

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended
Jun 30, 2018
2. SEC Identification Number
147584
3. BIR Tax Identification No.
002-727-376-000
4. Exact name of issuer as specified in its charter
PREMIERE HORIZON ALLIANCE CORPORATION
5. Province, country or other jurisdiction of incorporation or organization
Philippines
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
1st Street, Pascor Drive, Paranaque City Unit 1705, East Tower, Philippine Stock
Exchange Centre, Exchange Road, Ortigas Center, Pasig City
Postal Code
1605
8. Issuer's telephone number, including area code
(02) 632-7715
9. Former name or former address, and former fiscal year, if changed since last report
Not applicable
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 P 0.25 PAR VALUE	1,990,480,889

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:
 Philippine Stock Exchange Common shares
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.



Premiere Horizon Alliance Corporation PHA

PSE Disclosure Form 17-2 - Quarterly Report References: SRC Rule 17 and Sections 17.2 and 17.8 of the Revised Disclosure Rules

For the period ended	Jun 30, 2018
Currency (indicate units, if applicable)	Php 000

Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Jun 30, 2018		Dec 31, 2017	
Current Assets	3,131,601		2,634,818	
Total Assets	4,501,100		4,096,553	
Current Liabilities	2,169,491		1,699,543	
Total Liabilities	3,554,325		3,094,378	
Retained Earnings/(Deficit)	138,944		186,719	
Stockholders' Equity	946,774		1,002,175	
Stockholders' Equity - Parent	544,069		591,845	
Book Value per Share	0.31		0.34	

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	130,329	187,790	254,435	343,071
Gross Expense	136,800	184,482	309,836	375,726
Non-Operating Income	5,290	3,486	11,405	7,934
Non-Operating Expense	33,532	31,073	68,092	58,440

Income/(Loss) Before Tax	-6,471	3,308	-55,401	-32,655
Income Tax Expense	0	8,974	0	5,902
Net Income/(Loss) After Tax	-6,471	-5,666	-55,401	-38,557
Net Income Attributable to Parent Equity Holder	-926	-13,331	-47,775	-47,882
Earnings/(Loss) Per Share (Basic)	-0	-0.01	-0.03	-0.03
Earnings/(Loss) Per Share (Diluted)	-0	-0.01	-0.03	-0.03

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.01	-0.03
Earnings/(Loss) Per Share (Diluted)	0.01	-0.03

Other Relevant Information

-

Filed on behalf by:

Name	Raul Ma. Anonas
Designation	CIO/ COO

COVER SHEET

1 4 7 5 8 4
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 R
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

642-0119
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

118
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, 2018**

2. Commission identification number: **147584**

3. BIR Tax Identification No.: **043-002-727-376**

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

PREMIERE HORIZON ALLIANCE CORPORATION

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) 632-77-14 to 15**

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

NOT APPLICABLE

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
<u>COMMON STOCK P 0.25 PAR VALUE</u>	<u>1,990,889,480 COMMON SHARES</u> 1,648,592,000 issued and listed

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 as of the second quarter of 2018 are attached to this Report.

1. The accompanying financial statements are prepared in accordance with the generally accepted accounting principles in the Philippines.
2. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

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

The Company and its subsidiaries use the following key performance indicators: 1) **revenues**; 2) **gross profit / loss**; 3) **gross profit ratio** (computed as gross profit divided by the gross revenues); 4) **net income / loss**; 5) **net profit ratio** (computed as net profit divided by the gross revenues); 6) **net profit attributable to parent**; 7) **12 months trailing net income (loss)** (computed as year to date net income (loss) plus net income of the latest annual income minus the previous year to date net income (loss)); 8) **12 months trailing net income (loss) per share** (computed as 12 months 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); and 12) **return on investment** (computed as net income divided by investment).

		June 30, 2018	June 30, 2017	Inc/(Dec)
1.	Revenues	Php243,030	Php 335,137	Php (92,107)
2.	Gross Profit / Loss	Php88,934	Php 131,851	Php (42,917)
3.	Gross Profit/Loss Ratio	37%	39%	- 2%
4.	Net Profit / Loss	Php (55,401)	Php (38,556)	Php (16,845)
5.	Net Profit / Loss Ratio	-23%	-12%	- 11%
6.	Net Profit / Loss attributable to Parent	Php(47,775)	Php (47,882)	Php (107)
7.	12 months trailing net income (loss)	Php22,319	Php (65,664)	Php 87,983
8.	Trailing 12months earnings(loss) per share basic	0.01	(0.04)	0.05
		June 30, 2018	December 31, 2017	Inc/(Dec)
9.	Debt -to- Equity Ratio	3.75:1	3.09:1	0.66
10.	Current Ratio	1.44:1	1.55:1	-0.11
11.	Debt Ratio	0.79:1	0.76:1	0.03
12.	Return on Assets	-0.01:1	0.10:1	-0.09

During the second quarter of 2018 the Group generated gross revenues of Php 243,030 thousand broken down into Php136,757thousand from real estate sales and Php106,273thousand from mining related services.

Gross profit in the 2nd Quarter of 2018 and 2017 amounted to Php 88,934thousand and Php131,851thousand, respectively, which shows a decrease of Php 42,917 thousand or 33%.

The Group's net loss attributable to the equity holder of the parent in the 2nd Quarter of 2018 and 2017 amounted to Php 47,775 thousand and Php 47,882 thousand, respectively, which shows a decrease of Php107 thousand.

The Group's 12 months trailing net income in the 2nd Quarter of 2018 and 2017 amounted to Php 22,319 thousand and Php (65,664) thousand, respectively, which shows an increase of Php 87,983.

The Group's trailing net income (loss) per share in the 2nd Quarter of 2018 and 2017 amounted to 0.01 and (0.04), respectively, which shows an increase of 0.05.

The Debt-to-Equity Ratio is 3.75:1 and 3.09:1 in the 2nd quarter of 2018 and year end 2017, respectively.

The Current Ratio is 1.44:1 and 1.55:1 in the 2nd quarter of 2018 and year end 2017, respectively.

The Debt Ratio is 0.79:1 and 0.76:1 in the 2nd quarter of 2018 and year end 2017, respectively.

The Return on Assets is -0.01:1 and 0.10:1 in the 2nd quarter of 2018 and year end 2017, respectively.

There were no events that triggered direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

Moreover, there were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

The following are the causes for the material changes, i.e. those amounting five percent (5%) of the relevant accounts or such lower amount, between this period versus the previous, on a vertical and horizontal basis of analyses:

Financial Position

- **Cash** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 114,174 thousand and Php 70,160 thousand, respectively, which shows an increase of Php 44,014thousand or 62.73%. Cash used in operations amounted to Php 84,060 thousand; cash provided by investing activities amounted to Php 56,774thousand; while cash provided by financing activities amounted to Php 71,300 thousand; the aforesaid cash flows represents the net increaseduring the reporting period.
- **Real Estate Held for Sale** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 769,511 thousand and Php 842,985 thousand, respectively, which shows a decrease of Php 55,474 thousand or 6.72%. The decrease primarily came from the recognition of the real estate sold during the reporting period.

- **Unused supplies and spare parts** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 14,886 thousand and Php 13,004 thousand, respectively, which shows an increase of Php 1,882 thousand or 14.47%. The increase primarily came from the additional unused supplies and spare parts accumulated during the reporting period.
- **Other current assets**– As of June 30, 2018 and December 31, 2017, this account amounted to Php 760,386 thousand and Php 301,996 thousand, respectively, which shows an increase of Php 458,390 thousand or 151.79%. The increase primarily came from the additional advances made for investments during the reporting period.
- **Other non-current assets** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 81,936 thousand and Php 187,868 thousand, respectively, which shows a decrease of Php 105,932 thousand or 56.39%. The decrease primarily came from reclassification of other noncurrent assets to current.
- **Trade and other payables** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 1,296,364 thousand and Php 907,372 thousand, respectively, which shows an increase of Php 388,992 thousand or 42.87%. The increase primarily came from the increase in unpaid trade and accrued expenses during the reporting period.
- **Income tax payable**–As of June 30, 2018 and December 31, 2017, this account amounted to NIL and 344 thousand respectively resulting to a decrease of 100% due to the payment of income tax payable for the year 2017.
- **Purchased land payable - current** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 126,365 thousand and Php 148,905 thousand, respectively, which shows a decrease of Php 22,540 thousand or 15.14%. The decrease primarily came from the payments made during the reporting period.
- **Loans payable - current** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 503,373 thousand and Php 407,701 thousand, respectively, which shows an increase of Php 95,672 thousand or 23.47%. The increase primarily came from the additional loans availed during the reporting period.
- **Obligations under finance lease - current** – As of June 30, 2018 and December 31, 2017, this account amounted to Php 29,384 thousand and Php 26,121 thousand, respectively, which shows an increase of Php 3,263 thousand or 12.49%. The increase primarily came from the additional loans availed during the reporting period.

Performance

- **Revenues**–The Group's revenues in the 2nd quarter of 2018 and 2017 amounted to Php 243,030 thousand and Php 335,137 thousand, respectively, which shows a decrease of Php 92,107 thousand or 27%.

Revenue from the real estate sales in the 2nd quarter of 2018 and 2017 amounted to Php 136,757 thousand and Php 238,335 thousand, respectively, which shows a decrease of Php 101,578 thousand or 43%.

Revenue from the mining related services in the 2nd quarter of 2018 and 2017 amounted to Php 106,273 thousand and Php 96,802 thousand, respectively, which shows an increase of Php 9,471 thousand or 10%.

The net decrease in revenues was due to the slowdown of construction works during the 2nd quarter of 2018.

- **Cost of real estate sold** – The Group's cost of real estate sold in the second quarter of 2018 and 2017 amounted to Php 72,205 thousand and Php 111,321 thousand, respectively, which shows a decrease of Php 39,116 thousand or 35%. The costs of the real estate sold decreased due to the slowdown of construction works during the 2nd quarter of 2018.
- **Cost of services** – The Group's cost of services for the second quarter of 2018 and 2017 amounted to Php 81,890 thousand and Php 91,966 thousand, respectively, which shows a decrease of Php 10,076 thousand or 11%. The Cost of services decreased due to lower personnel costs and other direct costs during the 2nd quarter of 2018.
- **Professional and legal fees** – The Group's professional and legal fees in the 2nd quarter of 2018 and 2017 amounted to Php 11,309 thousand and Php 27,131 thousand, respectively, which shows a decrease of Php 15,822 thousand or 58%. The decrease primarily came from the lower fees and decrease in services rendered by professionals during the 2nd quarter of 2018.
- **Personnel cost** – The Group's personnel cost in the second quarter of 2018 and 2017 amounted to Php 22,488 thousand and Php 25,716 thousand, respectively, which shows a decrease of Php 3,228 thousand or 13%. The decrease primarily came from the lower personnel requirements of operations during the 2nd quarter of 2018.
- **Advertising** – The Group's advertising expenses in the second quarter of 2018 and 2017 amounted to Php 13,816 thousand and Php 15,146 thousand, respectively, which shows a decrease of Php 1,330 thousand or 9%. The decrease primarily came from the lower advertising expenses required by operations during the 2nd quarter of 2018.
- **Taxes and licenses** – The Group's taxes and licenses in the second quarter of 2018 and 2017 amounted to Php 4,941 thousand and Php 14,612 thousand, respectively, which shows a decrease of Php 9,671 thousand or 66%. The decrease primarily came from the decrease in taxes incurred and taxable transactions of the Group during the 2nd quarter of 2018.
- **Depreciation and amortization** – The Group's depreciation and amortization in the second quarter of 2018 and 2017 amounted to Php 8,335 thousand and Php 7,923 thousand, respectively, which shows an increase of Php 412 thousand or 5%. The increase primarily came from the increased balance of depreciable assets during the 2nd quarter of 2018.
- **Rentals and utilities and supplies** – The Group's rentals and utilities and supplies in the second quarter of 2018 and 2017 amounted to Php 5,122 thousand and Php 6,387 thousand, respectively, which shows a decrease of Php 1,265 thousand or 20%. The decrease primarily came from the lower rentals, utilities, and supplies required by operations during the 2nd quarter of 2018.
- **Transportation & Travel** – The Group's transportation and travel in the second quarter of 2018 and 2017 amounted to Php 4,659 thousand and Php

3,429 thousand, respectively, which shows an increase of Php 1,230 thousand or 36%. The increase primarily came from the increased transportation & travel expenses required by operations during the 2nd quarter of 2018.

- **Entertainment, amusement and recreation** – The Group's entertainment, amusement and recreation in the second quarter of 2018 and 2017 amounted to Php 2,866 thousand and Php 1,489 thousand, respectively, which shows an increase of Php 1,377 thousand or 92%. The increase primarily came from the increased entertainment, amusement, and recreation expenses required by operations during the 2nd quarter of 2018.
- **Repairs and maintenance**–The Group's repairs and maintenance in the second quarter of 2018 and 2017 amounted to Php 861 thousand and Php 1,224 thousand, respectively, which shows a decrease of Php 363 thousand or 30%. The decrease primarily came from the decreased repairs and maintenance required by operations during the 2nd quarter of 2018.
- **Other Expenses** – The Group's other expenses in the second quarter of 2018 and 2017 amounted to Php 13,251 thousand and Php 10,942 thousand, respectively, which shows an increase of Php 2,309 thousand or 21%. The increase primarily came from the increased other expenses required by operations during the 2nd quarter of 2018.
- **Interest income** – The Group's interest income in the second quarter of 2018 and 2017 amounted to Php 29 thousand and Php 2,013 thousand, respectively, which shows a decrease of Php 1,984 thousand or 99%. The decrease primarily came from the decreased balance of interest earning assets during the 2nd quarter of 2018.
- **Other income - net** – The Group's other income -net in the second quarter of 2018 and 2017 amounted to Php 11,376 thousand and Php 5,921 thousand, respectively, which shows an increase of Php 5,455 thousand or 92%. The increase primarily came from higher service income earned from operations during the 2nd quarter of 2018 which is presented as part of the said account.
- **Interest expenses** – The Group's interest expenses in the second quarter of 2018 and 2017 amounted to Php 68,092 thousand and Php 58,440 thousand, respectively, which shows an increase of Php 9,652 thousand or 17%. The increase primarily came from increased balance of interest bearing liabilities during the 2nd quarter of 2018.
- **Provision for income tax (benefit)** –The Group's provision for income tax (benefit) in the second quarter of 2018 and 2017 amounted to Php -nil- and Php 5,902 thousand, respectively, which shows a decrease of Php 5,902 thousand or 100.00%. There were no provisions for income tax (benefit) during the 2nd quarter of 2018.

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

There were no seasonal aspects that had any material effect on the financial condition or results of operation.

During the 2nd quarter of 2018 the Group's gross revenues and net loss amounted to Php 243,030 thousand and Php 55,401 thousand, respectively; while, in 2017 the same amounted to Php 335,137 thousand and Php 38,556 thousand, respectively. In the 2nd quarter of 2018 and 2017, The equity holder of the Parent amounted to Php 47,775 thousand and Php 47,882 thousand in net loss, respectively.

As of the June 30, 2018 and December 31, 2017, The Group's total assets amounted to Php4,501,100 thousand and Php 4,096,553 thousand, respectively; the total liabilities of the aforesaid period amounted to Php3,554,325 thousand and Php 3,094,378 thousand, respectively.

The Parent Company incorporated West Palawan Premiere Development Corp. as a 100% owned subsidiary.

The Parent Company increased its ownership interest in Redstone Construction and Development Corporation to 80%. The increase took effect in the 1st half of 2015.

In the 1st half of 2015, the Company acquired Goshen Land Capital, Inc. and obtained a 55% ownership thus gaining control.

In 1st half of 2015, the Parent Company increased its ownership to the Concepts Unplugged: Business Environment Solutions, Inc. (CUBES) an affiliate in 2014. The increase in ownership gave the parent the power to control.

Item 3. No relevant disclosure covered by this Item was made since there is no event that triggered any direct or contingent financial obligation that is material to the company. Likewise, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons was created during the reported period.

SIGNATURES

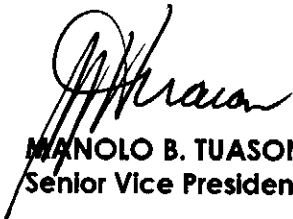
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PREMIERE HORIZON ALLIANCE CORPORATION
Issuer



AUGUSTO ANTONIO C. SERAFICA, JR.
Chairman/President & CEO

Date: August 13, 2018



MANOLO B. TUASON
Senior Vice President & Chief Financial Officer

Date: August 13, 2018

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In Php000.00)

	Unaudited June 30, 2018	Audited December 31, 2017
ASSETS		
Current Assets		
Cash	114,174	70,160
Receivables	1,472,644	1,424,673
Real Estate Held for Sale	769,511	824,985
Unused supplies spare parts	14,886	13,004
Other current assets	760,386	301,996
Total current assets	3,131,601	2,634,818
Noncurrent Assets		
Noncurrent portion of installment contracts receivable	220,981	220,981
Land and land development	597,050	578,789
Investment property		
Intangible assets	143,710	143,710
Property and equipment	325,822	330,386
Other noncurrent assets	81,936	187,868
Total Noncurrent assets	1,369,499	1,461,734
Total Assets	4,501,100	4,096,553
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	1,296,364	907,372
Short-term debt	214,005	209,100
Income tax payable	0	344
Current portion of long term debt:		
Purchased land payable	126,365	148,905
Loans payable	503,373	407,701
Obligation under finance lease	29,384	26,121
Total Current Liabilities	2,169,491	1,699,543
Noncurrent Liabilities		
Pension Liabilities	13,183	13,183
Convertible loans	512,921	522,921
Noncurrent portion of long term debt:		
Purchased land payable	20,367	20,367
Obligation under finance lease	8,625	8,625
Loans payable	566,756	566,756
Capital gains tax payable	26,940	26,940
Deferred tax liabilities-Net	236,043	236,043
Total Noncurrent Liabilities	1,384,834	1,394,835
Total Liabilities	3,554,325	3,094,378
Stockholders' Equity		
Equity attributable to equity holders of the parent		
Capital stock	472,715	472,715
Additional paid-in capital	66,074	66,074
Unrealized gain on AFS financial assets	-	-
Retained earnings	138,944	186,719
Parent Company shares held by a subsidiary	(133,664)	(133,664)
Equity attributable to Parent	544,069	591,845
Equity attributable to non-controlling interests	402,705	410,331
Total Equity	946,774	1,002,175
Total Liabilities and Equity	4,501,100	4,096,553

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
Unaudited Consolidated Statements of Comprehensive Income
(In Php000.00)

	For six months ended June 30		For three months ended June	
	2018	2017	2018	2017
Real estate sales	136,757	238,335	32,468	93,566
Mining related services	106,273	96,802	92,571	90,738
Total revenue	243,030	335,137	125,039	184,304
Costs of real estate sold	72,205	111,321	7,662	30,311
Costs of services	81,890	91,965	55,893	63,776
GROSS PROFIT	88,934	131,851	61,484	90,217
OTHER COSTS AND EXPENSES				
Professional and legal fees	11,309	27,131	2,045	16,835
Personnel costs	22,488	25,716	13,306	13,871
Advertising	13,816	15,146	6,385	7,100
Taxes and licenses	4,941	14,612	1,644	5,631
Depreciation and amortization	8,335	7,923	4,170	4,161
Rent and utilities and supplies	5,122	6,387	2,803	3,389
Transportation and travel	4,659	3,429	2,331	1,891
Entertainment, amusement and recreation	2,866	1,489	1,246	788
Repairs and maintenance	861	1,224	328	439
Others	13,251	10,942	5,455	5,217
	87,648	113,999	39,713	59,322
INCOME(LOSS) BEFORE OTHER INCOME AND CHARGES	1,286	17,852	21,771	30,895
OTHER INCOME(CHARGES)				
Gain on change in FV of investment property				
Interest income	29	2,013	(1,718)	1,225
Other income-net	11,376	5,921	5,290	2,261
Interest expenses	(68,092)	(58,440)	(31,814)	(31,073)
	(56,687)	(50,506)	(28,241)	(27,587)
INCOME(LOSS) BEFORE TAX	(55,401)	(32,654)	(6,471)	3,308
PROVISION FOR INCOME TAX (BENEFIT)	-	5,902	-	8,974
INCOME (LOSS) FOR THE PERIOD	(55,401)	(38,556)	(6,471)	(5,666)
INCOME FROM CONTINUING OPERATION				
Equity holders of the parent	(47,775)	(47,882)	(926)	(13,331)
Non-controlling interest	(7,626)	9,325	(5,544)	7,665
	(55,401)	(38,557)	(6,471)	(5,666)
NET INCOME (LOSS) FOR THE PERIOD	(55,401)	(38,557)	(6,471)	(5,666)

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
UNADITED STATEMENT OF CHANGES IN EQUITY
(In 000)

	For six months ended June 30	
	2018	2017
CAPITAL STOCK		
Issued and subscribed shares	472,715	472,715
ADDITIONAL PAID-IN CAPITAL	66,074	66,074
UNREALIZED GAIN ON AFS FINANCIAL ASSETS	-	(335)
PARENT COMPANY SHARES HELD BY SUBSIDIARY	(133,664)	(133,664)
RETAINED EARNINGS		
Beginning	186,719	150,958
Net income(loss)	(47,775)	(47,882)
Balance at end of the period	138,944	103,076
ATTRIBUTABLE TO NON-CONTROLLING INTEREST		
Balance at beginning of the period	410,331	399,638
Increase	-	-
Total beginning balance of non-controlling interest of subsidiary	410,331	399,638
Net income(loss) attributable to non-controlling interest	(7,626)	9,325
Balance at end of the period	402,705	408,963
TOTAL EQUITY	946,774	916,829

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
(In Php000.00)

	For six months ended June 30	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(55,401)	(32,655)
Adjustments for:		
Depreciation and Amortization	35,462	48,790
Gain on change in FV of investment property	-	
Gain on sale of investment in associates		
Interest Expenses	68,092	58,441
Interest Income	(29)	(2,013)
Operating income (loss) before working capital changes	48,124	72,563
Decrease (increase) in:		
Receivables	(47,971)	(267,130)
Unused supplies	(1,882)	(8,987)
Real estate held for sale	55,474	(161,539)
Other current assets	(458,390)	(141,044)
Increase (decrease) in:		
Trade payables	388,992	540,363
Other noncurrent liabilities	-	(1,528)
Net cash flows from (used in) operation	(15,653)	32,698
Interest received	29	2,013
Interest paid	(68,092)	(58,441)
Income tax paid	(344)	(12,647)
Net cash flows from (used in) operating activities	(84,060)	(36,377)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from sales of investment in associates		
Acquisition of property and equipment	(30,899)	(4,566)
Land and land development costs	(18,261)	(20,590)
Increase (decrease) in other noncurrent assets	105,933	5,234
Net cash (used in) provided by	56,774	(19,922)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short-term loans	4,905	153,770
Loans payable	95,672	430,382
Subscription receivables	-	1,600
Shares held by subsidiary	-	20,156
Payment of:		
Short-term loans		(166,900)
Purchased land payable	(22,540)	
Obligations under finance lease	3,263	(27,992)
Long-term loans	(10,000)	(377,471)
Increase (decrease) in obligations under finance lease	-	(10,828)
Cash flows from financing activities	71,300	22,717
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	44,014	(33,582)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	70,160	90,310
TOTAL CASH AT THE BEGINNING	70,160	90,310
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	114,174	56,728

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 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 ₱1,236.44 million by decreasing the authorized capital stock from ₱1,800.00 million to ₱563.56 million (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, 2018	Audited 2017
Cash on hand	₱ 1,879	₱ 1,456
Cash in banks	112,295	68,704
	₱114,174	₱70,160

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

3. Receivables - net

This account consists of:

	Unaudited June 30, 2018	Audited 2017
Contract receivables	P1,323,991	P1,333,101
Trade receivables	87,789	42,533
Advances to officers and employees	60,985	50,388
Others	7,949	7,981
	1,480,714	1,434,003
Less allowance for impairment losses	8,070	9,330
	P1,472,644	P1,424,673

Aging of Receivables

	Account Title	Total	1-30	31-60	61-90	Over 90
1	Contract receivables	1,323,991	150,348	482,713	280,399	410,531
2	Trade	87,789	20,315	25,132	15,895	26,447
3	Advances to employees & officers	60,985	11,842	20,345	28,798	-
4	Others	7,949	1,326	3,124	-	3,499
	Total	1,480,714	183,831	531,314	325,092	440,477

4. Other Current Assets

This account consists of:

	Unaudited March 31, 2018	Audited 2017
Advances to suppliers and contractors	P315,770	P271,832
Input Tax – Value Added Tax	30,552	15,608
Advances for investments	390,000	-
Tax Credits	20,839	11,288
Prepayments	886	787
Others	2,339	2,481
	P760,386	P301,996

5. Trade and Other Payables

This account consists of:

	Unaudited June 30, 2018	Audited 2017
Trade payables	P350,758	P219,393
Advances from third parties	243,344	223,344
Accrued expenses	159,297	95,692
Customers' deposits and advances	263,124	89,449
Retention payable	83,289	82,942
Others	196,552	196,552
	P1,296,364	P907,372