICABLE

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the
RSA:

Title of Each Class	Number of shares of common stock outstanding and amount of debt outstanding
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<u>COMMON STOCK P 0.25 PAR VALUE</u>	<u>5,708,359,504 COMMON SHARES</u>
---------------------------------------------	-------------------------------------------

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes No (Please refer to Item 10)

12. Indicate by check mark whether the registrant:

a. Has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17
thereunder or Sections 11 of RSA and RSA Rule 11(a)-1 thereunder, and Sections 26
and 141 of the Corporation Code of the Philippines, during the preceding 12 months
(or for such shorter period the registrant was required to file such reports)

Yes No Not Applicable - Issuer has less than 100 holders of securities

b. Has been subject to such filing requirements for the past 90 days.

Yes No Not Applicable - Issuer has less than 100 holders of securities

PART I-FINANCIAL INFORMATION

Item 1. Financial Statements

The unaudited financial statements for the two quarters ending on June 30, 2023 are attached to this Report.

1. The unaudited financial statements are prepared in accordance with generally accepted accounting principles in the Philippines.
2. The same accounting policies and computation methods are applied in the unaudited financial statements and the most recent annual financial statements.

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

PHA and its subsidiaries, referred to as the Group in this report, use the following key performance indicators:

1. **Revenues**
2. **Gross Profit (Loss)**
3. **Gross Profit Ratio** (Computed as gross profit (loss) divided by revenues)
4. **Net Income (Loss)**
5. **Net Income Ratio** (Computed as net income (loss) divided by revenues)
6. **Net Income Attributable to Parent**
7. **12-Month Trailing Net Income (Loss)** (Computed by adding net income (loss) in January-June 2023 to net income (loss) for all of 2022 reduced by net income (loss) in January-June 2022.
8. **12-Month Trailing Net Income (Loss) per Share** (Computed as 12-month trailing net income (loss) divided by weighted average number of shares)
9. **Debt-to-Equity Ratio** (Computed as total liabilities divided by total stockholders' equity)
10. **Current Ratio** (Computed as total current assets divided by total current liabilities)
11. **Debt Ratio** (Computed as total liabilities divided by total assets)
12. **Return on Investment** (Computed as net income (loss) divided by total investment, shown in the balance sheet as total stockholders' equity)

In Philippine Pesos (PHP)

		June 30, 2023	June 30, 2022	Increase (Decrease)
1.	Revenues	263,511,256	88,375,039	175,136,217
2.	Gross Profit (Loss)	96,174,081	1,696,815	94,477,266
3.	Gross Profit (Loss) Ratio	36.5%	1.9%	34.6%
4.	Net Income (Loss)	(40,173,386)	(121,640,245)	81,466,859
5.	Net Income (Loss) Ratio	(15.2%)	(137.6%)	122.4%
6.	Net Income Attributed to Parent	(61,610,898)	(98,824,512)	37,213,614
7.	12-Month Trailing Net Income (Loss)	128,262,080	36,794,321	91,467,759
8.	12-Mo Trailing Net Income (Loss) / Share	0.02	0.00	0.02

		June 30, 2023	December 31, 2022	Increase (Decrease)
9.	Debt-to-Equity Ratio	0.84 : 1	1.03 : 1	(0.18)
10.	Current Ratio	1.62 : 1	1.16 : 1	0.46
11.	Debt Ratio	0.46 : 1	0.51 : 1	(0.05)
12.	Return on Investment	(0.01) : 1	(0.02) : 1	0.01

In the first 6 months (Jan-June) of 2023, the Group generated revenues of Php 263.5 Million (M) broken down into Php 230.5M from real estate sales and Php 33M from mining-related services.

Gross profit (loss) for Jan-June 2023 and 2022 amounted to Php 96.2M and Php 1.7M, respectively, showing a decrease of Php 94.5M or 35%.

The Group's net loss attributable to equity holders of PHA for Jan-June 2023 and 2022 amounted to Php (61.6M) and Php (98.8M), respectively, showing a decrease of Php 37.2M or 38% from 2022.

The Group's 12-month trailing net income (loss) for the 12 months ended June 30, 2023 and December 31, 2022 amounted to Php 128.3M and Php 36.8M, respectively, showing an increase of Php 91.5M or 249%.

The Group's trailing net income (loss) per share for Jan-June 2023 and 2022 amounted to 0.02 and Php 0.00, respectively.

The Debt-to-Equity Ratios are 0.84 : 1 and 1.03 : 1 for the six months ended June 30, 2023 and the year ended December 31, 2022, respectively.

The Current Ratios are 1.62 : 1 and 1.16 : 1 for the six months ended June 30, 2023 and the year ended December 31, 2022, respectively.

The Debt Ratios are 0.46 : 1 and 0.51 : 1 for the six months ended June 30, 2023 and the year ended December 31, 2022, respectively.

The Returns on Investment are (0.01) : 1 and (0.02) : 1 for the six months ended June 30, 2023 and the year ended December 31, 2022, respectively.

The following are the reasons for the material changes between the account balances as of June 30, 2023 and December 31, 2022, amounting to at least Php 1M and five percent (5%) of the December 31, 2022 balance for balance sheet accounts or the June 30, 2022 balance for income statements accounts:

Financial Position

- **Cash** - As of June 30, 2023 and December 31, 2022, this account amounted to Php 105.5M and Php 69.7M, respectively, showing an increase of Php 35.8M or 51%. Cash used in operating activities amounted to Php 183.7M; cash used in investing activities amounted to Php 1.5M; while cash provided by financing activities amounted to Php 220.9M.
- **Receivables** - As of June 30, 2023 and December 31, 2022, this account amounted to Php 438.1M and Php 442.3M, respectively, showing a decrease of Php 4.3M or 1%. Receivables were lower, as the mining season started late in 2023 due to inclement weather.

- **Other Current Assets** - On June 30, 2023 and December 31, 2022, this account amounted to Php 216.5M and Php 179.8M respectively, showing an increase of Php 36.7M or 20%. The net increase primarily came from increases in creditable withholding taxes and input taxes.
- **Property and Equipment, Net** - On June 30, 2023 and December 31, 2022, this account amounted to Php 42.5M and Php 71.9M, respectively, showing a decrease of Php 29.4M or 41%. The net decrease primarily came from depreciation expense in Jan-June 2023.
- **Trade and Other Payables** - On June 30, 2023 and December 31, 2022, this account amounted to Php 514.8M and Php 549.7M, respectively, showing a decrease of Php 34.9M or 6%. The decrease came from payments of trade payables.
- **Short Term debt** - On June 30, 2023 and December 31, 2022, this account amounted to Php 182M and Php 428.8M, respectively, showing a decrease of Php 246.8M or 58%. The decrease is due to the settlement of loans to some creditors.
- **Capital Stock** - On June 30, 2023 and December 31, 2022, this amounted to Php 1,283M and Php 1,007.5M, respectively, showing an increase of Php 275.5M or 27%. The increase came from the collection of subscription receivables.
- **Additional Paid-In Capital** - On June 30, 2023 and December 31, 2022, this amounted to Php 587.4M and Php 499.2M, respectively, showing an increase of Php 88.2M or 18%. The increase came from the collections of subscription receivables.
- **Retained earnings** - As of June 30, 2023 and December 31, 2022, this account amounted to Php 103.2M and Php 165.5M, respectively, showing a decrease of Php 62.3M or 38%. The changes in the income statement account balances are shown below:

Performance

- **Revenues** - The Group's Jan-June 2023 and 2022, revenues amounted to Php 263.5M and Php 88.4M, respectively, showing an increase of Php 175.1M or 198%.

Revenue from real estate sales in these six-month periods in 2023 and 2022 amounted to Php 230.5M and Php 43.7M, respectively, showing an increase of Php 186.8M or 427%. The increase arose from the higher percentages of completion met for construction projects in 2023 relative to 2022.

Revenue from mining-related services for Jan-June 2023 and 2022 amounted to Php 33M and Php 44.7M, respectively, showing a decrease of Php 11.7M or 26%. The decrease is primarily due to lower contract volumes.

- **Cost of Real Estate Sold** - The Group's cost of real estate sold in Jan-June 2023 and 2022 amounted to Php 114M and Php 15M, respectively, showing an increase of Php 99M or 660%. This arose from the higher revenues generated and the higher cost to revenue percentage of some projects in the revenue mix.
- **Cost of services** - The Group's cost of services for Jan-June 2023 and 2022 amounted to Php 53.4M and Php 71.7M, respectively, showing a decrease of Php 18.3M or 26%. The decrease is due to the lower operating cost resulting from lower volumes and sales.
- **Professional and Legal Fees** - The Group's professional and legal fees in Jan-June 2023 and 2022 amounted to Php 38.6M and Php 21.6M, respectively, showing an increase of Php 17M or 78.5%. The increase is due to higher fees paid to professionals.

- **Personnel costs** - The Group's personnel costs in Jan-June 2023 and 2022 amounted to Php 12.7M and Php 18.5M, respectively, showing a decrease of Php 5.8M or 31%. The decrease is due to personnel attrition and lower costs incurred by the Group in 2023.
- **Advertising** - The Group's advertising expenses in Jan-June 2023 and 2022 amounted to Php 0.5M and Php 4.4M, respectively, showing a decrease of Php 3.9M or 89%. The decrease primarily arose from the lower advertising and marketing services incurred by the Group in 2023.
- **Taxes and Licenses** - The Group's taxes and licenses in Jan-June 2023 and 2022 amounted to Php 3.5M and Php 7.4M, respectively, showing a decrease of Php 3.9M or 53%. The decrease primarily arose from the lower taxable transactions incurred by the Group in 2023.
- **Transportation and Travel** - The Group's transportation and travel expenses in Jan-June 2023 and 2022 amounted to Php 2.6M and Php 4.5M, respectively, showing a decrease of Php 1.9M or 42%. The decrease came from lower domestic travels incurred by the Group.
- **Entertainment, Amusement and Recreation** - The Group's entertainment, amusement and recreation expenses for Jan-June 2023 and 2022 amounted to Php 2.7M and Php 7.5M, respectively, showing a decrease of Php 4.8M or 64%. The decrease resulted from lower social and company gatherings incurred in 2023.
- **Repairs and Maintenance** - The Group's repairs and maintenance in Jan-June 2023 and 2022 amounted to Php 1.1M and Php 3.1M, respectively, showing a decrease of Php 2M or 65%. The decrease primarily arose from the lower maintenance costs of the machinery and equipment of PGDI.
- **Other Expenses** - The Group's other expenses for Jan-June 2023 and 2022 amounted to Php 19.2M and Php 12.7M, respectively, showing an increase of Php 6.5M or 51%. The increase primarily came from service fees accrued for LDA in 2023.
- **Interest Income** - The Group's interest income in Jan-June 2023 and 2022 amounted to Php 3M and Php 0.9M, respectively, showing an increase of Php 2.1M or 233%. The increase primarily came from the higher balance of interest earning assets in 2023.
- **Other Income (Loss), Net** - The Group's other income (loss), net in Jan-June 2023 and 2022 amounted to NIL and Php 2.3M, respectively, showing a decrease of Php 2.3M or 233%. A remeasurement loss on retirement obligations was recorded in 2022, with no similar loss recorded in 2023.
- **Interest Expense** - The Group's interest expense for Jan-June 2023 and 2022 amounted to Php 52.3M and Php 40.9M, respectively, showing an increase of Php 11.4M or 28%. The increase is due to the higher short-term loans obtained in 2023.

For assessing impairment of goodwill, a test of impairment is performed annually or when circumstances indicate that the carrying value may be impaired.

SIGNATURES

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.

PREMIERE HORIZON ALLIANCE CORPORATION
Issuer



RAUL MA. F. ANONAS
Executive Vice President/COO/CIO

Date: August 14, 2023



ANDRES A. DEL ROSARIO
Vice President and Assistant Treasurer

Date: August 14, 2023

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2023

	Unaudited June 30, 2023	Audited December 31, 2022
ASSETS		
Current Assets		
Cash	105,480,162	69,729,594
Contract Assets	158,236,375	34,842,065
Receivables	438,072,789	442,327,680
Real Estate Held for Sale	784,957,435	811,694,228
Other current assets	216,537,983	179,831,676
Due from related parties	-	-
Total current assets	1,703,284,745	1,538,425,243
Noncurrent Assets		
Investment property	2,023,560,400	2,023,560,400
Noncurrent portion of contract assets	134,793,949	69,581,924
Deferred exploration costs	419,136,295	418,042,648
Intangible assets	2,635,760	2,838,510
Property and equipment	42,482,502	71,903,815
Deferred tax assets	27,580,919	27,580,919
Right of use assets	950,770	950,770
Other noncurrent assets	22,777,603	23,037,145
Investment in subsidiaries	-	-
Total Noncurrent assets	2,673,918,199	2,637,496,131
Total Assets	4,377,202,943	4,175,921,374
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	514,780,861	549,737,521
Contract liabilities	31,852,050	25,107,618
Dividend payable	39,800,000	39,800,000
Capital gains tax payable	27,000,000	26,940,000
Current portion of long term debt:		
Short -term debt	182,047,845	428,754,632
Purchased land payable	-	5,677,930
Loans payable	257,196,151	251,892,401
Obligation under finance lease	64,234	188,123
Convertible loans	-	-
Installment payable	-	-
Callable loans	-	-
Lease liability	799,331	799,331
Due to related parties	-	-
Total Current Liabilities	1,053,540,472	1,328,897,556
Noncurrent Liabilities		
Pension Liabilities	45,059,876	45,059,876
Convertible loans	-	-
Noncurrent portion of long term debt:		
Loans from officers and shareholders	-	-
Loans from third parties	100,000,000	100,000,000
Purchased land payable	-	-
Loans payable	281,672,757	127,987,000
Lease liability	192,720	192,720
Callable loans	-	-
Deposit for future stock subscription	-	-
Deferred tax liabilities	518,195,466	518,195,465
Total Noncurrent Liabilities	945,120,819	791,435,061
Total Liabilities	1,998,661,291	2,120,332,617
STOCKHOLDER'S EQUITY		
Equity attributable to equity holders of the parent		
Capital stock	1,283,033,097	1,007,496,826
Additional paid-in capital	587,389,245	499,217,637
Retained earnings	103,206,289	165,473,971
Cumulative remeasurement gain on pension liabilities	9,867,270	9,792,086
Equity attributable to Parent	1,983,495,901	1,681,980,520
Equity attributable to non-controlling interests	395,045,751	373,608,239
Total Equity	2,378,541,652	2,055,588,759
Total Liabilities and Equity	4,377,202,943	4,175,921,376

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
AS OF JUNE 30, 2023

	For six months ended June 30,		For three months ended June 30,	
	2023	2022	2023	2022
REVENUES				
Real estate sales	230,549,667	43,684,507	102,912,211	16,916,762
Mining related services	32,961,589	44,690,532	-	41,232,510
Service Income	-	-	-	-
Total revenue	263,511,256	88,375,039	102,912,211	58,149,272
Costs of real estate sold	113,958,423	14,984,602	50,759,242	5,729,146
Costs of services	53,378,751	71,693,622	19,649,237	39,741,633
Total Cost of Sales and Services	167,337,174	86,678,224	70,408,478	45,470,779
GROSS PROFIT	96,174,081	1,696,815	32,503,733	12,678,494
OTHER COSTS AND EXPENSES				
Professional and legal fees	38,561,862	21,603,863	18,765,276	10,887,120
Personnel costs	12,665,681	18,498,781	6,032,967	9,370,685
Advertising	496,091	4,391,586	304,655	1,741,803
Taxes and licenses	3,485,951	7,359,766	2,819,970	4,311,016
Depreciation and amortization	3,067,780	2,737,652	1,529,176	1,247,716
Rent, utilities and supplies	3,248,803	3,186,474	1,775,146	1,753,667
Transportation and travel	2,600,768	4,524,880	1,222,186	2,271,239
Entertainment, amusement and recreation	2,661,744	7,468,969	1,168,426	5,213,889
Repairs and maintenance	1,055,452	3,080,979	607,736	2,161,101
Others	19,199,479	12,728,892	9,142,202	3,958,071
	87,043,610	85,581,843	43,367,740	42,916,307
INCOME(LOSS) BEFORE OTHER INCOME AND CHARGES	9,130,471	(83,885,028)	(10,864,007)	(30,237,813)
OTHER INCOME(CHARGES)				
Gain on change in FV of investment property	-	-	-	-
Interest income	2,956,673	854,920	1,095,924	346,389
Impairment losses	-	-	-	-
Other income-net	-	2,282,790	-	1,366,782
Interest expenses	(52,260,530)	(40,892,927)	(26,548,064)	(21,402,244)
	(49,303,857)	(37,755,217)	(25,452,141)	(19,689,074)
INCOME (LOSS) BEFORE TAX	(40,173,386)	(121,640,245)	(36,316,147)	(49,926,887)
PROVISION FOR INCOME TAX				
Current	-	-	-	-
Deferred	-	-	-	-
INCOME(LOSS) FOR THE PERIOD	(40,173,386)	(121,640,245)	(36,316,147)	(49,926,887)
Actuarial Loss (Gain) Benefit obligation	-	-	-	-
TOTAL COMPREHENSIVE INCOME (LOSS)	(40,173,386)	(121,640,245)	(36,316,147)	(49,926,887)
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent	(61,610,898)	(98,824,512)	(41,185,806)	(40,752,126)
Non-controlling interest	21,437,512	(22,815,733)	4,869,658	(9,174,761)
	(40,173,386)	(121,640,245)	(36,316,147)	(49,926,887)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Equity holders of the parent	(61,610,898)	(98,824,512)	(41,185,806)	(40,752,126)
Non-controlling interest	21,437,512	(22,815,733)	4,869,658	(9,174,761)
NET INCOME (LOSS) FOR THE PERIOD	(40,173,386)	(121,640,245)	(36,316,147)	(49,926,887)

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
AS OF JUNE 30, 2023

	For Six Months Ended June 30	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(40,173,386)	(121,640,245)
Adjustments for:		
Depreciation and Amortization	31,387,535	35,691,638
Interest Expenses	52,260,530	40,892,927
Interest Income	(2,956,673)	(854,920)
Operating income (loss) before working capital changes	40,518,006	(45,910,600)
Decrease (increase) in:		
Receivables	4,254,891	(52,837,233)
Contract Assets	(188,606,335)	6,135,949
Real estate held for sale	26,736,793	(49,795,595)
Other current assets	(31,609,976)	(33,590,839)
Deferred exploration cost	(1,093,647)	(2,288,224)
Increase (decrease) in:		
Trade payables	(34,956,661)	(37,791,073)
Contract liabilities	6,744,432	12,950,426
Other noncurrent liabilities	(5,677,930)	5,285,115
Net cash flows provided by (used in) operating activities	(183,690,427)	(197,842,073)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment		
Additions to Investment properties		
Acquisition of property and equipment	(1,763,472)	(1,591,000)
Additions to deferred exploration cost		
Due from related parties		
Decrease (Increase) in other noncurrent assets	259,542	861,977
Net cash provided by (used in) investing activities	(1,503,930)	(729,023)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short term loans		24,500,000
Long term loans	158,989,507	11,239,916
Deposit for future subscription		(365,231,456)
Deferred tax liability		
Interest received	2,956,673	854,920
Capital gains tax payable	60,000	
Payments of:		
Purchased land payable	(5,677,930)	
Short term loans and interest	(298,967,317)	(40,892,927)
Obligation under finance lease	(123,889)	21,982
Cash proceeds from subscription receivable	275,536,272	206,846,300
Cash proceeds from additional paid in capital	88,171,607	312,992,783
Cash flows provided by (used in) financing activities	220,944,924	150,331,517
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	35,750,567	(48,239,579)
EFFECT ON CHANGES IN FOREIGN EXCHANGE RATE		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	69,729,594	89,845,913
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	105,480,161	41,606,334

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
UNADITED STATEMENT OF CHANGES IN EQUITY
AS OF JUNE 30, 2023

	For six months ended June 30,	
	2023	2022
CAPITAL STOCK		
Balance at the beginning of the year	1,007,496,826	800,650,526
Additional subscription	275,536,271	207,096,300
Balance at end of six months	1,283,033,097	1,007,746,826
ADDITIONAL PAID-IN CAPITAL		
Balance at beginning of year	499,217,638	186,224,855
Additional subscription	88,171,607	312,992,783
Balance at end of six months	587,389,245	499,217,638
RETAINED EARNINGS		
balance at beginning of year	165,473,971	135,971,303
Net income (loss)	(62,267,682)	(58,072,386)
Balance at end of six months	103,206,289	77,898,917
CUMULATIVE REMEASUREMENT GAIN ON PENSION LIABILITIES		
Balance at beginning of year	9,792,086	10,913,571
Remeasurement gain (loss) on defined benefit obligation	75,184	-
Balance at end of six months	9,867,270	10,913,571
NON CONTROLLING INTERESTS		
Balance at beginning of year	373,608,239	355,194,200
Net Income (loss)	21,437,512	(13,640,996)
Remeasurement gain (loss) on defined benefit obligation	-	-
Balance at end of six months	395,045,751	341,553,204
TOTAL EQUITY	2,378,541,652	1,937,330,156

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(In Php 000)

1. Corporate Information and Status of Operations

Premiere Horizon Alliance Corporation (PHA or the Parent Company), was incorporated in the Philippines on January 13, 1988 and listed in the Philippine Stock Exchange (PSE) on May 5, 1997. The Parent Company's primary purpose is to engage in business activities relating to entertainment, gaming, hotel and leisure.

The Parent Company's registered address is Metro Manila, Philippines. Currently, the Parent Company acts as holding company to Premiere Horizon Alliance Corporation and its subsidiaries (the Group).

On December 29, 2011, the Securities and Exchange Commission (SEC) approved the amended articles of incorporation of the Parent Company which include the following:

- a. Change of name of the corporation from Premiere Entertainment Philippines, Inc. to Premiere Horizon Alliance Corporation;
- b. Reduction in deficit amounting to Php 1,236.4M by decreasing the authorized capital stock from Php 1,800M to Php 563.6M (see Note 16); and
- c. Amendment of secondary purpose clause to include the authority to engage in non-gaming business such as mining and real estate.

On April 26, 2012, the SEC approved the Parent Company's application on the treatment of quasi-reorganization in the consolidated financial statements.

On May 27, 2013 and September 30, 2014, the stockholders and Board of Directors (BOD), respectively, approved the amendments to the Articles of Incorporation (AOI) of the Parent Company to change the Parent Company's principal place of business to Unit E-1705, 17th Floor, East Tower, Philippine Stock Exchange Center, Exchange Road, Ortigas Center, Pasig City. On November 7, 2014, the SEC approved the amendment to the AOI.

2. Cash

This account consists of:

	Unaudited	
	June 30, 2023	Audited 2022
Cash on hand	14,997,565	16,027,072
Cash in banks	90,482,598	53,702,522
	105,480,162	69,729,594

Cash in banks earn interest at the prevailing bank deposit rates.

3. Receivables - net

This account consists of:

	Unaudited	
	June 30, 2023	Audited 2022
Contract receivables	288,078,213	316,621,402
Trade receivables	46,064,117	24,426,819

Advances to officers and employees	75,716,954	72,863,508
Receivables from related parties	0	0
Others	64,979,127	35,999,756
	474,838,421	449,925,987
Less allowance for impairment losses	36,765,623	7,583,805
	438,072,789	442,327,680

Aging of Receivables

	Total	0-30	31-60	61-90	Over 90
Advances to officers and employees	75,716,954		100,000		43,556,127
Contract receivables	288,078,214		288,078,214	158,236,375	134,793,949
Trade receivables	5,060,339				5,060,339
Others	64,979,127		1,994,318		62,984,810
Total	433,834,634	-	2,908,710	104,228,712	326,697,213

4. Trade and Other Payables

This account consists of:

	Unaudited June 30, 2023	Audited 2022
Trade payables		
Third parties	81,632,402	88,007,198
Related parties	2,719,795	4,693,722
Customers' Deposits and Advances	97,550,000	97,573,376
Advances from shareholders		
Advances from Officers and Directors	7,862,446	13,681,976
Advances from others		22,053,982
Accrued expenses	252,212,899	197,514,948
Customer refunds	52,700,306	55,791,003
Deferred output vat	46,189,297	34,319,631
Output VAT Payable	10,563,767	10,233,373
Vouchers payable		
Retention payable	4,791,277	1,811,013
Others	(41,441,328)	24,057,300
	514,780,860	549,737,520