

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
Sep 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
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	Sep 30, 2018
Currency (indicate units, if applicable)	Php 000

Balance Sheet

	Period Ended		Fiscal Year Ended (Audited)	
	Sep 30, 2018		Dec 31, 2017	
Current Assets	2,585,604		2,634,818	
Total Assets	4,311,389		4,096,553	
Current Liabilities	2,056,441		1,699,543	
Total Liabilities	3,399,539		3,094,378	
Retained Earnings/(Deficit)	112,528		186,719	
Stockholders' Equity	911,850		1,002,175	
Stockholders' Equity - Parent	517,653		591,845	
Book Value per Share	0.29		0.34	

Income Statement

	Current Year (3 Months)	Previous Year (3 Months)	Current Year-To-Date	Previous Year-To-Date
Gross Revenue	192,663	240,089	435,693	575,226
Gross Expense	187,634	238,364	429,377	555,650
Non-Operating Income	12,803	6,786	24,207	14,720
Non-Operating Expense	45,126	30,869	113,217	89,310

Income/(Loss) Before Tax	-27,294	-22,358	-82,694	-55,014
Income Tax Expense	10,231	255	10,231	6,157
Net Income/(Loss) After Tax	-37,525	-22,613	-92,925	-61,171
Net Income Attributable to Parent Equity Holder	-26,416	-21,267	-74,191	-69,150
Earnings/(Loss) Per Share (Basic)	-0.02	-0.03	-0.05	-0.03
Earnings/(Loss) Per Share (Diluted)	-0.02	-0.03	-0.05	-0.03

	Current Year (Trailing 12 months)	Previous Year (Trailing 12 months)
Earnings/(Loss) Per Share (Basic)	0	-0.09
Earnings/(Loss) Per Share (Diluted)	0	-0.09

Other Relevant Information

No material things to be disclosed.

Filed on behalf by:

Name	Raul Ma. Anonas
Designation	CIO/ COO

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: **September 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 Center,
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 and for the nine-month period ended September 30, 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).

		September 30, 2018	September 30, 2017	Inc/(Dec)
1.	Revenues	P435,693	P575,226	(P139,533)
2.	Gross Profit / Loss	P174,491	P192,859	(P18,368)
3.	Gross Profit/Loss Ratio	40.05%	33.53%	-6.52%
4.	Net Profit / Loss	(P92,925)	(P61,171)	(P31,754)
5.	Net Profit / Loss Ratio	-21.33%	-10.63%	-10.69%
6.	Net Profit / Loss attributable to Parent	(P74,191)	(P69,150)	(P5,041)
7.	12 months trailing net income (loss)	P7,409	(P164,169)	P171,578
8.	Trailing 12months earnings(loss) per share basic	0.004	(0.093)	(0.097)
		September 30, 2018	December 31, 2017	Inc/(Dec)
9.	Debt -to- Equity Ratio	3.73:1	3.09:1	-0.64
10.	Current Ratio	1.26:1	1.55:1	-0.29
11.	Debt Ratio	1.27:1	0.76:1	0.51
12.	Return on Assets	(0.05):1	0.10:1	-0.05

Gross revenue in the thirdquarter of 2018 and 2017 amounted to Php 435,693 thousand and Php 575,226 thousand, respectively, which shows a decrease of Php

139,533 thousand or 24.26%. Gross revenue is composed of real estate sales amounting to Php 169,303 and mining related services amounting to Php 266,390. The net decrease in 2018 is a result of lower real estate sales due to the slowdown in construction works and higher mining related services due to the increase in tonnages.

Gross profit in the third quarter of 2018 and 2017 amounted to Php 174,491 thousand and Php 192,859 thousand, respectively, which shows a decrease of Php 18,368 thousand or 9.52%.

The Group's net loss attributable to the equity holder of the parent in the third quarter of 2018 and 2017 amounted to Php 74,191 thousand and Php 69,150 thousand, respectively, which shows a decrease of Php 5,041 thousand or 7.29%.

The Group's 12 months trailing net income in the third quarter of 2018 and 2017 amounted to Php 7,409 thousand and Php (164,169) thousand, respectively, which shows an increase of Php 171,578.

The Group's trailing net income (loss) per share in the third quarter of 2018 and 2017 amounted to 0.004 and (0.0093), respectively, which shows an increase of 0.097.

The Debt-to-Equity Ratio is 3.73:1 and 3.09:1 in the third quarter of 2018 and year end 2017, respectively.

The Current Ratio is 1.26:1 and 1.55:1 in the third quarter of 2018 and year end 2017, respectively.

The Debt Ratio is 1.27:1 and 0.76:1 in the third quarter of 2018 and year end 2017, respectively.

The Return on Assets is -0.05:1 and 0.10:1 in the third 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 September 30, 2018 and December 31, 2017, this account amounted to Php 82,544 thousand and Php 70,160 thousand, respectively, which shows an increase of Php 12,384 thousand or 17.65%. Cash provided by operations amounted to Php 325,836 thousand; cash used in investing activities amounted to Php 332,136 thousand; while cash provided by financing activities amounted to Php 18,683 thousand; the aforesaid cash flows represents the net increase during the reporting period.
- **Receivables** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 1,310,314 thousand and Php 1,424,673 thousand,

- respectively, which shows a decrease of Php 114,359 thousand or 8.03%. The decrease primarily came from the increased collections of receivables during the reporting period.
- **Real Estate Held for Sale** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 818,491 thousand and Php 824,985 thousand, respectively, which shows a decrease of Php 6,494 thousand or 0.79%. This account did not have a material change compared to the previous period.
 - **Unused supplies and spare parts** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 16,368 thousand and Php 13,004 thousand, respectively, which shows an increase of Php 3,364 thousand or 25.87%. The increase primarily came from the additional unused supplies and spare parts accumulated during the reporting period.
 - **Other current assets**– As of September 30, 2018 and December 31, 2017, this account amounted to Php 357,887 thousand and Php 301,996 thousand, respectively, which shows an increase of Php 55,891 thousand or 18.51%. The increase primarily came from the additional advances made during the reporting period.
 - **Deferred exploration costs**– As of September 30, 2018 and December 31, 2017, this account amounted to Php 391,551 thousand and Php -nil- thousand, respectively, which shows an increase of Php 391,551 thousand. The increase primarily came from the additional deferred exploration costs of the MPESA subsidiaries of PGDI.
 - **Property and equipment, net**– As of September 30, 2018 and December 31, 2017, this account amounted to Php 297,095 thousand and Php 330,386 thousand, respectively, which shows a decrease of Php 33,291 thousand or 10.08%. The net decrease primarily came from additional acquisitions of Php 34,793 and depreciation of Php 68,084.
 - **Other non-current assets** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 67,201 thousand and Php 187,868 thousand, respectively, which shows a decrease of Php 120,667 thousand or 64.23%. The decrease primarily came from reclassifications.
 - **Trade and other payables** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 1,194,257 thousand and Php 907,372 thousand, respectively, which shows an increase of Php 286,885 thousand or 31.62%. The increase primarily came from the increase in unpaid trade and accrued expenses during the reporting period.
 - **Short-term debt** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 228,505 thousand and Php 209,100 thousand, respectively, which shows an increase of Php 19,405 thousand or 9.28%. The increase primarily came from the additional debt incurred during the reporting period.
 - **Income tax payable**–As of September 30, 2018 and December 31, 2017, this account amounted to Php 2,537 and 344 thousand respectively resulting to an increase of 637.51%. The increase came from the higher taxable income during the reporting period.
 - **Purchased land payable - current** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 130,740 thousand and Php 148,905 thousand, respectively, which shows a decrease of Php 18,165 thousand or

12.20%. The decrease primarily came from the payments made during the reporting period.

- **Loans payable - current** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 492,341 thousand and Php 407,701 thousand, respectively, which shows an increase of Php 84,640 thousand or 20.76%. The increase primarily came from the additional loans availed during the reporting period.
- **Obligations under finance lease - current** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 8,061 thousand and Php 26,121 thousand, respectively, which shows a decrease of Php 18,060 thousand or 69.14%. The decrease primarily came from the payments made during the reporting period.
- **Convertible loans** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 473,421 thousand and Php 522,921 thousand, respectively, which shows a decrease of Php 49,500 thousand or 9.47%. The decrease primarily came from the payments made during the reporting period.
- **Obligations under finance lease - noncurrent** – As of September 30, 2018 and December 31, 2017, this account amounted to Php 6,389 thousand and Php 8,625 thousand, respectively, which shows a decrease of Php 2,236 thousand or 25.92%. The decrease primarily came from the reclassifications from noncurrent to current.

Performance

- **Revenues** –The Group's revenues in the third quarter of 2018 and 2017 amounted to Php 435,693 thousand and Php 575,226 thousand, respectively, which shows a decrease of Php 139,533 thousand or 24.26%.

Revenue from the real estate sales in the third quarter of 2018 and 2017 amounted to Php 169,303 thousand and Php 378,013 thousand, respectively, which shows a decrease of Php 208,710 thousand or 55.21%.

Revenue from the mining related services in the third quarter of 2018 and 2017 amounted to Php 266,390 thousand and Php 197,213 thousand, respectively, which shows an increase of Php 69,177 thousand or 35.08%.

The net decrease in 2018 is a result of lower real estate sales due to the slowdown in construction works and higher mining related services due to the increase in tonnages.

- **Cost of real estate sold** – The Group's cost of real estate sold in the third quarter of 2018 and 2017 amounted to Php 89,572 thousand and Php 216,529 thousand, respectively, which shows a decrease of Php 126,957 thousand or 58.63%. The costs of the real estate sold decreased due to the slowdown of construction works during the reporting period.
- **Cost of services** –The Group's cost of services for the third quarter of 2018 and 2017 amounted to Php 171,630 thousand and Php 165,838 thousand, respectively, which shows an increase of Php 5,792 thousand or 3.49%. This account did not have a material change compared to the previous period.
- **Professional and legal fees** – The Group's professional and legal fees in the third quarter of 2018 and 2017 amounted to Php 14,300 thousand and Php

27,165 thousand, respectively, which shows a decrease of Php 12,865 thousand or 47.36%. The decrease primarily came from the lower fees and decrease in services rendered by professionals during the reporting period.

- **Personnel cost** –The Group's personnel cost in the third quarter of 2018 and 2017 amounted to Php 58,757 thousand and Php 43,812 thousand, respectively, which shows an increase of Php 14,945 thousand or 34.11%. The increase primarily came from the increase in sales commissions earned from the collections of real estate receivables during the reporting period.
- **Advertising** –The Group's advertising expenses in the third quarter of 2018 and 2017 amounted to Php 22,109 thousand and Php 21,491 thousand, respectively, which shows an increase of Php 618 thousand or 2.88%. This account did not have a material change compared to the previous period.
- **Taxes and licenses** –The Group's taxes and licenses in the third quarter of 2018 and 2017 amounted to Php 13,779 thousand and Php 23,675 thousand, respectively, which shows a decrease of Php 9,896 thousand or 41.80%. The decrease primarily came from the decrease in taxes incurred and taxable transactions of the Group during the reporting period.
- **Depreciation and amortization** –The Group's depreciation and amortization in the third quarter of 2018 and 2017 amounted to Php 11,440 thousand and Php 11,382 thousand, respectively, which shows an increase of Php 58 thousand or 0.51%. This account did not have a material change compared to the previous period.
- **Rentals and utilities and supplies** – The Group's rentals and utilities and supplies in the third quarter of 2018 and 2017 amounted to Php 8,452 thousand and Php 11,355 thousand, respectively, which shows a decrease of Php 2,903 thousand or 25.56%. The decrease primarily came from the lower rentals, utilities, and supplies required by operations during the reporting period.
- **Transportation & Travel** – The Group's transportation and travel in the third quarter of 2018 and 2017 amounted to Php 8,738 thousand and Php 5,484 thousand, respectively, which shows an increase of Php 3,254 thousand or 59.33%. The increase primarily came from the increased transportation & travel expenses required by operations during the reporting period.
- **Entertainment, amusement and recreation** – The Group's entertainment, amusement and recreation in the third quarter of 2018 and 2017 amounted to Php 5,603 thousand and Php 3,986 thousand, respectively, which shows an increase of Php 1,617 thousand or 40.57%. The increase primarily came from the increased entertainment, amusement, and recreation expenses required by operations during the reporting period.
- **Repairs and maintenance**–The Group's repairs and maintenance in the third quarter of 2018 and 2017 amounted to Php 1,461 thousand and Php 1,867 thousand, respectively, which shows a decrease of Php 406 thousand or 21.76%. The decrease primarily came from the decreased repairs and maintenance required by operations during the reporting period.
- **Other Expenses** – The Group's other expenses in the third quarter of 2018 and 2017 amounted to Php 23,537 thousand and Php 23,119 thousand, respectively, which shows an increase of Php 418 thousand or 1.81%. This account did not have a material change compared to the previous period.

- **Interest income** – The Group's interest income in the third quarter of 2018 and 2017 amounted to Php 29 thousand and Php 2,850 thousand, respectively, which shows a decrease of Php 2,802 thousand or 98.31%. The decrease primarily came from the decreased balance of interest earning assets during the reporting period.
- **Other income - net** – The Group's other income -net in the third quarter of 2018 and 2017 amounted to Php 24,159 thousand and Php 11,870 thousand, respectively, which shows an increase of Php 12,289 thousand or 103.53%. The increase primarily came from real estate related penalties, interest and other forfeitures during the reporting period.
- **Interest expenses** – The Group's interest expenses in the third quarter of 2018 and 2017 amounted to Php 113,216 thousand and Php 89,311 thousand, respectively, which shows an increase of Php 23,905 thousand or 26.77%. The increase primarily came from increased balance of interest bearing liabilities during the reporting period.
- **Provision for income tax (benefit)** – The Group's provision for income tax (benefit) in the third quarter of 2018 and 2017 amounted to Php 10,231 and Php 6,157 thousand, respectively, which shows an increase of Php 4,074 thousand or 66.17%. The increase came from the higher taxable income during the reporting period.

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 third quarter of 2018 the Group's gross revenues and net loss amounted to Php 435,693 thousand and Php 92,925 thousand, respectively; while, in 2017 the same amounted to Php 575,226 thousand and Php 61,171 thousand, respectively. In the third quarter of 2018 and 2017, The equity holder of the Parent amounted to Php 74,191 thousand and Php 69,150 thousand in net loss, respectively.

As of the September 30, 2018 and December 31, 2017, The Group's total assets amounted to Php 4,311,389 thousand and Php 4,096,553 thousand, respectively; the total liabilities of the aforesaid period amounted to Php 3,399,539 thousand and Php 3,094,378 thousand, respectively.

Others

On March 20, 2018, in a meeting of the Board of Directors and Stockholders, the following resolutions were approved 1) Declaration of a stock dividend of 55 million shares at the new par value of P0.10 per share; 2) PGDI refocusing to an Infrastructure Company and the Amendment of its Primary/Secondary Purpose; 3) Increase in Authorized Capital Stock from P100 million divided into 100 million shares at P1.00 per share to P650 million divided into 6.5 billion shares at P0.10 per share. ; 4) Debt to equity conversion of PHA's P125 million advances to PGDI; 5) Increase in the number of directors; 6) Majority investment in two domestic companies who are holders of Mineral Production Sharing Agreements (MPSAs) ; 7) Declaration of cash dividends; 8) payment of Management Fee to Premiere Horizon Alliance Corp. for services rendered by its concurrent officers assigned to PGDI; and 7) Listing by Way of Introduction

On July 11, 2018 the Securities and Exchange Commission (SEC) approved the increase of capital stock of Palawan Star Mining Ventures, Inc. from Php 10 Million

divided into 10 Million shares with PAR value of Php 1.00 per share to Php 250 Million divided into 250 Million shares with PAR value of Php 1.00 per share. RCDC's capital subscription in the aforesaid company amounted to Php 220 Million which gives PGDI 98.88% ownership.

On July 11, 2018 the Securities and Exchange Commission (SEC) approved the increase of capital stock of Palawan Star Mining Ventures, Inc. from Php 10 Million divided into 10 Million shares with PAR value of Php 1.00 per share to Php 200 Million divided into 200 Million shares with PAR value of Php 1.00 per share. RCDC's capital subscription in the aforesaid company amounted to Php 170 Million which gives PGDI 98.55% ownership.

In the special meeting of the Board of Directors held on August 28, 2018 at its principal office, a resolution was adopted to convert debt to equity of PHA and other investors amounting to Php 432,500,000 into capital stock of Php 432,500,000 divided into 3,417,000,000 shares.

Increase in Authorized Capital Stock and Other Amendments

On September 13, 2018, the Securities and Exchange Commission approved the following:

- a.) Renaming of "Redstone Construction and Development Corporation" to "Premiere Georesources and Development, Inc.";
- b.) Certain amendments of the primary and secondary purpose for the refocusing to an infrastructure company;
- c.) Increase in Authorized Capital Stock from Php 100 million divided into 100 million shares at Php 1.00 per share to Php 650 million divided into 6.5 billion shares at Php 0.10 per share; and
- d.) Increase in the number of directors.

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.

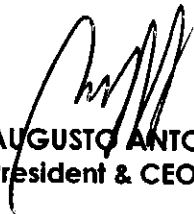
In 1st half of 2015, the Parent Company increased its ownership to the Concepts Unplugged: Business Environment Solutions, Inc. (CUBES) an affiliate in 2014. The increase in ownership gave the parent the power to control.

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

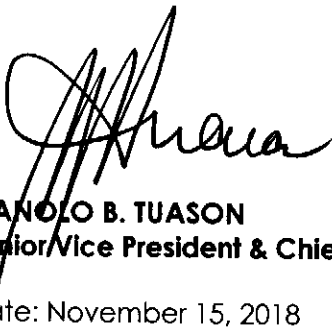
Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PREMIERE HORIZON ALLIANCE CORPORATION
Issuer



AUGUSTO ANTONIO C. SERAFICA, JR.
President & CEO

Date: November 15, 2018



MANOLO B. TUASON
Senior Vice President & Chief Financial Officer

Date: November 15, 2018

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

	Unaudited September 30, 2018	Audited December 31, 2017
ASSETS		
Current Assets		
Cash	82,544	70,160
Receivables	1,310,314	1,424,673
Real Estate Held for Sale	818,491	824,985
Unused supplies spare parts	16,368	13,004
Other current assets	357,887	301,996
Total current assets	2,585,604	2,634,818
Noncurrent Assets		
Noncurrent portion of installment contracts receivable	220,981	220,981
Land and land development	605,171	578,789
Deferred exploration costs	391,551	-
Intangible assets	143,786	143,710
Property and equipment	297,095	330,386
Other noncurrent assets	67,201	187,868
Total Noncurrent assets	1,725,785	1,461,734
Total Assets	4,311,389	4,096,553
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	1,194,257	907,372
Short -term debt	228,505	209,100
Income tax payable	2,537	344
Current portion of long term debt:		
Purchased land payable	130,740	148,905
Loans payable	492,341	407,701
Obligation under finance lease	8,061	26,121
Total Current Liabilities	2,056,441	1,699,543
Noncurrent Liabilities		
Pension Liabilities	13,183	13,183
Convertible loans	473,421	522,921
Noncurrent portion of long term debt:		
Purchased land payable	20,367	20,367
Obligation under finance lease	6,389	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	1,343,098	1,394,835
Total Liabilities	3,399,539	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	112,528	186,719
Parent Company shares held by a subsidiary	(133,664)	(133,664)
Equity attributable to Parent	517,653	591,845
Equity attributable to non-controlling interests	394,196	410,331
Total Equity	911,849	1,002,175
Total Liabilities and Equity	4,311,389	4,096,553

PREMIERE HORIZON ALLIANCE CORPORATION AND SUBSIDIARIES

Unaudited Consolidated Statements of Comprehensive Income

(In Php000.00)

	For nine months ended		For three months ended	
	September 30		September 30	
	2018	2017	2018	2017
REVENUES				
Real estate sales	169,303	378,013	32,546	139,678
Mining related services	266,390	197,213	160,117	100,411
Total revenue	435,693	575,226	192,663	240,089
Costs of real estate sold	89,572	216,529	17,367	105,208
Costs of services	171,630	165,838	89,740	73,873
Total Cost of Sales and Services	261,202	382,367	107,107	179,081
GROSS PROFIT	174,491	192,859	85,556	61,008
OTHER COSTS AND EXPENSES				
Professional and legal fees	14,300	27,165	2,991	4,125
Personnel costs	58,757	43,812	36,269	14,004
Advertsing	22,109	21,491	8,293	6,346
Taxes and licenses	13,779	23,675	8,838	9,063
Depreciation and amortization	11,440	11,328	3,105	3,405
Rent and utilities and supplies	8,452	11,355	3,330	4,968
Transportation and travel	8,738	5,484	4,079	2,055
Entertainment, amusement and recreation	5,603	3,986	2,737	2,497
Repairs and maintenance	1,461	1,867	600	642
Others	23,537	23,119	10,286	12,177
	168,175	173,282	80,527	59,282
INCOME(LOSS) BEFORE OTHER INCOME AND CHARGES	6,316	19,577	5,029	1,726
OTHER INCOME(CHARGES)				
Gain on change in FV of investment property				
Interest income	48	2,850	19	837
Other income-net	24,159	11,870	12,783	5,949
Interest expenses	(113,216)	(89,311)	(45,124)	(30,870)
	(89,010)	(74,591)	(32,323)	(24,084)
INCOME(LOSS) BEFORE TAX	(82,694)	(55,014)	(27,294)	(22,358)
PROVISION FOR INCOME TAX (BENEFITS)	10,231	6,157	10,231	255
INCOME (LOSS) FOR THE PERIOD	(92,925)	(61,171)	(37,525)	(22,613)
INCOME FROM CONTINUING OPERATION				
Equity holders of the parent	(74,191)	(69,150)	(26,416)	(21,267)
Non-controlling interest	(18,734)	7,979	(11,108)	(1,346)
	(92,925)	(61,171)	(37,524)	(22,613)
NET INCOME (LOSS) FOR THE PERIOD	(92,925)	(61,171)	(37,525)	(22,613)

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

	For nine months ended September 30	
	2018	2017
CAPITAL STOCK		
Issued and subscribed shares	472,715	472,965
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 incom(loss)	(74,191)	(69,150)
Balance at end of the period	112,528	81,808
ATTRIBUTABLE TO NON-CONTROLLING INTEREST		
Balance at beginning of the period	410,331	399,638
Increase	5,000	-
Decrease (Dividend Income)	(2,400)	-
Total beginning balance of non-controlling interest of subsidiary	412,931	399,638
Net income(loss) attributable to non-controlling interest	(18,734)	7,979
Balance at end of the period	394,197	407,617
TOTAL EQUITY	911,850	894,465

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

	For nine months ended September 30	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	(92,925)	(61,171)
Adjustments for:		
Depreciation and amortization	68,084	72,663
Gain on change in FV of investment property	-	
Gain on sale of investment in associates		
Interest expenses	113,216	89,310
Interest income	(48)	(2,850)
Operating income (loss) before working capital changes	88,327	97,952
Decrease (increase) in:		
Receivables	114,359	(543,999)
Unused supplies	(3,364)	(6,208)
Real estate held for sale	6,494	(95,838)
Other current assets	(55,890)	(164,018)
Increase (decrease) in:		
Trade payables	286,885	585,858
Other noncurrent liabilities	-	(1,528)
Net cash flows from (used in) operation	436,811	(127,781)
Interest received	48	2,850
Interest paid	(113,216)	(89,310)
Income tax paid	2,193	39,004
Net cash flows from (used in) operating activities	325,836	(175,237)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from sales of investment in associates		
Acquisition of property and equipment	(34,793)	(7,283)
Land and land development costs	(26,382)	(40,926)
Increase (decrease) in other noncurrent assets	(391,551)	
Increase (decrease) in other noncurrent assets	120,591	10,601
Net cash (used in) provided by	(332,136)	(37,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Short-term loans	19,405	(20,100)
Loans payable	84,640	
Subscription receivables	-	1,849
Subscription of minority interest	5,000	
Payment of:		
Cash dividend of minority interest	(2,400)	
Short-term loans		246,900
Purchased land payable	(18,165)	
Obligations under finance lease	(20,296)	(27,992)
Long-term loans	(49,500)	
Increase (decrease) in obligations under finance lease	-	(17,410)
Cash flows from financing activities	18,683	183,247
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	12,384	(29,598)
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	82,544	60,712

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 September 30, 2018	Audited 2017
Cash on hand	₱2,347	₱ 1,456
Cash in banks	80,197	68,704
	₱82,544	₱70,160

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

3. Receivables - net

This account consists of:

	Unaudited September 30, 2018	Audited 2017
Contract receivables	P1,194,860	P1,333,101
Trade receivables	60,268	42,533
Advances to officers and employees	56,567	50,388
Others	7,949	7,981
	1,319,644	1,434,003
Less allowance for impairment losses	9,330	9,330
	P1,310,314	P1,424,673

Aging of Receivables

	Account Title	Total	1-30	31-60	61-90	Over 90
1	Contract receivables	1,194,860	32,015	89,036	321,265	752,544
2	Trade	60,268	10,549	3,659	30,568	15,492
3	Advances to employees & officers	56,567	0	10,358	30,868	15,341
4	Others	7,949	1,326	3,124	-	3,499
	Total	1,319,644	43,890	106,177	382,701	786,876

4. Other Current Assets

This account consists of:

	Unaudited September 30, 2018	Audited 2017
Advances to suppliers and contractors	P287,247	P271,832
Input Tax – Value Added Tax	38,395	15,608
Tax Credits	26,502	11,288
Prepayments	1,006	787
Others	4,737	2,481
	P357,887	P301,996

5. Trade and Other Payables

This account consists of:

	Unaudited September 30, 2018	Audited 2017
Trade payables	P217,879	P219,393
Advances from third parties	147,775	223,344
Accrued expenses	397,966	95,692
Customers' deposits and advances	133,879	89,449
Retention payable	100,206	82,942
Others	196,552	196,552
	P1,194,257	P907,372