

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, 2021
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
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) 8632-7715
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	5,096,541,496

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, 2021
Currency (indicate units, if applicable)	Php 000

Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Jun 30, 2021		Dec 31, 2020	
Current Assets	1,336,969		1,460,013	
Total Assets	3,742,488		3,896,796	
Current Liabilities	1,602,905		1,925,553	
Total Liabilities	2,266,453		2,683,242	
Retained Earnings/(Deficit)	148,633		186,924	
Stockholders' Equity	1,476,035		1,213,553	
Stockholders' Equity - Parent	1,135,509		867,905	
Book Value per Share	0.5		0.39	

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	81,396	115,396	184,232	176,344
Gross Expense	103,208	101,879	203,357	185,439
Non-Operating Income	14,776	1,863	17,872	5,619
Non-Operating Expense	26,395	18,390	41,156	42,185

Income/(Loss) Before Tax	-33,431	-3,010	-42,409	-45,661
Income Tax Expense	2,406	-5,978	1,003	2,732
Net Income/(Loss) After Tax	-31,025	-8,988	-43,412	-48,393
Net Income Attributable to Parent Equity Holder	-28,961	-9,300	-38,291	-41,992
Earnings/(Loss) Per Share (Basic)	-0.01	0	-0.01	-0.02
Earnings/(Loss) Per Share (Diluted)	-0.01	0	-0.01	-0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0	0.06
Earnings/(Loss) Per Share (Diluted)	0	0.06

Other Relevant Information
-

Filed on behalf by:

Name	Raul Ma. Anonas
Designation	Executive Vice President, Chief Operating Officer, Chief Information Officer (CIO) and SEC Compliance Officer

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 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

RAUL MA. F. ANONAS
Contact Person

Tel No. 8632-7715
Company Telephone Number

SEC FORM 17-Q

1 2 3 1
Month Day
Fiscal Year

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

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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, 2021**

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

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, East Tower, Philippine Stock Exchange Centre,
Exchange Road, Ortigas Center, Pasig City.**

1605

8. Registrant's telephone number, including area code: **(02) 632-7714 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>5,096,541,496 COMMON SHARES</u> 2,254,117,253 issued and listed

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

Yes (X) 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 (X) No () Not applicable - issuer has less than 100 holders of securities

(b) has been subject to such filing requirements for the past 90 days.

(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 and for the period ended June 30 2021 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, 2021	June 30, 2020	Inc/(Dec)
1.	Revenues	Php 184,232	Php176,344	7,888
2.	Gross Profit / Loss	Php 48,403	Php55,929	(7,526)
3.	Gross Profit/Loss Ratio	26%	32%	(6%)
4.	Net Profit / Loss	Php(43,412)	Php(48,393)	4,981
5.	Net Profit / Loss Ratio	(24%)	(27%)	3%
6.	Net Profit / Loss attributable to Parent	Php (38,291)	Php(41,992)	3,701
7.	12 months trailing net income (loss)	Php115,022	Php121,901	(6,879)
8.	Trailing 12months earnings(loss) per share basic	0.00	0.06	(0.06)

		June 30, 2021	December 31, 2020	Inc/(Dec)
9.	Debt -to- Equity Ratio	1.54:1	2.21:1	(0.67)
10.	Current Ratio	0.83:1	0.76:1	0.07
11.	Debt Ratio	0.61:1	0.69:1	(0.08)
12.	Return on Assets	-0.01	0.03:1	(0.04)

During the first half of 2021 the Group generated gross revenues of Php184,232 thousand broken down into Php100,765 thousand from real estate sales and Php83,467 thousand from mining related services.

Gross profit in the first half of 2021 and 2020 amounted to Php48,403 thousand and Php55,929 thousand, respectively, which shows a decrease of Php7,526 thousand or 13%.

The Group's net loss attributable to the equity holder of the parent in the first half of 2021 and 2020 amounted to Php38,291 thousand and Php41,992 thousand, respectively, which shows a decrease of Php3,701 thousand or 9%.

The Group's 12 months trailing net income(loss) in the first half of 2021 and 2020 amounted to Php115,022 thousand and Php121,901 thousand, respectively, which shows a decrease of Php6,879 thousand or - 6%.

The Group's trailing net income (loss) per share in the 2nd Quarter of 2021 and 2020 amounted to 0.00 and 0.06 thousand, respectively, which shows a decrease of 0.06.

The Debt-to-Equity Ratio is 1.54:1 and 2:21:1 as of June 30, 2021 and December 31, 2020, respectively.

The Current Ratio is 0.83:1 and 0.76:1 as of June 30, 2021 and December 31, 2020, respectively.

The Debt Ratio is 0.61:1 and 0.69:1 as of June 30, 2021 and December 31, 2020, respectively.

The Return on Assets is -0.01:1 and 0.03:1 as of June 30, 2021 and December 31, 2020, 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, 2021 and December 31, 2020, this account amounted to Php61,879 thousand and Php124,523 thousand, respectively, which shows a

Php 82,728 thousand; the said cash flows represent the net decrease during the reporting period.

- **Contract Assets** - As of June 30, 2021 and December 31, 2020, this account amounted to Php236,096 thousand and Php316,494 thousand, respectively, which shows a decrease of Php80,398 thousand or 25%. The decrease primarily came from collections during the reporting period. Current portion of this account as of June 30, 2021 amounted to Php170,150 thousand. Noncurrent portion of this account as of June 30, 2021 amounted to Php65, 945.
- **Receivables, net** - As of June 30, 2021 and December 31, 2020, this account amounted to Php85,054 thousand and Php66,624 thousand, respectively, which shows an increase of Php18,430 thousand or 28%. The increase primarily came from the increase in receivables during the reporting period.
- **Other assets** - As of June 30, 2021 and December 31, 2020, this account amounted to Php232,073 thousand and Php200,392 thousand, respectively, which shows an increase of Php31,681 thousand or 14%. The net increase primarily came from the additional advances during the reporting period. Current portion of this account as of June 30, 2021 amounted to Php219,175 thousand. Noncurrent portion of this account as of June 30, 2021 amounted to Php12,899.
- **Property and equipment, net** - As of June 30, 2021 and December 31, 2020, this account amounted to Php192,293 thousand and Php231,178 thousand, respectively, which shows a decrease of Php38,885 thousand or 17%. The decrease primarily came from depreciation expenses.
- **Trade and other payables** - As of June 30, 2021 and December 31, 2020, this account amounted to Php567,784 and Php748,927 thousand, respectively which shows a decrease of Php181,143 or 24%. The decrease primarily came from payments made during the reporting period.
- **Short-term debt**- As of June 30, 2021 and December 31, 2020, this account amounted to Php158,552 and Php225,963 thousand, respectively which shows a decrease of Php67,410 or 30%. The decrease primarily came from payments made during the reporting period.
- **Purchased land payable**- As of June 30, 2021 and December 31, 2020, this account amounted to Php5, 678 and Php18, 103, respectively which shows a decrease of Php12,425 or 69%. The decrease primarily came from payments made during the reporting period.
- **Loans payable** - As of June 30, 2021 and December 31, 2020, this account amounted to Php325,419 thousand and Php351,365 thousand, respectively, which shows a decrease of Php25,946 thousand or 7%. The decrease primarily came from the payment of loans during the reporting period. Current portion of this account as of June 30, 2021 amounted to Php285, 421 thousand. Noncurrent portion of this account as of June 30, 2021 amounted to Php39,998.
- **Obligations under finance lease** - As of June 30, 2021 and December 31, 2020, this account amounted to Php38 thousand and Php528 thousand, respectively, which shows a decrease of Php491 thousand or 93%. The decrease primarily came from payments made during the reporting period.
- **Deposit for future stock subscription** - As of June 30, 2021, and December 31, 2020, this account amounted to Nil and Php113,000 thousand, respectively, which shows a decrease of Php113,000 thousand or 100%. The decrease primarily came from reclassification to equity of the deposit for future stock subscription.

Performance

- **Revenues** - The Group's revenues in the first half quarter of 2021 and 2020 amounted to Php184,232 thousand and Php176,344 thousand, respectively, which shows an increase of Php7,888 thousand or 4%.

Revenue from real estate sales amounted to Php100,765 thousand and Php49,791 thousand, respectively, which shows an increase of Php50,794 thousand or 102%. The increase came from new real estate sales.

Revenue from the mining related services in the first half of 2021 and 2020 amounted to Php83,467 thousand and Php126,553 thousand, respectively, which shows a decrease of Php43,086 thousand or 34%. The decrease came from limited operation due to COVID19 restrictions in Dinagat Island.

- **Cost of real estate sold** - The Group's cost of real estate sold in the first half of 2021 and 2020 amounted to Php53,533 thousand and Php25,441 thousand, respectively, which shows an increase of Php28,092 thousand or 110%. The costs of real estate sold increased due to the new sales realized during the reporting period.
- **Cost of services** - The Group's cost of services in the second quarter of 2021 and 2020 amounted to Php82,295 thousand and Php94,974 thousand, respectively, which shows a decrease of Php12,679 thousand or 13%. The Cost of services decreased due to the lower direct operating costs incurred in the reporting period.
- **Professional and legal fees** - The Group's professional and legal fees in the first half of 2021 and 2020 amounted to Php13,612 thousand and Php12,931 thousand, respectively, which shows an increase of Php681 thousand or 5%. The increase primarily came from the higher fees and increase in services rendered by professionals in the first half of 2021.
- **Advertising** - The Group's advertising expenses in the first half of 2021 and 2020 amounted to Php3,565 thousand and Php7,176 thousand, respectively, which shows a decrease of Php3,611 thousand or 50%. The decrease primarily came from the lower advertising required by operations in the first half of 2021.
- **Taxes and licenses** - The Group's taxes and licenses in the first half of 2021 and 2020 amounted to Php5,950 thousand and Php6,744 thousand, respectively, which shows a decrease of Php794 thousand or 12%. The decrease primarily came from the lower taxable transactions incurred by the Group in the first half of 2021.
- **Depreciation and amortization** - The Group's depreciation and amortization in the first half of 2021 and 2020 amounted to Php3,191 thousand and Php2,714 thousand, respectively, which shows an increase of Php477 thousand or 18%. The increase primarily came from the higher balance of depreciable assets in the first half of 2021.
- **Rent, Utilities and Supplies** - The group's rent, utilities and supplies expense amounted to Php2,826 thousand and Php1,889 thousand in the first half of 2021 and 2020 respectively, which shows an increase of Php937 thousand or 50%. The increase primarily came from the higher rent and COVID related supplies.
- **Transportation and Travel**- The group's transportation and travel expense amounted to Php3,972 thousand and Php3,244 thousand in the first half of 2021 and 2020 respectively, which shows an increase of Php728 thousand or 22%. The

increase primarily came from the higher transportation expenses in the first half of 2021.

- **Repairs and maintenance** – The Group’s repairs and maintenance in the first half of 2021 and 2020 amounted to Php2,861 thousand and Php1,596 thousand, respectively, which shows an increase of Php1,265 thousand or 79%. The increase primarily came from the higher repairs and maintenance of the equipment in the first half of 2021.
- **Other Expenses** – The Group’s other expenses in the first half of 2021 and 2020 amounted to Php7,590 thousand and Php4,697 thousand, respectively, which shows an increase of Php2, 893 thousand or 62%. The increase primarily came from the higher other expenses required by operations in the first half of 2021.
- **Other income - net** – The Group’s other income -net in the first half of 2021 and 2020 amounted to Php16,343 thousand and Php4,144 thousand, respectively, which shows an increase of Php12,199 thousand or 294%. The increase primarily came from additional other income in the first half of 2021.
- **Provision for income tax (benefit)** –The Group’s provision for income tax (benefit) in the first half of 2021 and 2020 amounted to Php1,003 thousand and Php2,732 thousand, respectively. This came from the higher taxable income in the first half of 2021.

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

Corona Virus Disease (COVID-19) Outbreak

In a move to contain the COVID-19 outbreak, on March 13, 2020, the Office of the President of the Philippines issued a Memorandum directive to impose stringent social distancing measures in the National Capital Region effective March 15, 2020. On March 16, 2020, Presidential Proclamation No. 929 was issued, declaring a State of Calamity throughout the Philippines for a period of six (6) months and imposed an enhanced community quarantine (ECQ) throughout the island of Luzon until April 12, 2020, which was subsequently extended to April 30, 2020. This was further extended until May 15, 2020 for NCR and certain areas. Effective May 16, 2020, NCR and certain areas shifted to modified enhanced community quarantine until May 31, 2020. Effective June 1, 2020, NCR and certain areas shifted to general community quarantine until July 31, 2020, unless earlier lifted or subsequently extended. The COVID-19 and the measures taken have caused disruptions to businesses and economic activities, and its impact on business continue to evolve.

Due to restrictions in travel and other government initiatives, operations of the Group cannot return to normal until the community quarantine is lifted. Since the subsidiaries of the Group, such as WPP and GLCI, are not part of the allowed basic services, operations have been mostly halted. PGDI, whose operations is not included in the Luzon lockdown as it is based in Surigao, has started limited operations during the first week of March. PGDI is currently focused on stockpiling ores as the provincial government temporarily banned foreign ships from docking in the province for safety reasons. Internal fund generation through end-user financing and collection were heavily affected by the ECQ because of the halt in processing and closure of the different agencies that process the documents.

Although the COVID-19 pandemic and the resulting ECQ significantly impacted the operations of the Group, current strategic plans and mitigation measures being undertaken will be able to cushion the negative impact. These will allow unhampered operations once the ECQ is lifted, albeit on a slower schedule as compared to the pre-ECQ level. The Group managed to negotiate for payment deferrals and rollover/restructuring of certain existing loans. The Group is currently in the process of negotiating for further deferral of payments and restructuring for the other currently maturing obligations. New financing arrangements that were being

explored prior to ECQ will be delayed until after ECQ and when the current economic situation normalize. Alternative financing solutions are also currently being explored.

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.
President & CEO

Date: August 18, 2021



MANOLO B. TUASON
Senior Vice President & Chief Financial Officer

Date: August 18, 2021

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

	Unaudited June 30, 2021	Audited December 31, 2020
ASSETS		
Current Assets		
Cash	61,879	124,523
Contract Assets	170,150	250,548
Receivables	85,054	66,624
Real Estate Held for Sale	800,712	831,734
Other current assets	219,175	186,583
Total current assets	1,336,969	1,460,013
Noncurrent Assets		
Investment property	1,666,388	1,666,388
Noncurrent portion of contract assets	65,945	65,945
Deferred exploration costs	412,283	403,752
Intangible assets	19,351	19,351
Property and equipment	192,293	231,178
Deferred tax assets	35,679	35,679
Right of use assets	681	681
Other noncurrent assets	12,899	13,809
Total Noncurrent assets	2,405,519	2,436,783
Total Assets	3,742,488	3,896,796
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	567,784	748,927
Contract liabilities	7,764	7,820
Dividend payable	39,800	39,800
Capital gains tax payable	26,940	26,940
Current portion of long term debt:		
Short -term debt	158,552	225,963
Purchased land payable	5,678	18,103
Loans payable	285,421	311,367
Obligation under finance lease	38	528
Convertible loans	478,688	400,371
Installment payable	17,056	17,056
Callable loans	15,000	15,000
Lease liability	185	680
Deposit for future stock subscription	-	113,000
Total Current Liabilities	1,602,905	1,925,553
Noncurrent Liabilities		
Pension Liabilities	34,022	34,022
Convertible loans		94,635
Noncurrent portion of long term debt:		
Loans from officers and shareholders	64,500	64,500
Loans from third parties	8,000	8,000
Loans payable	39,998	39,998
Lease liability	680	185
Callable loans	7,000	7,000
Deferred tax liabilities-Net	509,348	509,348
Total Noncurrent Liabilities	663,548	757,689
Total Liabilities	2,266,453	2,683,242
Stockholders' Equity		
Equity attributable to equity holders of the parent		
Capital stock	800,651	563,529
Additional paid-in capital	186,225	117,452
Retained earnings	148,633	186,924
Equity attributable to Parent	1,135,509	867,905
Equity attributable to non-controlling interests	340,526	345,648
Total Equity	1,476,035	1,213,553
Total Liabilities and Equity	3,742,488	3,896,796

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 30	
	2021	2020	2021	2020
REVENUES				
Real estate sales	100,765	49,791	7,647	30,791
Mining related services	83,467	126,553	73,749	84,605
Total revenue	184,232	176,344	81,396	115,396
Costs of real estate sold	53,533	25,441	5,423	17,781
Costs of services	82,295	94,974	59,863	53,179
Total Cost of Sales and Services	135,829	120,415	65,286	70,960
GROSS PROFIT	48,403	55,929	16,110	44,436
OTHER COSTS AND EXPENSES				
Professional and legal fees	13,612	12,931	5,800	5,069
Personnel costs	18,100	18,286	10,629	10,822
Advertising	3,565	7,176	1,174	3,067
Taxes and licenses	5,950	6,744	2,500	1,474
Depreciation and amortization	3,191	2,714	2,392	2,141
Rent and utilities and supplies	2,826	1,889	1,487	598
Transportation and travel	3,972	3,244	2,110	1,455
Entertainment, amusement and recreation	5,862	5,747	2,930	2,901
Repairs and maintenance	2,861	1,596	2,153	622
Others	7,590	4,697	6,747	2,770
	67,528	65,024	37,922	30,919
INCOME(LOSS) BEFORE OTHER INCOME AND CHARGES	(19,125)	(9,095)	(21,813)	13,517
OTHER INCOME(CHARGES)				
Gain on change in FV of investment property				
Interest income	1,529	1,475	538	614
Other income-net	16,343	4,144	14,238	1,249
Interest expenses	(41,156)	(42,185)	(26,395)	(18,390)
	(23,283)	(36,566)	(11,619)	(16,527)
INCOME(LOSS) BEFORE TAX	(42,409)	(45,661)	(33,431)	(3,010)
PROVISION FOR INCOME TAX				
Current	1,003	2,732	2,406	(5,978)
Deferred	-	-	-	-
INCOME (LOSS) FOR THE PERIOD	(43,412)	(48,393)	(31,025)	(8,988)
INCOME FROM CONTINUING OPERATION				
Equity holders of the parent	(38,291)	(41,992)	(28,961)	(9,300)
Non-controlling interest	(5,121)	(6,401)	(2,064)	312
	(43,412)	(48,393)	(31,025)	(8,988)
NET INCOME (LOSS) FOR THE PERIOD	(43,412)	(48,393)	(31,025)	(8,988)

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

	For six months ended June 30	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(43,412)	(48,393)
Adjustments for:		
Depreciation and Amortization	39,953	44,396
Interest Expenses	41,156	42,185
Impairment Losses		
Pension cost		
Unrealized foreign exchange gain		
Loss on disposal of property plant and equipment		
Interest Income	(1,529)	(1,475)
Operating income (loss) before working capital changes	36,167	36,713
Decrease (increase) in:		
Receivables	(18,430)	(76,862)
Contract Assets	80,399	(77,428)
Real estate held for sale	31,022	25,352
Deferred exploration cost	(8,531)	
Other current assets	(32,592)	(17,849)
Increase (decrease) in:		
Trade payables	(181,143)	349,096
Contract liabilities	(56)	9,370
Purchased land payables	(12,425)	1,350
Other noncurrent liabilities	(0)	(17,056)
Net cash flows from (used in) operation	(105,589)	232,686
Interest received	1,529	1,475
Interest paid	(41,156)	(42,185)
Income tax paid	-	-
Net cash flows from (used in) operating activities	(145,215)	191,976
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from sales of investment in associates		
Acquisition of property and equipment	(1,068)	(6,249)
Investment in other projects		
Increase (decrease) in other noncurrent assets	910	190
Net cash (used in) provided by	(157)	(6,059)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short-term loans	(67,410)	1,130
Callable loans	-	
Convertible loan	(16,319)	
Deposit from future subscription	(113,000)	
Loans payable		
Payment of:		
Convertible loans		
Installment payable	-	(14,049)
Obligations under finance lease	(491)	(549)
Short term loans		
Loans payable	(25,946)	(135,450)
Cash proceeds from subscription receivable	237,121	-
Cash proceeds from additional paid in capital	68,773	
Cash flows from financing activities	82,728	(148,918)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(62,644)	36,999
EFFECT ON CHANGES IN FOREIGN EXCHANGE RATE		
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	124,523	81,562
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	61,879	118,561

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

	For six months ended June 30	
	2021	2020
CAPITAL STOCK		
Issued and subscribed shares	800,651	497,620
ADDITIONAL PAID-IN CAPITAL	186,225	97,020
UNREALIZED GAIN ON AFS FINANCIAL ASSETS	-	
RETAINED EARNINGS		
Beginning	186,924	91,376
Dilution gain		
Declaration ofm dividends		
Net income(loss)	(38,291)	(41,992)
Balance at end of the period	148,633	49,384
ATTRIBUTABLE TO NON-CONTROLLING INTEREST		
Balance at beginning of the period	345,648	333,468
Additional investment for non-controlling interest		
Net income(loss) attributable to non-controlling interest	(5,122)	(6,401)
Balance at end of the period	340,526	327,067
TOTAL EQUITY	1,476,035	971,091

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 P1,236.44 million by decreasing the authorized capital stock from P1,800.00 million to P563.56 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, 2021	Audited 2020
Cash on hand	4,057	985
Cash in banks	57,821	123,538
	<u>61,879</u>	<u>124,523</u>

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

3. Receivables - net

This account consists of:

	Unaudited June 30, 2021	Audited 2020
Contract receivables	8,025	26,569
Trade receivables	42,093	13,969
Advances to officers and employees	53,172	50,468
Others	13,081	6,935
	116,371	97,941
Less allowance for impairment losses	31,317	31,317
	85,054	66,624

Aging of Receivables

	Account Title	Total	1-30	31-60	61-90	Over 90
1	Contract receivables	8,025	0	0	0	8,025
2	Trade	42,093	8,675	12,654	3,435	17,329
3	Advances to employees & officers	53,172	629	3,124	543	50,468
4	Others	13,081	1,943	3,216	987	6,935
	Total	109,371	6,788	9,083	12,610	70,588

4. Other Current Assets

This account consists of:

	Unaudited June 30, 2021	Audited 2020
Advances to suppliers and contractors	27,824	71,271
Input Tax – Value Added Tax	37,764	31,775
Supplies inventory	4,130	1,330
Tax Credits	81,659	79,425
Prepayments	4,927	546
Security Deposits	911	852
Others	61,960	1,384
	219,175	186,583

5. Trade and Other Payables

This account consists of:

	Unaudited June 30, 2021	Audited 2020
Trade payables		
Third parties	53,282	45,413
Related parties	10,382	13,545
Customers' Deposits and Advances	149,866	165,325
Advances from shareholders	100,000	161,328
Advances from third parties	88,596	88,000
Accrued expenses	44,087	73,050
Customer refunds	50,266	50,661
Output VAT payable	387	54,881
Deferred output vat	43,805	44,308
Voucher's payable	23,846	18,429
Retention payable	86	23,788
Others	3,181	10,198
	567,784	748,927