

# 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  
Mar 31, 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  
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	Mar 31, 2018
Currency (indicate units, if applicable)	Php 000

#### Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Mar 31, 2018		Dec 31, 2017	
<b>Current Assets</b>	3,227,121		2,634,818	
<b>Total Assets</b>	4,564,145		4,096,553	
<b>Current Liabilities</b>	2,216,065		1,699,543	
<b>Total Liabilities</b>	3,610,900		3,094,378	
<b>Retained Earnings/(Deficit)</b>	139,871		186,719	
<b>Stockholders' Equity</b>	953,245		1,002,175	
<b>Stockholders' Equity - Parent</b>	544,996		591,845	
<b>Book Value per Share</b>	0.31		0.34	

#### Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
<b>Gross Revenue</b>	125,823	155,282	125,823	155,282
<b>Gross Expense</b>	174,753	191,247	174,753	191,247
<b>Non-Operating Income</b>	7,832	4,448	7,832	4,448
<b>Non-Operating Expense</b>	84,213	82,048	84,213	82,048

Income/(Loss) Before Tax	-48,930	-35,964	-48,930	-35,964
Income Tax Expense	0	-3,073	0	-3,073
Net Income/(Loss) After Tax	-48,930	-32,891	-48,930	-32,891
Net Income Attributable to Parent Equity Holder	-46,848	-34,550	-46,848	-34,550
Earnings/(Loss) Per Share (Basic)	-0.02	-0.02	-0.02	-0.02
Earnings/(Loss) Per Share (Diluted)	-0.02	-0.02	-0.02	-0.02

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0.01	0.02
Earnings/(Loss) Per Share (Diluted)	0.01	0.02

<b>Other Relevant Information</b>
-

Filed on behalf by:

Name	Raul Ma. Anonas
Designation	CIO/ COO

**COVER SHEET**

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SEC Registration Number

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(Company's Full Name)

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(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

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Secondary License Type, If Applicable

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Dept Requiring this Doc

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Amended Articles Number / Section

118  
Total No. of Stockholders

Total Amount of Borrowings  
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Domestic Foreign

To be accomplished by SEC Personnel concerned

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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: **March 31, 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, 17<sup>th</sup> 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
<b><u>COMMON STOCK P 0.25 PAR VALUE</u></b>	<b><u>1,990,889,480 COMMON SHARES</u></b> <b>1,648,592,000 issued and listed</b>

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 first 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).

		March 31, 2018	March 31, 2017	Inc/(Dec)
1.	Revenues	Php 117,991	Php 150,834	Php (32,843)
2.	Gross Profit / Loss	Php 27,451	Php 41,636	Php (14,185)
3.	Gross Profit/Loss Ratio	23%	28%	- 5%
4.	Net Profit / Loss	Php (48,930)	Php (32,891)	Php (16,039)
5.	Net Profit / Loss Ratio	- 41%	-22%	- 19%
6.	Net Profit / Loss attributable to Parent	Php (46,848)	Php (34,550)	Php (12,298)
7.	12 months trailing net income (loss)	Php 23,125	Php 35,788	Php (12,663)
8.	Trailing 12months earnings(loss) per share basic	0.01	0.02	- 0.02
		March 31, 2018	December 31, 2017	Inc/(Dec)
9.	Debt -to- Equity Ratio	3.79:1	3.09:1	0.70
10.	Current Ratio	1.46:1	1.55:1	-0.09
11.	Debt Ratio	0.79:1	0.76:1	0.03
12.	Return on Assets	-0.10:1	0.10:1	-0.20

During the first quarter of 2018 the Group generated gross revenues of Php 117,991 thousand broken down into Php 104,289 thousand from real estate sales and Php 13,702 thousand from mining related services.

Gross profit in the 1<sup>st</sup> Quarter of 2018 and 2017 amounted to Php 27,451 thousand and Php 41,636 thousand, respectively, which shows a decrease of Php 14,185 thousand or 34.07%.

The Group's net loss attributable to the equity holder of the parent in the 1<sup>st</sup> Quarter of 2018 and 2017 amounted to Php 46,848 thousand and Php 34,550 thousand, respectively, which shows an increase of Php 12,298 thousand or 35.59%.

The Group's 12 months trailing net income in the 1<sup>st</sup> Quarter of 2018 and 2017 amounted to Php 23,125 thousand and Php 35,788 thousand, respectively, which shows a decrease of Php 12,663 thousand or 35.38%.

The Group's trailing net income (loss) per share in the 1<sup>st</sup> Quarter of 2018 and 2017 amounted to 0.01 and 0.02 thousand, respectively, which shows a decrease of 0.01.

The Debt-to-Equity Ratio is 3.79:1 and 3.09:1 in the 1<sup>st</sup> quarter of 2018 and year end 2017, respectively.

The Current Ratio is 1.46:1 and 1.55:1 in the 1<sup>st</sup> quarter of 2018 and year end 2017, respectively.

The Debt Ratio is 0.79:1 and 0.76:1 in the 1<sup>st</sup> quarter of 2018 and year end 2017, respectively.

The Return on Assets is -0.10:1 and 0.10:1 in the 1<sup>st</sup> 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 March 31, 2018 and December 31, 2017, this account amounted to Php 55,617 thousand and Php 70,160 thousand, respectively, which shows a decrease of Php 14,543 thousand or 20.73%. Cash used in operations amounted to Php 209,648 thousand; cash provided by investing activities amounted to Php 107,080 thousand; while cash provided by financing activities amounted to Php 88,024 thousand; the aforesaid cashflows represents the decrease during the reporting period.
- **Receivables, net** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 1,629,259 thousand and Php 1,424,673 thousand, respectively, which shows an increase of Php 204,586 thousand or 14.36%. The



increase primarily came from the uncollected contract and other receivables during the reporting period.

- **Unused supplies and spare parts** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 21,793 thousand and Php 13,004 thousand, respectively, which shows an increase of Php 8,789 thousand or 67.59%. The increase primarily came from the additional unused supplies and spare parts accumulated during the reporting period.
- **Other current assets**– As of March 31, 2018 and December 31, 2017, this account amounted to Php 694,891 thousand and Php 301,996 thousand, respectively, which shows an increase of Php 392,895 thousand or 130.10%. The increase primarily came from the additional advances made for certain projects during the reporting period.
- **Other non-current assets** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 71,587 thousand and Php 187,868 thousand, respectively, which shows a decrease of Php 116,281 thousand or 61.89%. The decrease primarily came from the reclassification to other current assets of advances made for certain projects during the reporting period.
- **Trade and other payables** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 1,335,870 thousand and Php 907,372 thousand, respectively, which shows an increase of Php 428,498 thousand or 47.22%. The increase primarily came from the increase in unpaid trade and accrued expenses during the reporting period.
- **Purchased land payable - current** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 126,990 thousand and Php 148,905 thousand, respectively, which shows a decrease of Php 21,915 thousand or 14.72%. The decrease primarily came from the payments made during the reporting period
- **Loans payable - current** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 515,382 thousand and Php 407,701 thousand, respectively, which shows an increase of Php 107,681 thousand or 26.41%. The increase primarily came from the additional loans availed during the reporting period
- **Obligations under finance lease - current** – As of March 31, 2018 and December 31, 2017, this account amounted to Php 19,957 thousand and Php 26,121 thousand, respectively, which shows a decrease of Php 6,164 thousand or 23.60%. The decrease primarily came from the payments made during the reporting period

## Performance

- **Revenues** - The Group's revenues in the first quarter of 2018 and 2017 amounted to Php 117,991 thousand and Php 150,834 thousand, respectively, which shows a decrease of Php 32,843 thousand or 21.77%.

Revenue from the real estate sales in the first quarter of 2018 and 2017 amounted to Php 104,289 thousand and Php 144,770 thousand, respectively, which shows a decrease of Php 40,481 thousand or 27.96%.

Revenue from the mining related services in the first quarter of 2018 and 2017 amounted to Php 13,702 thousand and Php 6,065 thousand, respectively, which shows an increase of Php 7,637 thousand or 125.92%.

The net decrease in revenues were due to the slowdown of construction works and the increased services rendered to mining client(s) during the 1<sup>st</sup> quarter of 2018.

- **Cost of real estate sold** – The Group's cost of real estate sold in the first quarter of 2018 and 2017 amounted to Php 64,543 thousand and Php 81,010 thousand, respectively, which shows a decrease of Php 16,467 thousand or 20.33%. The costs of the real estate sold decreased due to the slowdown of construction works during the 1<sup>st</sup> quarter of 2018.
- **Cost of services** – The Group's cost of real estate sold in the first quarter of 2018 and 2017 amounted to Php 25,997 thousand and Php 28,188 thousand, respectively, which shows a decrease of Php 2,191 thousand or 7.77%. The Cost of services decreased due to lower personnel costs and other direct costs during the 1<sup>st</sup> quarter of 2018.
- **Professional and legal fees** – The Group's professional and legal fees in the first quarter of 2018 and 2017 amounted to Php 9,264 thousand and Php 10,296 thousand, respectively, which shows a decrease of Php 1,032 thousand or 10.03%. The decrease primarily came from the lower fees and decrease in services rendered by professionals during the 1<sup>st</sup> quarter of 2018.
- **Personnel cost** – The Group's personnel cost in the first quarter of 2018 and 2017 amounted to Php 9,181 thousand and Php 11,845 thousand, respectively, which shows a decrease of Php 2,664 thousand or 22.49%. The decrease primarily came from the lower personnel requirements of operations during the 1<sup>st</sup> quarter of 2018.
- **Advertising** – The Group's advertising expenses in the first quarter of 2018 and 2017 amounted to Php 7,432 thousand and Php 8,046 thousand, respectively, which shows a decrease of Php 614 thousand or 7.63%. The decrease primarily came from the lower advertising expenses required by operations during the 1<sup>st</sup> quarter of 2018.
- **Taxes and licenses** – The Group's taxes and licenses in the first quarter of 2018 and 2017 amounted to Php 3,297 thousand and Php 8,981 thousand, respectively, which shows a decrease of Php 5,684 thousand or 63.29%. The decrease primarily came from the decrease in taxes incurred and taxable transactions of the Group during the 1<sup>st</sup> quarter of 2018.
- **Depreciation and amortization** – The Group's depreciation and amortization in the first quarter of 2018 and 2017 amounted to Php 4,165 thousand and Php 3,762 thousand, respectively, which shows an increase of Php 403 thousand or 10.71%. The increase primarily came from the increased balance of depreciable assets during the 1<sup>st</sup> quarter of 2018.
- **Rentals and utilities and supplies** – The Group's rentals and utilities and supplies in the first quarter of 2018 and 2017 amounted to Php 2,320 thousand and Php 2,998 thousand, respectively, which shows a decrease of Php 678 thousand or 22.63%. The decrease primarily came from the lower rentals, utilities, and supplies required by operations during the 1<sup>st</sup> quarter of 2018.

- **Transportation & Travel** – The Group's transportation and travel in the first quarter of 2018 and 2017 amounted to Php 2,328 thousand and Php 1,538 thousand, respectively, which shows an increase of Php 790 thousand or 51.39%. The increase primarily came from the increased transportation & travel expenses required by operations during the 1<sup>st</sup> quarter of 2018.
- **Entertainment, amusement and recreation** – The Group's entertainment, amusement and recreation in the first quarter of 2018 and 2017 amounted to Php 1,620 thousand and Php 701 thousand, respectively, which shows an increase of Php 919 thousand or 131.03%. The increase primarily came from the increased entertainment, amusement, and recreation expenses required by operations during the 1<sup>st</sup> quarter of 2018.
- **Repairs and maintenance**–The Group's repairs and maintenance in the first quarter of 2018 and 2017 amounted to Php 533 thousand and Php 786 thousand, respectively, which shows a decrease of Php 253 thousand or 32.18%. The decrease primarily came from the decreased repairs and maintenance required by operations during the 1<sup>st</sup> quarter of 2018.
- **Other Expenses** – The Group's other expenses in the first quarter of 2018 and 2017 amounted to Php 7,796 thousand and Php 5,725 thousand, respectively, which shows an increase of Php 2,071 thousand or 36.17%. The increase primarily came from the increased other expenses required by operations during the 1<sup>st</sup> quarter of 2018.
- **Interest income** – The Group's interest income in the first quarter of 2018 and 2017 amounted to Php 1,746 thousand and Php 788 thousand, respectively, which shows an increase of Php 958 thousand or 121.63%. The increase primarily came from the increased balance of interest earning assets during the 1<sup>st</sup> quarter of 2018.
- **Other income - net** – The Group's other income -net in the first quarter of 2018 and 2017 amounted to Php 6,086 thousand and Php 3,660 thousand, respectively, which shows an increase of Php 2,426 thousand or 66.28%. The increase primarily came from higher service income earned from operations during the 1<sup>st</sup> quarter of 2018 which is presented as part of the said account.
- **Interest expenses** – The Group's interest expenses in the first quarter of 2018 and 2017 amounted to Php 36,278 thousand and Php 27,369 thousand, respectively, which shows an increase of Php 8,909 thousand or 32.55%. The increase primarily came from increased balance of interest bearing liabilities during the 1<sup>st</sup> quarter of 2018.
- **Provision for income tax (benefit)** –The Group's provision for income tax (benefit) in the first quarter of 2018 and 2017 amounted to Php -nil- thousand and Php 3,073 thousand, respectively, which shows a decrease of Php 3,073 thousand or 100.00%. There were no provisions for income tax (benefit) during the 1<sup>st</sup> 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 1<sup>st</sup> quarter of 2018 the Group's gross revenues and net loss amounted to Php 117,991 thousand and Php 48,930 thousand, respectively; while, in 2017 the same amounted to Php 150,834 thousand and Php 32,891 thousand, respectively. In

the 1<sup>st</sup> quarter of 2018 and 2017, The equity holder of the Parent amounted to Php46,848 thousand and Php 34,550 thousand in net loss, respectively.

As of the March 31, 2018 and December 31, 2017, The Group's total assets amounted to Php 4,564,145 thousand and Php 4,096,553 thousand, respectively; the total liabilities of the same aforesaid period amounted to Php 3,610,900 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 1<sup>st</sup> 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.

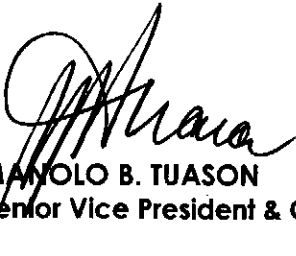
### PREMIERE HORIZON ALLIANCE CORPORATION

Issuer



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

Date: May 10, 2018



**MANOLO B. TUASON**  
Senior Vice President & Chief Financial Officer

Date: May 10, 2018

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

	Unaudited	Audited
	March 31, 2018	December 31, 2017
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	55,617	70,160
Receivables	1,629,259	1,424,673
Real Estate Held for Sale	825,560	824,985
Unused supplies spare parts	21,793	13,004
Other current assets	694,891	301,996
<b>Total current assets</b>	<b>3,227,121</b>	<b>2,634,818</b>
<b>Noncurrent Assets</b>		
Noncurrent portion of installment contracts receivable	220,981	220,981
Land and land development	584,681	578,789
Intangible assets	143,710	143,710
Property and equipment	316,065	330,386
Other noncurrent assets	71,587	187,868
<b>Total Noncurrent assets</b>	<b>1,337,024</b>	<b>1,461,734</b>
<b>Total Assets</b>	<b>4,564,145</b>	<b>4,096,553</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Trade and other payables	1,335,870	907,372
Short -term debt	217,523	209,100
Income tax payable	344	344
Current portion of long term debt:		
Purchased land payable	126,990	148,905
Loans payable	515,382	407,701
Obligation under finance lease	19,957	26,121
<b>Total Current Liabilities</b>	<b>2,216,065</b>	<b>1,699,543</b>
<b>Noncurrent Liabilities</b>		
Pension Liabilities	13,183	13,183
Convertible loans	522,921	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
<b>Total Noncurrent Liabilities</b>	<b>1,394,835</b>	<b>1,394,835</b>
<b>Total Liabilities</b>	<b>3,610,900</b>	<b>3,094,378</b>
<b>Stockholders' Equity</b>		
<b>Equity attributable to equity holders of the parent</b>		
Capital stock	472,715	472,715
Additional paid-in capital	66,074	66,074
Unrealized gain on AFS financial assets	-	-
Retained earnings	139,871	186,719
Parent Company shares held by a subsidiary	(133,664)	(133,664)
Equity attributable to Parent	544,996	591,845
Equity attributable to non-controlling interests	408,249	410,331
<b>Total Equity</b>	<b>953,245</b>	<b>1,002,175</b>
<b>Total Liabilities and Equity</b>	<b>4,564,145</b>	<b>4,096,553</b>

<b>PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES</b>				
<b>Unaudited Consolidated Statements of Comprehensive Income</b>				
<b>(In Php000.00)</b>				
<b>For three months ended March 31</b>				
<b>2018</b>				
<b>2017</b>				
<b>REVENUES</b>				
Real estate sales			104,289	144,770
Mining related services			13,702	6,065
<b>Total revenue</b>			<b>117,991</b>	<b>150,834</b>
Costs of real estate sold			64,543	81,010
Costs of services			25,997	28,188
<b>GROSS PROFIT</b>			<b>27,451</b>	<b>41,636</b>
<b>OTHER COSTS AND EXPENSES</b>				
Professional and legal fees			9,264	10,296
Personnel costs			9,181	11,845
Advertsing			7,432	8,046
Taxes and licenses			3,297	8,981
Depreciation and amortization			4,165	3,762
Rent and utilities and supplies			2,320	2,998
Transportation and travel			2,328	1,538
Entertainment, amusement and recreation			1,620	701
Repairs and maintenance			533	786
Others			7,796	5,725
			<b>47,935</b>	<b>54,680</b>
<b>INCOME(LOSS) BEFORE OTHER INCOME AND CHARGES</b>			<b>(20,484)</b>	<b>(13,043)</b>
<b>OTHER INCOME(CHARGES)</b>				
Interest income			1,746	788
Other income-net			6,086	3,660
Interest expenses			(36,278)	(27,369)
			<b>(28,446)</b>	<b>(22,920)</b>
<b>INCOME(LOSS) BEFORE TAX</b>			<b>(48,930)</b>	<b>(35,964)</b>
<b>PROVISION FOR INCOME TAX (BENEFITS)</b>			<b>-</b>	<b>(3,073)</b>
<b>INCOME (LOSS) FOR THE PERIOD</b>			<b>(48,930)</b>	<b>(32,891)</b>
<b>INCOME FROM CONTINUING OPERATION</b>				
Equity holders of the parent			(46,848)	(34,550)
Non-controlling interest			(2,082)	1,660
			<b>(48,930)</b>	<b>(32,891)</b>
<b>NET INCOME (LOSS) FOR THE PERIOD</b>			<b>(48,930)</b>	<b>(32,891)</b>

**PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
(In 000)

	For three months ended March 31	
	2018	2017
<b>CAPITAL STOCK</b>		
Issued and subscribed shares	472,715	472,715
<b>ADDITIONAL PAID-IN CAPITAL</b>		
	66,074	66,074
<b>UNREALIZED GAIN ON AFS FINANCIAL ASSETS</b>		
	-	(335)
<b>PARENT COMPANY SHARES HELD BY SUBSIDIARY</b>		
	(133,664)	(133,999)
<b>RETAINED EARNINGS</b>		
Beginning	186,719	150,958
Net income (loss)	(46,848)	(34,550)
Balance at end of the period	139,871	116,408
<b>ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>		
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	(2,082)	1,660
Balance at end of the period	408,249	401,297
<b>TOTAL EQUITY</b>	<b>953,245</b>	<b>922,160</b>



<b>PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES</b>		
<b>UNAUDITED STATEMENTS OF CASH FLOWS</b>		
<b>(In Php000.00)</b>		
	<b>For three months ended March 31</b>	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income (loss) before income tax	(48,930)	(35,964)
Adjustments for:		
Depreciation and Amortization	17,630	24,197
Gain on change in FV of investment property	-	
Gain on sale of investment in associates		
Interest Expenses	36,278	27,369
Interest Income	(1,746)	(788)
Operating income (loss) before working capital changes	3,231	14,814
Decrease (increase) in:		
Receivables	(204,586)	(162,357)
Unused supplies	(8,789)	(209)
Real estate held for sale	(575)	(7,823)
Other current assets	(392,895)	(47,470)
Increase (decrease) in:		
Trade payables	428,498	71,667
Net cash flows from (used in) operation	(175,116)	(131,377)
Interest received	1,746	788
Interest paid	(36,278)	(27,369)
Income tax paid	-	(9)
Net cash flows from (used in) operating activities	(209,648)	(157,967)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash received from sales of investment in associates		
Acquisition of property and equipment	(3,309)	(3,825)
Land and land development costs	(5,892)	(1,878)
Increase (decrease) in other noncurrent assets	116,281	(16)
Net cash (used in) provided by	107,080	(5,719)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from:		
Short-term loans	8,423	153,775
Loans payable	107,681	
Convertible loans	-	
Subscription receivables	-	1,600
Shares held by subsidiary	-	
Payment of:		
Purchased land payable	(21,915)	
Obligations under finance lease	(6,164)	(21,176)
Long-term loans		(46,560)
Purchase of shares held by subsidiary		19,821
Increase (decrease) in obligations under finance lease		(6,022)
Cash flows from financing activities	88,024	101,437
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(14,543)</b>	<b>(62,249)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>70,160</b>	<b>90,310</b>
<b>TOTAL CASH AT THE BEGINNING</b>	<b>70,160</b>	<b>90,310</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>55,617</b>	<b>28,061</b>

**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:

	<b>Unaudited</b>	
	<b>March 31, 2018</b>	<b>Audited 2017</b>
Cash on hand	<b>₱ 1,456</b>	<b>₱ 1,456</b>
Cash in banks	<b>54,161</b>	<b>68,704</b>
	<b>₱55,617</b>	<b>₱70,160</b>

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

### 3. Receivables - net

This account consists of:

	Unaudited March 31, 2018	Audited 2017
Contract receivables	₱1,499,636	₱1,333,101
Trade receivables	60,930	42,533
Advances to officers and employees	61,833	50,388
Others	14,930	7,981
	1,637,329	1,434,003
Less allowance for impairment losses	8,070	9,330
	<b>₱1,629,259</b>	<b>₱1,424,673</b>

#### Aging of Receivables

	Account Title	Total	1-30	31-60	61-90	Over 90
1	Contract receivables	1,499,636	152,349	564,413	550,398	234,476
2	Trade	60,930	28,325	4,670	10,953	16,982
3	Advances to employees & officers	61,833	6,783	20,345	18,798	-
4	Others	14,930	13,196	1,734	-	15,907
	Total	1,637,329	200,653	591,162	580,149	265,365

### 4. Other Current Assets

This account consists of:

	Unaudited March 31, 2018	Audited 2017
Advances to suppliers and contractors	₱ 271,832	₱271,832
Input Tax – Value Added Tax	19,039	15,608
Advances for projects	391,551	-
Tax Credits	9,699	11,288
Prepayments	886	787
Others	1,883	2,481
	<b>₱ 694,891</b>	<b>₱301,996</b>

### 5. Trade and Other Payables

This account consists of:

	Unaudited March 31, 2018	Audited 2017
Trade payables	₱ 549,291	₱219,393
Advances from third parties	223,344	223,344
Accrued expenses	159,297	95,692
Customers' deposits and advances	124,097	89,449
Retention payable	83,289	82,942
Others	196,552	196,552
	<b>₱ 1,335,870</b>	<b>₱907,372</b>