COVER SHEET

SEC Registration Number

A S 0 9 3 - 7 9 4 6

COMPANY NAME

ALLIANCE GLOBAL GROUP, INC.
AND SUBSIDIARIES

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town)Province)*

7TH FLOOR, 1880 EASTWOOD
AVENUE, EASTWOOD CITY
CYBERPARK,
188 E. RODRIGUEZ JR. AVENUE,
BAGUMBAYAN, QUEZON CITY

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q	SEC	Certificate of Permit to Offer Securities for Sale

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
intingdin@ymail.com	709-2038 to 41	

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,327	SEPTEMBER 3RD TUESDAY	DECEMBER 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
DINA INTING	intingdin@ymail.com	709-2038 to 41	

Contact Person's Address

7th Floor, 1880 Eastwood Avenue, Eastwood City Cyberpark, 188 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City

Note 1: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2: All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

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* **September 30, 2017**

2. *SEC Identification Number* **AS093-7946**

3. *BIR Tax Identification No*. **003-831-302-000**

4. *Exact name of issuer as specified in its charter* **ALLIANCE GLOBAL GROUP, INC.**

5. **METRO MANILA, PHILIPPINES**
Province, country or other jurisdiction of incorporation or organization

6. (*SEC Use Only)*
Industry classification code

7. **7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark**
188 E. Rodriguez Jr. Ave., Bagumbayan, 1110 Quezon City
Address of principal office

8. **(632) 70920-38 to -41**
Registrant's telephone number, including area code

9. *Securities registered pursuant to Sections 8 and 12 of the SRC, or secs. 4 and 8 of the RSA*

Title of Each Class	*Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding*
Common	**10,261,939,879** (net of 7,888,100 treasury shares held by AGI)

10. *Are any or all of these securities listed on a Stock Exchange?* **Yes, on the Philippine Stock Exchange.**

11. *(a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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.*

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

PART I – FINANCIAL INFORMATION

1. FINANCIAL STATEMENTS

Consolidated Statements of Financial Position
Consolidated Statements of Comprehensive Income
Consolidated Statements of Changes in Equity
Consolidated Statements of Cash Flows
Notes to Interim Consolidated Financial Statements
Schedule of Financial Soundness Indicators
Aging Schedule of Trade and Other Receivables Under Current Assets

The interim consolidated financial statements (ICFS) have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standard 34, *Interim Financial Reporting*. As such, they do not include all of the information and disclosures required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2016 (ACFS). The accounting policies and methods used in the ICFS are consistent with those applied in ACFS, except for changes brought about by the adoption of new standards that become effective on January 1, 2017 (see Note 2.2 to the ICFS and Note 2.3(c) to the ACFS).

Accounting estimates, assumptions and judgments are used in preparing these statements; and while these are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates (see Note 3 to the ACFS).

The ICFS comprise the financial statements of the Company and its subsidiaries, after elimination of material intercompany transactions. In addition, shares of stock of the Company acquired by any of these subsidiaries are recognized as treasury shares and these are presented at cost as a deduction in the consolidated statements of changes in equity. Any changes in their market values as recognized separately by the subsidiaries are likewise eliminated in full. Gain or loss on the sale of these treasury shares is presented as addition to or deduction from additional paid-in capital.

Business Segments

The Group is organized into four major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, Travellers or RWM, and GADC, which in turn represent the main products and services provided by the Group and the lines of business in which the Group operates, i.e. real estate development and leasing, manufacture and distribution of distilled spirits, tourism-entertainment and gaming, and quick-service restaurants operations (see Note 4 to the ICFS).

Please refer to Note 1 to the ICFS and ACFS for a comprehensive list of subsidiaries, associates and joint ventures.

2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF INTERIM FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Key Performance Indicators
Presented below are the top five (5) key performance indicators:

In Million Pesos

	Jan-Sept 2017	Jan-Sept 2016	Qtr 3 2017	Qtr 3 2016	Qtr 2 2017	Qtr 2 2016	Qtr 1 2017	Qtr 1 2016
REVENUES	**100,329**	**101,564**	**33,486**	**34,490**	**33,140**	**33,994**	**33,703**	**33,080**
NET PROFIT	**15,159**	**17,336**	**5,075**	**5,992**	**4,703**	**6,075**	**5,381**	**5,269**
NET PROFIT TO OWNERS OF AGI	**10,181**	**11,048**	**3,462**	**3,763**	**3,153**	**3,946**	**3,567**	**3,339**
Revenue Growth	**-1.22%**	**1.98%**	**-2.91%**	**0.95%**	**-2.51%**	**2.68%**	**1.88%**	**2.38%**
Net Profit Growth	**-12.56%**	**6.69%**	**-15.29%**	**25.64%**	**-22.59%**	**2.90%**	**2.13%**	**-5.51%**
NP Attributable to Parent Growth	**-7.85%**	**4.13%**	**-8.01%**	**21.27%**	**-20.11%**	**-2.11%**	**6.83%**	**-3.94%**
Net profit rate	15.11%	17.07%	15.16%	17.37%	14.19%	17.87%	15.97%	15.93%
NP Attributable to parent	10.15%	10.88%	10.34%	10.91%	9.51%	11.61%	10.58%	10.09%
Return on investment/assets [NP/TA]	2.78%	3.71%						
	Sep30, 2017	Dec31, 2016	Growth	Sep30, 2016		-		
TOTAL ASSETS	544,952	491,297	10.92%	466,670				
CURRENT ASSETS	262,284	230,074	14.00%	214,811				
CURRENT LIABILITIES	114,731	123,072	-6.78%	70,615				
Current ratio	2.29x	1.87x						
Quick ratio	1.22x	0.95x						

Note: Numbers may not add up due to rounding.

- Revenue growth – measures the percentage change in sales/revenues over a designated period of time. Performance is measured both in terms of amount and volume, where applicable.
- Net profit growth – measures the percentage change in net profit over a designated period of time
- Net profit rate– computed as percentage of net profit to revenues - measures the operating efficiency and success of maintaining satisfactory control of costs
- Return on investment [or capital employed] – the ratio of net profit to total assets - measures the degree of efficiency in the use of resources to generate net income
- Current ratio – computed as current assets divided by current liabilities – measures the ability of the business to meet its current obligations. To measure immediate liquidity, quick assets [cash, marketable securities, accounts receivables] is divided by current liabilities.

Results of Operations – First Nine Months

By Subsidiary groups:

In Million Pesos

2017	MEG	EMP	RWM	GADC	Others	TOTAL
Revenues	36,527	27,468	15,747	18,682	6,179	104,603
Intercompany/ Adjusment	-56		10		-4,228	
Consolidated	**36,471**	**27,468**	**15,757**	**18,682**	**1,951**	**100,329**
% contribution	36%	27%	16%	19%	2%	100%
Costs and expenses	23,174	22,192	15,555	17,231	2,508	**80,660**
Intercompany/ Adjustment	-3	-24	-29		-7	
Consolidated	**23,171**	**22,168**	**15,526**	**17,231**	**2,501**	**80,597**
Tax Expense	**3,013**	**831**	**228**	**475**	**25.00**	**4,572**
Net profit	10,340	4,445	-36	976	3,646	19,371
Intercompany/ Adjustment	-53	24	39	0	-4221	
Consolidated	**10,287**	**4,469**	**3**	**976**	**-575**	**15,160**
% contribution	68%	29%	0%	6%	-4%	100%
Net profit to owners	9,981	4,444	-34	966	3,646	19,003
Intercompany/ Adjustment	-3,322	-788	58	-493	-4,279	
Consolidated	**6,659**	**3,656**	**24**	**473**	**-633**	**10,179**
% contribution	65%	36%	0%	5%	-6%	100%
2016	MEG	EMP	RWM	GADC	Others	TOTAL
Revenues	35,264	27,617	20,840	16,493	5,263	105,477
Intercompany/ Adjustment	-111	-22	0	0	-3,781	
Consolidated	**35,153**	**27,595**	**20,840**	**16,493**	**1,482**	**101,563**
% contribution	35%	27%	21%	16%	1%	100%
Costs and expenses	23,278	21,682	17,722	15,349	2,042	80,073
Intercompany/ Adjustment	-42	0	0	0	-28	
Consolidated	**23,236**	**21,682**	**17,722**	**15,349**	**2,014**	**80,003**
Tax Expense	**2,714**	**1,012**	**138**	**326**	**36**	**4,226**
Net profit	9,272	4,923	2,980	818	3,185	21,178
Intercompany/ Adjustment	-69	-22	0	0	-3,753	
Consolidated	**9,203**	**4,901**	**2,980**	**818**	**-568**	**17,334**
% contribution	53%	28%	17%	5%	-3%	100%
Net profit to owners	8,982	4,922	2,983	812	3,186	20,885
Intercompany/ Adjustment	-3,005	-933	-1,660	-414	-3,824	
Consolidated	**5,977**	**3,989**	**1,323**	**398**	**-638**	**11,049**
% contribution	54%	36%	12%	4%	-6%	100%
Year-on-year Change	MEG	EMP	RWM	GADC	Others	TOTAL
Revenues	3.75%	-0.46%	-24.39%	13.27%	31.58%	-1.22%
Costs and expenses	-0.28%	2.24%	-12.39%	12.26%	24.22%	0.74%
Tax Expense	11.02%	-17.90%	65.66%	45.83%	-30.78%	8.20%
Net profit	11.77%	-8.82%	-99.91%	19.32%	1.54%	-12.56%
Net profit to owners	11.42%	-8.34%	-98.16%	18.96%	-0.89%	-7.85%

Notes: Numbers may not add up due to rounding.
-At AGI consolidated level, revenues and costs and expenses may differ from the totals separately reported by subsidiaries as there may be items reclassified from/to revenues to/from costs to follow the group's consolidated presentation.
-Percentages are taken based on full numbers, not from the presented rounded amounts.
-RWM revenues are presented gross of promotional allowance, which is then included under costs and expenses.

Profit and loss accounts:

In Million Pesos	2017	2016	y-o-y
REVENUES			
Sale of goods	53,426	53,436	-0.02%
Consumer goods	27,770	28,132	-1.29%
Revenues from real estate (RE) sales	25,656	25,304	1.39%
RE sales	20,960	20,711	1.20%
Realized gross profit on RE sales	3,306	3,202	3.25%
Interest income on RE sales	1,390	1,391	-0.07%
Rendering of services	44,124	45,784	-3.63%
Gaming	12,801	18,016	-28.95%
Sales by company-operated quick-service restaurant	16,689	14,837	12.48%
Franchise revenues	1,797	1,543	16.46%
Rental income	9,270	7,807	18.74%
Other services	3,567	3,581	-0.39%
Hotel operations	2,991	2,664	12.27%
Other services	576	917	-37.19%
Share in net profits of associates and joint ventures	287	171	67.84%
Finance and other income	2,493	2,174	14.67%
TOTAL	100,330	101,565	-1.22%
COSTS AND EXPENSES			
Cost of goods sold	34,033	34,392	-1.04%
Consumer goods sold	18,762	18,840	-0.41%
RE sales	11,991	11,662	2.82%
Deferred gross profit on RE sales	3,280	3,890	-15.68%
Cost of services	22,932	22,917	0.07%
Gaming-license fees, promo allowances	6,567	8,179	-19.71%
Services	16,365	14,738	11.04%
Other operating expenses	18,625	18,744	-0.63%
Selling and marketing	7,028	7,883	-10.85%
General and administrative	11,597	10,861	6.78%
Loss from casualty, net of insurance claims	321	-	
Finance costs and other charges	4,686	3,949	18.66%
TOTAL	80,597	80,002	0.74%
TAX EXPENSE	4,571	4,225	8.19%
NET PROFIT	15,162	17,338	-12.55%

Note: Numbers may not add up due to rounding.

The Group net profited P15.2 billion for the first nine months of the year, of which P10.2 billion was attributable to owners, as the Group turned over P100.3 billion revenues. This year's results took in the impact of the temporary non-operational days of Resorts World Manila (RWM) businesses in June this year; while the casino had reopened already, the second floor gaming area has not been restored to-date (see Note 10.2 to the ICFS). Net profit rate was at 15% as compared to 17% a year ago.

Megaworld, the country's largest developer and pioneer of integrated urban townships achieved a 12% jump year-on-year in net profit for the nine months and three quarters ended September 30, as the group registered P10.3 billion and P3.6 billion net profit for the respective interim periods this year as compared to P9.3 billion and P3.2 billion a year ago. Net profit attributable to owners of Megaworld was reported at P10.0 billion, an 11% growth year-on-year. Revenues, which include Global-Estate Resorts, Inc. (GERI), Empire East Land Holdings, Inc. (Empire East) and Suntrust Properties, Inc. (Suntrust), climbed 5% to P37 billion this year from P35 billion a year ago, with third quarter revenues growing 5% year-on-year also. Of the total revenues, around 69% was from residential revenues totaling P25.6 billion, up 1% from P25.3 billion a year ago. These mostly came from the group's township projects across the country. Megaworld-GERI-Empire East-Suntrust brands shared 57%-16%-16%-11% of real estate sales. Rental income from the office and commercial retail spaces continued to be a main driver of growth as it reached a new high of P8.8 billion, up 19% from a year ago, comprising 24% of Megaworld's reported total revenues. Hotel revenues also rose 8% to P950 million from P878 million in the same period last year, as the group expanded its homegrown hotel brands, Richmonde and Belmont, in Iloilo Business Park (in Iloilo City) and Newport City (in Pasay City), respectively; and in the second quarter, the 559-room Savoy Hotel Boracay, the third homegrown hotel brand and with its party pool arena, the first-ever in the country, was launched. These operating results brought in 36% and 68% to AGI's consolidated revenues and net profit, respectively.

Emperador, the world's largest brandy company and owner of the world's 5th largest Scotch whisky manufacturer, realized P1.7 billion net profit on P9.5 billion revenues in the third quarter this year, reflecting an 18% profit growth over the same period last year. This resulted in P4.4 billion net profit for the first nine months of this year on P27.6 billion revenues. Both the brandy and Scotch whisky segments delivered good results. Revenues from the Scotch Whisky business for the nine-month period grew 4% year-on-year. Own Scotch whisky labels -The Dalmore, Jura and Whyte and Mackay- were particularly strong within UK, Travel Retail, USA, Asia and Greater Europe. Whisky sales expanded also in Africa, Middle East and Canada. Revenues from the brandy business, which combined Philippines' Emperador and Spain's Bodegas Fundador brands, on the other hand, sustained revenues at P19 billion level for the comparable nine-month periods, while revenues for the third quarter alone was up year-on-year. Brandy segment sales were particularly stronger into the Philippines, UK, Guinea and USA. The relatively new Philippine products beefed up revenues. A new spicy cinnamon-flavored variant labelled "Emperador HotShot" was promoted in the later part of the current interim period. Emperador Hotshot is the first-of-its-kind in the Philippines, a game-changing innovation to expand the Philippine brandy portfolio. More cases of the imported brands were sold locally this year than a year ago. The distribution in the Philippines of Fundador and WMG brands is now being handled by EDI while the distribution in UK of Fundador brands is now being handled by WMG. Gross profit margins ("GPM") in the interim period remained healthy at about 33% plus. The current GPMs of the brandy and Scotch whisky segments were posted at 33% and 28%, respectively. For the first nine months of the year, Emperador group accounted for 27% of both AGI's consolidated revenues and 29% of consolidated net profit.

Travellers, the owner and operator of Resorts World Manila (RWM), reportedly ended the first nine months of the year with P15.7 billion consolidated revenues gross of promotional allowance, realizing EBITDA of P2.6 billion therefrom. The casino was closed for 27 days in June and the second floor gaming area has not been restored despite the reopening of the casino, and this resulted in gaming revenues grossing at P12.8 billion by the end of the nine-month period this year. Non-gaming revenues (hotel, food, beverage and other revenues) increased 5% year-on-year. Occupancy rate for the three hotels averaged at 78%. The Phase 3 development continues and is expected to be fully operational by end-2018. It will have three international luxury hotels and will include new gaming and retail spaces. Travellers group contributed 16% to AGI's consolidated revenues.

GADC, the master franchise holder of McDonald's quick-service restaurants brand in the Philippines, turned over P18.7 billion revenues, up 13% from P16.5 billion a year ago, as net profit climbed 19% to P977 million from P819 million a year ago. This is achieved from the opening of new restaurants, renovation of existing restaurants, new product launches and the continuous marketing and promotions of core menu. A total of 50 (30 in 2017) new restaurants were opened while 3 (in 2017) were closed from a year ago, bringing the total count to 547 restaurants at end of the current interim period as compared to 500 a year ago. Company-owned and operated restaurants totaled 288 at end of current interim period as compared to 265 a year ago. System wide same-store sales grew 5.8% year-on-year. In the third quarter, promotional campaigns included limited time offering of Chicken Combolicious (pairing all-time favorite Chicken McDo with Fries or with Mushroom Soup, together with Sundae, McFloat and McFreeze), Breakfast Platters (Chicken McDo and Chicken Fillets now with egg and garlic rice), Emoji and Adventure Time toys in Happy Meals, and the comeback of the well-loved Twister Fries. Cost of sales and services went up by 12%, primarily due to cost of inventory, imported raw materials, utilities and crew labor costs. These operating results translated into 19% and 6% of the consolidated revenues and net profit of AGI and subsidiaries, respectively.

Revenues for the first nine months slackened 1% at P100.3 billion this year from P101.6 billion a year ago. Sales of goods (real estate, alcoholic beverages and snack products) at P53.4 billion were at the same level as last year while service revenues (gaming, hotel, quick-service restaurants, rentals, cinemas) at P44.1 billion were down 4% from P45.8 billion a year ago. The growth in hotel and rental operations of Megaworld and in McDonald stores countered the effect of the lost gaming revenues in RWM.

Costs and expenses inched a bit at P80.6 billion from P80.0 billion a year ago. Cost of goods sold (which is a function of sales), cost of services and other operating expenses were maintained at P34 billion, P23 billion and P19 billion levels, respectively, as a year ago. Emperador had higher expenses this year in advertising and promotions (in support of new products and variants), salaries and employee benefits (due to increase in number of employees and new positions created) and supplies (UK is changing datalinks network to all locations, which would result in fall in telephone costs in the long run). Megaworld had expended more on commissions, salaries and employee benefits, advertising and promotions and depreciation and amortization. GADC had increased this year its advertising and promotions (for media mileage) and personnel costs and taxes and licenses (from new store openings). All these increases were mitigated by the reduction in RWM's operating expenses year-on-year brought about primarily by the temporary non-operational days in June.

The **loss from casualty** as recorded by Travellers amounted to P321 million, after insurance claims.

Share in net profits of associates and joint ventures escalated 67% or up P115 million from higher net profit of Emperador's Spanish joint venture this year.

Finance and other income went up 15% or P320 million higher this year from interest income and other miscellaneous gains. **Finance costs and other charges** went up 19% or P738 million which is attributable to higher interest expense due to new borrowings this year.

Income tax increased 8% this year or P346 million up year-on-year from higher taxes for Megaworld and GADC this year.

Earnings before interest, taxes, depreciation and amortizations (EBITDA), computed as net profit before share in net profits of associates and joint ventures, income taxes, interest expense, depreciation, amortizations and impairment provisions, and non-recurring loss/gains amounted to P28.1 billion this year from P28.4 billion a year ago.

Net profit attributable to owners amounted to P10.2 billion from P11.0 billion a year ago.

The Group had executed well in the first nine months of the year, despite the hurdles.

Financial Condition

Consolidated total assets amounted to P545.0 billion at end of the interim period from P491.3 billion at beginning of year. The Group is strongly liquid with **current assets** exceeding **current liabilities** 2.3 times. Current assets amounted to P262.3 billion while current liabilities amounted to P114.7 billion at end of the interim period.

Cash and cash equivalents swelled P17.9 billion or 37% to end at P66.5 billion from P48.7 billion at the beginning of the year, primarily from loan proceeds. Cash flows from operating, financing and investing activities during the period were presented in the interim consolidated statements of cash flows.

Current and non-current trade and other receivables increased P4.8 billion or 8% and P1.9 billion or 5%, respectively, from real estate sales and RWM debtors.

Financial assets at fair value through profit or loss went up P755 million or 7% from marketable securities purchased during the year.

Inventories expanded P6.5 billion or 8% from residential and condominium units (up P4.2 billion) and whisky and brandy inventories (up P2.7 billion). There were increased fillings of Scotch whisky and Spanish brandy and finished goods in lead up to the Christmas season.

Other current assets rose 20% or P1.6 billion mainly due to an increase in input vat, creditable withholding taxes, investments in time deposits, and timing of prepayments and subsequent charging to profit or loss of such expenses during the interim period.

Non-current available-for-sale financial assets went up 34% or P204 million from marked-to-market valuation of marketable securities during the interim period.

Investments in and advances to associates and related parties grew 5% or P495 million from acquisition of additional shares in an associate of Megaworld.

Property, plant and equipment soared 14% or P11.4 billion primarily from the ongoing constructions at RWM, Scotland and Batangas; acquired Spanish assets; and the completed Megaworld corporate headquarters and Emperador rehabilitated glass furnace. Three international luxury hotels in RWM, including Hilton Manila and Sheraton Manila Hotel, are expected to be fully operational by end-2018 and would add approximately 940 rooms. There will also be new gaming area and retail spaces and six basement parking decks.

Investment property increased 9% or P5.6 billion as more property for lease gets completed by Megaworld. Megaworld expects to have 1,330sqm of rental portfolio by end of current year – 1,013sqm for office and 317sqm for commercial and retail.

Deferred tax assets decreased 14% or P138 million principally from temporary tax differences of Travellers and MEG; while **deferred tax liabilities** increased 4% or P469 million principally from MEG and EMP temporary tax differences.

Trade and other payables escalated 7% or P2.9 billion representing amounts due to suppliers and contractors and liabilities on unredeemed gaming points and gaming chips.

Current interest-bearing loans surged P3.0 billion or 14% while **non-current interest-bearing loans** soared 76% or P42.3 billion from loans obtained by Travellers (P15.9 billion) and by offshore subsidiaries (P38.7 billion), which included refinancing of Cayman bonds, as offset by loan repayments by Megaworld group (P3.9 billion).

Current bonds payable plummeted 36% or P14.2 billion from redemption of Cayman bonds which matured in August this year (P24.9 billion) and currently maturing Megaworld bonds (P10.2 billion). **Non-current bonds payable** rose 10% or P2.3 billion primarily due to the newly-issued MEG bonds, net of current maturities of existing bonds.

Income tax payable dropped 60% or P673 million due to timing of payment as the annual taxes were settled during the interim period.

Non-current advances from related parties increased 12% or P202 million from additional advances during the interim period.

Other non-current liabilities swelled 8% or P2.2 billion from Megaworld's reserve for property development, deferred income on real estate sales, customers' deposits and other payables.

The **changes in equity components** are presented in detail in the consolidated statements of changes in equity. The equity attributable to owners of AGI increased 7% or P9.9 billion and non-controlling interest 5% or P4.9 billion, primarily from net profit share for the interim period less cost of treasury shares.

Liquidity and Capital Resources

The consolidated statements of financial position showed strong liquidity with current assets exceeding current liabilities 2.3times. Total-liabilities-to-equity ratio is at 1:2 while interest-bearing-debt-to-equity stands at 0.7:1. Assets exceeded liabilities 2times, and equity 2times as well.

In general, working capital was sourced internally from operations and debts during the period. The Group may also from time to time seek other sources of funding, if necessary, depending on its financing needs and market conditions.

Amounts in Million Pesos	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16
Cash and equivalents	66,565	87,131	60,079	48,673
FVTPL/AFS financial assets	12,031	11,261	11,495	11,138
Total Available	78,596	98,393	71,575	59,811
Interest-bearing debt –current	49,644	79,156	65,685	60,831
Interest-bearing debt- noncurrent	122,518	107,732	87,687	77,831
Equity-linked securities- non- current*	5,264	5,264	5,264	5,263
Total Interest-bearing Debt	177,426	192,151	158,636	143,924
Net cash/-debt	-98,830	-93,759	-87,061	-84,113
Available Cash-and- financial assets to interest-bearing debt	44%	51%	45%	42%
Interest-bearing debt to total equity	68%	75%	63%	58%

*Presented under Other Non-current liabilities

Prospects for the future

AGI has a proven track record of creating value over time and is confident in its ability to deliver sustainable profitable growth and value for its stakeholders. AGI remains vigilant on delivering its business goals and intends to continue to adopt prudent measures to ensure financial sustainability. It recognizes the various opportunities that will enhance the overall profitability of the group while maintaining established products and markets.

Emperador is best positioned to capitalize on premiumization opportunities, with its much bigger product portfolio and inventory of high quality brandy and whisky and greater global reach. The group is looking forward into an exciting integration.

Megaworld has a strong roster of townships nationwide that are backed by adequate land banking and carefully-thought masterplans. Its aggressive thrust to grow its investment properties has resulted in increased recurring income stream which has insulated it from the vagaries of the property cycle. It has large-scale townships and communities outside of Metro Manila that fit perfectly with the government's planned infrastructure renaissance.

Travellers sees a lot of potential for further growth, as it continues to expand its non-gaming facilities and offerings. RWM's expansion projects will further enhance the existing diversified offerings aimed to provide a holistic customer experience.

GADC targets to open more stores and is consistently bringing out innovations to delight customers.

The Group is optimistic about its infrastructure pursuit in line with the government's aggressive push for infrastructure developments.

Others

There were no known material events subsequent to the end of the interim period that would have a material impact in the interim period.

There are no other known trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way. The Company does not have nor anticipate having any cash flow or liquidity problems within the year. AGI and its subsidiaries are not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Company, including any default or acceleration of an obligation. There are no other material off-balance sheet transactions, arrangements, obligations, and other relationships with unconsolidated entities or other persons created during the reporting period.

There are no other known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are also no known events that will cause material change in the relationship between costs and revenues.

There are no other significant elements of income or loss that did not arise from continuing operations.

There were no other material issuances, repurchases or repayments of debt and equity securities.

The business has no seasonal aspects that had a material effect on the financial condition and results of operations of the Group.

SIGNATURE

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

Alliance Global Group, Inc.
Issuer
By:

DINA D.R. INTING
Chief Financial Officer/
Corporate Information Officer/
Principal Accounting Officer
November 10, 2017

ALLIANCE GLOBAL GROUP, INC.
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
September 30, 2017

	9/30/17	12/31/16
Current ratio	2.29	1.87
Quick ratio	1.22	0.95
Liabilities-to-equity ratio	1.09	1.00
Interest-bearing debt to total capitalization ratio	0.53	0.49
Asset-to-equity ratio	2.09	2.00
		9/30/16
Interest rate coverage ratio	573%	740%
Net profit margin	15.11%	17.07%
Return on assets	2.78%	3.71%
Return on equity/investment	5.81%	7.24%
Return on equity/investment of owners	9.65%	7.77%

LIQUIDITY RATIOS measure the business' ability to pay short-term debt.
Current ratio - computed as current assets divided by current liabilities
Quick ratio - computed a cash, marketable securities, accounts receivable divided by current liabilities.

SOLVENCY RATIOS measure the business' ability to pay all debts, particularly long-term debt.
Liabilities-to-equity ratio - computed as total liabilities divided by stockholders'equity.
Interest-bearing debt to total capitalization ratio - computed as interest-bearing debt divided by interest-bearing debt + stockholder's equity attributable to controlling interest

ASSET-TO-EQUITY RATIOS measure financial leverage and long-term solvency. It shows how much of the assets are owned by the company. It is computed as total assets divided by stockholders'equity.

INTEREST RATE COVERAGE RATIOS measure the business' ability to meet its interest payments. It is computed as profit before income tax and interest expense ("EBIT") divided by interest.
In the computation, non-recurring gain is excluded from EBIT.

PROFITABILITY RATIOS
Net margin - computed as net profit divided by revenues
Return on assets - net profit divided by total assets
Return on investment - net profit divided by total stockholders' equity
Return on investment of equity owners- net profit divided by equity attributable to ownersof the parent company

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2017 AND DECEMBER 31, 2016
(Amounts in Philippine Pesos)

		September 30, 2017 (UNAUDITED)		December 31, 2016 (AUDITED)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	**P**	**66,564,602,837**	P	48,672,938,017
Trade and other receivables - net		**62,379,639,590**		57,600,956,140
Financial assets at fair value through profit or loss		**11,220,581,772**		10,465,266,604
Inventories - net		**91,436,090,167**		84,928,119,642
Property development costs		**20,788,633,545**		20,105,196,663
Available-for-sale financial assets - net		-		66,501,898
Other current assets		**9,894,443,581**		8,235,312,421
Total Current Assets		**262,283,991,492**		230,074,291,385
NON-CURRENT ASSETS				
Trade and other receivables - net		**37,622,726,918**		35,678,314,324
Advances to landowners and joint ventures		**5,029,517,367**		4,859,000,177
Available-for-sale financial assets		**810,609,206**		606,613,388
Land for future development		**22,384,122,799**		22,079,341,640
Investments in and advances to associates and other related parties		**9,719,840,763**		9,224,586,430
Property, plant and equipment - net		**94,402,810,409**		82,993,671,075
Investment property - net		**67,868,024,119**		62,306,769,151
Intangible assets - net		**38,437,435,808**		37,524,214,229
Deferred tax assets		**843,157,359**		980,756,248
Other non-current assets		**5,549,985,948**		4,969,404,868
Total Non-current Assets		**282,668,230,696**		261,222,671,530
TOTAL ASSETS	**P**	**544,952,222,188**	P	491,296,962,915

		September 30, 2017 (UNAUDITED)		December 31, 2016 (AUDITED)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**41,833,599,877**	P	38,967,103,207
Interest-bearing loans		**24,131,452,063**		21,095,657,317
Bonds payable		**25,512,065,927**		39,734,990,308
Income tax payable		**449,152,369**		1,122,497,897
Other current liabilities		**22,805,179,627**		22,151,381,020
Total Current Liabilities		**114,731,449,863**		123,071,629,749
NON-CURRENT LIABILITIES				
Interest-bearing loans		**97,846,942,246**		55,500,216,708
Bonds payable		**24,671,492,636**		22,330,589,969
Advances from related parties		**1,943,471,908**		1,741,255,704
Retirement benefit obligation		**2,135,374,109**		2,604,306,467
Redeemable preferred shares		**2,084,316,982**		2,013,695,292
Deferred tax liabilities - net		**11,924,029,536**		11,454,686,710
Other non-current liabilities		**28,642,013,837**		26,476,910,868
Total Non-current Liabilities		**169,247,641,254**		122,121,661,718
Total Liabilities		**283,979,091,117**		245,193,291,467
EQUITY				
Equity attributable to owners of the parent company		**157,077,330,517**		147,140,151,266
Non-controlling interest		**103,895,800,554**		98,963,520,182
Total Equity		**260,973,131,071**		246,103,671,448
TOTAL LIABILITIES AND EQUITY	**P**	**544,952,222,188**	P	491,296,962,915

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

	2017		2016	
	Year-to-Date	**Quarter**	Year-to-Date	Quarter
REVENUES				
Sale of goods	**P 53,425,636,865**	**P 18,319,475,250**	P 53,435,838,885	P 18,525,524,497
Rendering of services	**44,123,251,882**	**14,208,029,848**	45,783,323,584	15,629,806,123
Share in net profits				
of associates and joint ventures - net	**286,545,050**	**151,755,704**	171,153,465	71,889,603
Finance and other income	**2,493,436,684**	**806,483,664**	2,173,589,172	262,599,499
	100,328,870,481	**33,485,744,466**	101,563,905,106	34,489,819,722
COSTS AND EXPENSES				
Cost of goods sold	**34,033,963,888**	**11,848,686,364**	34,392,574,778	11,753,082,851
Cost of services	**22,932,210,352**	**7,514,528,978**	22,917,462,825	7,760,205,721
Other operating expenses	**18,625,098,980**	**5,948,917,543**	18,744,281,138	5,991,147,932
Losses from casualty, net of insurance claims	**320,721,519**	**161,891,588**	-	-
Finance cost and other charges	**4,686,094,809**	**1,490,060,247**	3,948,554,641	1,617,366,834
	80,598,089,548	**26,964,084,720**	80,002,873,382	27,121,803,338
PROFIT BEFORE TAX	**19,730,780,933**	**6,521,659,746**	21,561,031,724	7,368,016,384
TAX EXPENSE	**4,571,400,117**	**1,446,088,382**	4,224,880,464	1,375,998,615
NET PROFIT	**15,159,380,816**	**5,075,571,364**	17,336,151,260	5,992,017,769
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently				
to profit or loss				
Actuarial gain (loss) on remeasurement				
of retirement benefit obligation - net of tax	**323,075,840**	**(21,701,637)**	(1,489,027,403)	(1,712,753,003)
Items that will be reclassified subsequently				
to profit or loss				
Net unrealized fair value gains (losses) on				
available-for-sale financial assets	**382,972,109**	**354,745,835**	(10,846,753)	(13,068,106)
Translation adjustments	**(661,275,280)**	**(463,453,524)**	(3,482,838,831)	(2,107,824,703)
	(278,303,171)	**(108,707,689)**	(3,493,685,584)	(2,120,892,809)
TOTAL COMPREHENSIVE INCOME	**P 15,204,153,485**	**P 4,945,162,038**	P 12,353,438,273	P 2,158,371,957
Net profit attributable to:				
Owners of the parent company	**P 10,181,009,436**	**P 3,461,581,443**	P 11,048,274,861	P 3,763,108,842
Non-controlling interest	**4,978,371,380**	**1,613,989,921**	6,287,876,399	2,228,908,927
	P 15,159,380,816	**P 5,075,571,364**	P 17,336,151,260	P 5,992,017,769
Total comprehensive income attributable to:				
Owners of the parent company	**P 10,065,982,291**	**P 3,291,586,164**	P 7,972,010,647	P 1,291,648,506
Non-controlling interest	**5,138,171,194**	**1,653,575,874**	4,381,427,626	1,747,937,529
	P 15,204,153,485	**P 4,945,162,038**	P 12,353,438,273	P 3,039,586,035
Earnings Per Share for the Net Income Attributable				
to Owners of the Parent Company:				
Basic	**P 1.0041**	**P 0.3414**	P 1.0888	P 0.3709
Diluted	**P 0.9938**	**P 0.3379**	P 1.0776	P 0.3670

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Owners of the Parent Company													
									Retained Earnings					
	Capital Stock	Additional Paid-in Capital	Treasury Shares – at cost	Net Actuarial Losses on Retirement Benefit Plan	Net Fair Value Gains (Losses) on Available-for-Sale Financial Assets	Accumulated Translation Adjustments	Dilution Gain	Share Options	Appropriated	Unappropriated	Total	Total	Non-controlling Interest	Total Equity
Balance at January 1, 2017	P 10,269,827,979	P 34,395,380,979	(P 936,157,074)	(P 585,429,112)	P 477,744,138	(P 4,595,890,425)	P 19,980,402,684	P 744,676,052	P 2,532,837,400	P 84,856,758,645	P 87,389,596,045	P 147,140,151,266	P 98,963,520,182	P 246,103,671,448
Transactions with owners:														
Acquisition of treasury shares	-	-	(128,803,040)	-	-	-	-	-	-	-	-	(128,803,040)	(117,194,833)	(245,997,873)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	9,347,818	9,347,818
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1,330,339,544	1,330,339,544
Change in percentage ownership	-	-	-	-	-	-	-	-	-	-	-	-	(15,465,433)	(15,465,433)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	-	-	(1,412,917,918)	(1,412,917,918)
	-	-	(128,803,040)	-	-	-	-	-	-	-	-	(128,803,040)	(205,890,822)	(334,693,862)
Appropriation of retained earnings	-	-	-	-	-	-	-	-	1,996,387,400	(1,996,387,400)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	(2,084,587,400)	2,084,587,400	-	-	-	-
Total comprehensive income	-	-	-	264,093,945	159,426,793	(538,547,883)	-	-	-	10,181,009,436	10,181,009,436	10,065,982,291	5,138,171,194	15,204,153,485
Balance at September 30, 2017	**P 10,269,827,979**	**P 34,395,380,979**	**(P 1,064,960,114)**	**(P 321,335,167)**	**P 637,170,931**	**(P 5,134,438,308)**	**P 19,980,402,684**	**P 744,676,052**	**P 2,444,637,400**	**P 95,125,968,081**	**P 97,570,605,481**	**P 157,077,330,517**	**P 103,895,800,554**	**P 260,973,131,071**
Balance at January 1, 2016	P 10,269,827,979	P 34,395,380,979	(P 936,157,074)	(P 71,269,938)	(P 690,503,745)	(P 2,370,232,891)	P 19,980,402,684	P 727,492,290	P 1,990,590,660	P 73,760,966,190	P 75,751,556,850	P 137,056,497,134	P 94,131,696,857	P 231,188,193,991
Transactions with owners:														
Reclassification adjustment	-	-	-	(11,091,008)	1,100,000	-	-	(71,077,821)	-	(113,265,968)	(113,265,968)	(194,334,797)	194,334,797	-
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	21,849,754	21,849,754
Change in percentage ownership	-	-	-	-	-	-	-	-	-	481,651,360	481,651,360	481,651,360	(53,217,176)	428,434,184
Dividend from investee	-	-	-	-	-	-	-	-	-	-	-	-	(1,380,591,848)	(1,380,591,848)
Cash dividends declared	-	-	-	-	-	-	-	-	-	(3,145,527,772)	(3,145,527,772)	(3,145,527,772)	-	(3,145,527,772)
	-	-	-	(11,091,008)	1,100,000	-	-	(71,077,821)	-	(2,777,142,380)	(2,777,142,380)	(2,858,211,209)	(1,217,624,473)	(4,075,835,682)
Total comprehensive income	-	-	-	(1,208,737,078)	1,020,149,274	(2,887,676,410)	-	-	-	11,048,274,861	11,048,274,861	7,972,010,647	4,381,427,626	12,353,438,273
Balance at September 30, 2016	P 10,269,827,979	P 34,395,380,979	(P 936,157,074)	(P 1,291,098,024)	P 330,745,529	(P 5,257,909,301)	P 19,980,402,684	P 656,414,469	P 1,990,590,660	P 82,032,098,671	P 84,022,689,331	P 142,170,296,572	P 97,295,500,010	P 239,465,796,582

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR NINE MONTHS ENDED SEPTEMBER 30, 2017 AND 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 19,730,780,933	P 21,561,031,724
Adjustments for:		
Depreciation and amortization	4,216,094,440	3,642,819,790
Interest expense	4,175,656,845	3,369,173,535
Interest income	(1,401,230,904)	(1,297,329,531)
Unrealized foreign currency losses - net	489,002,756	595,931,957
Losses from casualty	320,721,519	-
Share in net profits of associates and joint ventures	(286,545,050)	(171,153,465)
Gain on reversal of impairment losses	(48,153,634)	(30,502,393)
Dividend income	(34,097,384)	(6,725,211)
Unrealized loss on interest rate swap	24,245,643	24,442,085
Gain on sale of investment in available-for-sale financial assets	(23,652,051)	(19,324,245)
Fair value losses (gains) - net	16,814,994	(197,936,270)
Stock option benefit expense	9,347,818	21,849,754
Loss on disposal of property, plant and equipment, investment property and intangible assets	3,352,867	24,157,570
Operating profit before working capital changes	27,192,338,792	27,516,435,300
Increase in trade and other receivables	(7,315,473,835)	(8,853,820,136)
Decrease (increase) in financial assets at fair value through profit or loss	(772,130,162)	2,425,534,181
Increase in inventories	(5,360,912,776)	(1,441,729,866)
Increase in property development costs	(1,370,450,567)	(2,205,794,121)
Increase in other current assets	(2,607,292,575)	(3,673,679,021)
Decrease (increase) in trade and other payables	1,637,847,064	(2,223,504,994)
Increase (decrease) in other current liabilities	629,552,964	(549,744,546)
Increase (decrease) in retirement benefit obligation	(157,347,760)	165,140,131
Increase (decrease) in other non-current liabilities	2,342,155,657	916,604,731
Cash generated from operations	14,218,286,802	12,075,441,659
Cash paid for taxes	(3,676,959,163)	(3,035,767,352)
Net Cash From Operating Activities	10,541,327,639	9,039,674,307
Balance carried forward	P 10,541,327,639	P 9,039,674,307

- 2 -

	2017	2016
Balance brought forward	P 10,541,327,639	P 9,039,674,307
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property, plant and equipment and investment property	(19,827,943,279)	(19,656,411,556)
Land for future development	(469,559,596)	(39,691,618)
Additional investment in associates and a business unit	(213,859,494)	(11,850,742,240)
Investment in and advances to associates	-	(1,150,803,341)
Other non-current assets	-	(637,424,309)
Available-for-sale financial assets	-	(3,419,250)
Proceeds from:		
Disposal of property, plant and equipment and investment property	1,356,782,363	70,284,758
Disposal of available-for-sale financial assets	274,366,330	1,801,318,050
Collections of advances from associates and other related parties	235,588,030	1,122,725,445
Interest received	1,007,019,120	1,014,004,941
Increase in other non-current assets	(629,698,155)	-
Additional advances granted to associates	(304,724,710)	-
Collection from (advances to) landowners, joint ventures and other related parties	(170,517,190)	164,436,289
Cash dividends received	108,384,284	100,407,689
Additional advances obtained from other related parties	-	175,059,242
Net Cash Used in Investing Activities	(18,634,162,297)	(28,890,255,900)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing loans and bonds	66,432,668,214	9,360,029,629
Payment of interest-bearing loans and bonds	(34,187,380,421)	(6,461,296,426)
Interest paid	(5,682,411,118)	(4,181,698,416)
Dividends paid	(866,705,114)	(4,526,119,620)
Advances collected and received from related parties	815,971,684	940,368,243
Payments of derivative liabilities	(177,052,688)	(166,628,813)
Acquisition of treasury shares	(128,803,040)	-
Acquisition of treasury shares by a subsidiary	(117,194,833)	-
Advances granted and paid to related parties	(108,607,836)	(860,455,184)
Net Cash From (Used in) Financing Activities	25,980,484,848	(5,895,800,587)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	17,887,650,190	(25,746,382,180)
CASH AND CASH EQUIVALENTS OF NEW SUBSIDIARY	4,014,630	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	48,672,938,017	68,593,959,027
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P 66,564,602,837	P 42,847,576,847

Supplemental Information on Non-cash Investing and Financing Activities:

In the normal course of business, the Group enters into non-cash activities which are not reflected in the cash flows, including the following: (a) exchanges or purchases or sale on account of real estate and other assets that remain unpaid at end of period; (b) reclassifications or transf of property as it goes through its various stages of development, such as incurred costs from Land for Future Development to Property Development Costs or to Investment Property or to Inventories; (c) borrowing costs capitalized under Property Development Costs or Construction in Progress; (d) prior period's deposits applied during the period.

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2017
(With Comparative Figures as of December 31, 2016)
(Amounts in Philippine Pesos)
(Unaudited)

1. CORPORATE INFORMATION

Alliance Global Group, Inc. (the Company, Parent Company, or AGI) was registered with the Philippine Securities and Exchange Commission (SEC) on October 12, 1993 and began operations in 1994 as a glass-container manufacturer. On March 12, 1999, it obtained approval from the SEC to broaden its primary business into that of a holding company. Given a wider scope of business, AGI immediately diversified its investment holdings and on April 19, 1999, AGI listed its shares in the Philippine Stock Exchange (PSE). Currently, the Company and its subsidiaries and associates (collectively referred to as the Group) operate businesses in real estate development, tourism-entertainment and gaming, food and beverage, and quick-service restaurant under the following entities (see Note 4):

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **September 2017**	 December 2016
Subsidiaries				
Megaworld and subsidiaries				
Megaworld Corporation	Megaworld	(a)	**67%**	67%
Megaworld Resort Estates, Inc.		(b)	**83%**	83%
Sonoma Premiere Land, Inc.		(c)	**73%**	73%
Megaworld Land, Inc.	MLI		**67%**	67%
Prestige Hotels and Resorts, Inc.			**67%**	67%
Mactan Oceanview Properties and Holdings, Inc.			**67%**	67%
Megaworld Cayman Islands, Inc.		(d)	**67%**	67%
Richmonde Hotel Group International Ltd.		(e)	**67%**	67%
Eastwood Cyber One Corporation			**67%**	67%
Megaworld Cebu Properties, Inc.			**67%**	67%
Megaworld Newport Property Holdings, Inc.			**67%**	67%
Oceantown Properties, Inc.			**67%**	67%
Piedmont Property Ventures, Inc.			**67%**	67%
Stonehaven Land, Inc.			**67%**	67%
Streamwood Property, Inc.			**67%**	67%
Suntrust Properties, Inc.			**67%**	67%
Luxury Global Hotels and Leisures, Inc.			**67%**	67%
Suntrust Ecotown Developers, Inc.			**67%**	67%
Arcovia Properties, Inc.			**67%**	67%
Citywalk Building Administration, Inc.			**67%**	67%
Forbestown Commercial Center Administration, Inc.			**67%**	67%
Paseo Center Building Administration, Inc.			**67%**	67%
Uptown Commercial Center Administration, Inc.			**67%**	67%
Global One Integrated Business Services, Inc.			**67%**	67%
Luxury Global Malls, Inc.			**67%**	67%
Davao Park District Holdings Inc.			**67%**	67%
Governor's Hills Science School, Inc.			**67%**	67%
Sunrays Properties Management, Inc.			**67%**	67%
Suntrust One Shanata, Inc.			**67%**	67%
Suntrust Two Shanata, Inc.			**67%**	67%
Belmont Newport Luxury Hotels, Inc.			**67%**	67%
Global One Hotel Group, Inc.			**67%**	67%
Ilo-ilo Center Mall Administration, Inc.			**67%**	67%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI September 2017	 December 2016
Subsidiaries				
Megaworld and subsidiaries				
Newtown Commercial Center Administration, Inc.			**67%**	67%
Valley Peaks Property Management, Inc.			**67%**	67%
Landmark Seaside Properties, Inc.			**67%**	67%
San Vicente Coast, Inc.			**67%**	67%
San Lorenzo Place Commercial Center Administration Inc.		(f)	**67%**	-
Megaworld Bacolod Properties, Inc.			**62%**	62%
Southwoods Mall Inc.			**61%**	61%
Megaworld Global-Estate, Inc.		(g)	**60%**	60%
Manila Bayshore Property Holdings, Inc.		(h)	**57%**	57%
Twin Lakes Corp.	TLC		**56%**	56%
Empire East Land Holdings, Inc.	EELHI		**55%**	55%
Valle Verde Properties Inc.			**55%**	55%
Empire East Communities, Inc.			**55%**	55%
Sherman Oak Holdings, Inc.			**55%**	55%
Eastwood Property Holdings, Inc.			**55%**	55%
20th Century Nylon Shirt, Inc.			**55%**	55%
Global-Estate Resorts, Inc.	GERI	(i)	**55%**	55%
Fil-Estate Properties, Inc.			**55%**	55%
Aklan Holdings Inc.			**55%**	55%
Blu Sky Airways, Inc.			**55%**	55%
Fil-Estate Subic Development Corp.			**55%**	55%
Fil-Power Construction Equipment Leasing Corp.			**55%**	55%
Golden Sun Airways, Inc.			**55%**	55%
La Compaña De Sta. Barbara, Inc.			**55%**	55%
MCX Corporation			**55%**	55%
Pioneer L-5 Realty Corp.			**55%**	55%
Prime Airways, Inc.			**55%**	55%
Sto. Domingo Place Development Corp.			**55%**	55%
Fil-Power Concrete Blocks Corp.			**55%**	55%
Fil-Estate Golf and Development, Inc			**55%**	55%
Golforce, Inc.			**55%**	55%
Fil-Estate Urban Development Corp.			**55%**	55%
Novo Sierra Holdings Corp.			**55%**	55%
Global Homes and Communities, Inc.			**55%**	55%
Megaworld Central Properties, Inc.			**51%**	51%
Townsquare Development, Inc.			**50%**	50%
Golden Panda-ATI Realty Corporation			**50%**	50%
Soho Cafe and Restaurant Group, Inc.			**50%**	50%
Megaworld Capital Town Inc.	MCTI	(j)	**49%**	-
La Fuerza, Inc.			**45%**	45%
Fil-Estate Industrial Park, Inc.			**44%**	44%
Megaworld-Daewoo Corporation			**40%**	40%
Laguna Bel-Air School, Inc.			**40%**	40%
Gilmore Property Marketing Associates Inc.	GPMAI		**35%**	35%
Megaworld Globus Asia, Inc.			**34%**	34%
Philippine International Properties, Inc.			**34%**	34%
Maple Grove Land, Inc.			**34%**	34%
Southwoods Ecocentrum Corp.			**33%**	33%
Philippine Aquatic Leisure Corp.			**33%**	33%
Sherwood Hills Development Inc.			**30%**	30%
Oceanfront Properties, Inc.			**28%**	28%
Emperador and subsidiaries				
Emperador Inc.	EMP or Emperador		**82%**	82%
Emperador Distillers, Inc.	EDI		**82%**	82%
Emperador International Ltd.	EIL	(e)	**82%**	82%
The Bar Beverage, Inc.			**82%**	82%
Grupo Emperador Spain, S.A.	GES	(k)	**82%**	82%
Bodega San Bruno, SL	BSB	(k)	**82%**	82%
Bodegas Fundador SLU	BFS	(k)	**82%**	82%
Emperador Gestion S.L.			**82%**	82%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI September 2017	December 2016
Subsidiaries				
Emperador and subsidiaries				
Complejo Bodeguero San Patricio SL			**82%**	82%
Emperador Europe SARL	EES	(k)	**82%**	82%
Emperador Asia Pte Ltd.	EA	(k)	**82%**	82%
Emperador Holdings (GB) Limited.	EGB	(k)	**82%**	82%
Emperador UK Limited	EUK	(k)	**82%**	82%
Whyte and Mackay Group Limited	WMG	(k)	**82%**	82%
Whyte and Mackay Limited	WML	(k)	**82%**	82%
Whyte and Mackay Warehousing Ltd.	WMWL	(k)	**82%**	82%
Cocos Vodka Distillers Philippines, Inc.			**82%**	82%
Tradewind Estates, Inc.			**82%**	82%
Alcazar de Bana Holdings Company, Inc.			**82%**	82%
ProGreen AgriCorp, Inc.			**82%**	82%
Anglo Watsons Glass, Inc.			**64%**	64%
GADC and subsidiaries				
Golden Arches Development Corporation	GADC		**49%**	49%
Golden Arches Realty Corporation			**49%**	49%
Clark Mac Enterprises, Inc.			**49%**	49%
Advance Food Concepts Manufacturing, Inc.			**49%**	49%
Golden Laoag Foods Corporation			**38%**	38%
Davao City Food Industries, Inc.			**37%**	37%
Red Asian Food Solutions			**37%**	37%
First Golden Laoag Ventures			**34%**	34%
Retiro Golden Foods, Inc.			**34%**	34%
McDonald's Anonas City Center			**34%**	34%
McDonald's Puregold Taguig			**29%**	29%
Golden City Food Industries, Inc.			**29%**	29%
McDonald's Bonifacio Global City			**27%**	27%
Molino First Golden Foods, Inc.			**26%**	26%
GY Alliance Concepts, Inc.			**19%**	19%
Travellers and subsidiaries				
Travellers International Hotel Group, Inc.	Travellers	(l)	**47%**	47%
APEC Assets Limited			**47%**	47%
BrightLeisure Management, Inc.			**47%**	47%
Deluxe Hotels and Recreation, Inc.			**47%**	47%
Entertainment City Integrated Resorts & Leisure, Inc.			**47%**	47%
Grand Integrated Hotels and Recreation, Inc.			**47%**	47%
GrandServices, Inc.			**47%**	47%
GrandVenture Management Services, Inc.			**47%**	47%
Lucky Star Hotels and Recreation, Inc.			**47%**	47%
Majestic Sunrise Leisure & Recreation, Inc.			**47%**	47%
Net Deals, Inc.			**47%**	47%
Newport Star Lifestyle, Inc.			**47%**	47%
Royal Bayshore Hotels & Amusement, Inc.			**47%**	47%
FHTC Entertainment & Production, Inc.	FHTC		**47%**	47%
Bright Pelican Leisure and Production, Inc.			**47%**	47%
Golden Peak Leisure and Recreation, Inc.			**47%**	47%
Westside City Resorts World Inc.		(m)	**47%**	47%
Purple Flamingos Amusement and Leisure Corporation			**47%**	47%
Red Falcon Amusement and Leisure Corporation			**47%**	47%
Agile Fox Amusement and Leisure Corporation			**47%**	47%
Aquamarine Delphinium Leisure and Recreation, Inc.			**47%**	47%
Brilliant Apex Hotels and Leisure Corporation			**47%**	47%
Coral Primrose Leisure and Recreation Corporation			**47%**	47%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **September 2017**	 December 2016
Subsidiaries				
Travellers and subsidiaries				
Lucky Panther Amusement and Leisure Corporation			**47%**	47%
Luminescent Vertex Hotels and Leisure Corporation			**47%**	47%
Magenta Centaurus Amusement and Leisure Corporation			**47%**	47%
Sapphire Carnation Leisure and Recreation Corporation			**47%**	47%
Scarlet Milky Way Amusement and Leisure Corporation			**47%**	47%
Sparkling Summit Hotels and Leisure Corporation			**47%**	47%
Valiant Leopard Amusement and Leisure Corporation			**47%**	47%
Vermillion Triangulum Amusement and Leisure Corporation			**47%**	47%
Westside Theatre Inc.			**47%**	47%
Corporate and Others				
New Town Land Partners, Inc.	NTLPI		**100%**	100%
Alliance Global Brands, Inc.			**100%**	100%
McKester Pik-nik International Limited	MPIL	(e)	**100%**	100%
Great American Foods, Inc.		(n)	**100%**	100%
Venezia Universal Ltd.		(e)	**100%**	100%
Travellers Group Ltd.		(e)	**100%**	100%
Alliance Global Group Cayman Islands, Inc.		(d)	**100%**	100%
Greenspring Investment Holdings Properties Ltd.		(e)	**100%**	100%
Shiok Success International, Ltd.		(e)	**100%**	100%
Dew Dreams International, Ltd.		(e)	**100%**	100%
First Centro, Inc.	FCI		**100%**	100%
Oceanic Realty Group International, Inc.			**100%**	100%
ERA Real Estate Exchange, Inc.			**100%**	100%
Adams Properties, Inc.	Adams		**60%**	60%
Associates				
First Premiere Arches Restaurant Inc.			**49%**	49%
Bonifacio West Development Corporation			**31%**	31%
Suntrust Home Developers, Inc.	SHDI		**31%**	29%
First Oceanic Property Management, Inc.		(o)	**31%**	29%
Citylink Coach Services, Inc.		(o)	**31%**	29%
Palm Tree Holdings and Development Corporation			**27%**	27%
Boracay Newcoast Hotel Group, Inc.			**17%**	17%
Fil-Estate Network, Inc.			**11%**	11%
Fil-Estate Sales, Inc.			**11%**	11%
Fil-Estate Realty and Sales Associates, Inc.			**11%**	11%
Fil-Estate Realty Corp.			**11%**	11%
Pacific Coast Mega City, Inc.			**11%**	11%
Nasugbu Properties, Inc.			**8%**	8%
Joint Ventures				
Front Row Theatre Management, Inc.		(p)	**50%**	50%
Bodegas Las Copas, SL	BLC	(q)	**41%**	41%

Explanatory notes:

(a) AGI's effective ownership interest is derived from its 44% direct ownership and 3% direct holdings of FCI, 18% direct holdings of NTLPI and 2% holdings of other subsidiaries.
(b) AGI and Megaworld directly owns 49% and 51%, respectively.
(c) A subsidiary of AGI through 60% and 40% direct ownership of EELHI and FCI, respectively.
(d) Foreign subsidiaries operating under the laws of the Cayman Islands.
(e) Foreign subsidiaries operating under the Business Companies Act of the British Virgin Islands.
(f) Newly incorporated subsidiary of Megaworld through MLI in 2017
(g) A subsidiary of AGI through 60% and 40% direct ownership of GERI and Megaworld, respectively
(h) A subsidiary of AGI through 50/50 ownership of Travellers and Megaworld
(i) AGI's effective ownership interest represents its indirect holdings through Megaworld, which owns 82% of GERI.
(j) In 2017, Megaworld acquired 73% ownership interest in MCTI, which is engaged in the same line of business as Megaworld.
(k) Subsidiaries under EIL. EA is operating under the laws of Singapore while GES and its subsidiaries, BSB and BFS, are operating under the laws of Spain. EES is operating under the laws of Luxembourg. EGB [the ultimate United Kingdom (UK) parent] is operating under the laws of England and Wales. EUK, WMG, WML and WMWL are operating under the laws of Scotland. EA, EES and EGB are direct subsidiaries of EIL.
(l) Travellers' common shares are directly owned 15% by AGI, 3% by FCI, 2% by Megaworld, 46% by Adams, 24% by Genting Hongkong Limited (GHL) and 10% by the public.
(m) AGI's effective ownership is through 1% direct ownership, 45% through 95% ownership of Travellers, and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(n) Foreign subsidiaries of MPIL operating under the laws of United States of America
(o) Subsidiaries of SHDI, an associate of Megaworld
(p) A joint venture through FHTC
(q) A foreign joint venture under GES and operating under the laws of Spain

The Company, its subsidiaries, associates and joint ventures were incorporated and are currently operating in the Philippines, except for such foreign subsidiaries and joint venture as identified in the preceding table (see explanatory notes d, e, k, n and q above).

AGI's shares of stock and those of Megaworld, EMP, Travellers, GERI, EELHI and SHDI are listed in and traded through the PSE.

The principal activities of the Group are further described in Note 4.

The Company's registered office and primary place of business is located at 7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark, 188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City.

The Board of Directors (BOD) approved on November 8, 2017, the release of the interim consolidated financial statements (ICFS) of the Group for the nine months ended September 30, 2017 (including the comparative financial statements as of December 31, 2016 and for the nine months ended September 30, 2016).

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these ICFS are consistent with those applied in the audited consolidated financial statements (ACFS) as of and for the year ended December 31, 2016 except for the application of standards that became effective on January 1, 2017 (see Note 2.2).

2.1 Basis of Preparation of Interim Consolidated Financial Statements

These ICFS have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Philippine Financial Reporting Standards (PFRS), and should be read in conjunction with the Group's ACFS as of and for the year ended December 31, 2016.

The ICFS are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the ICFS of the Group are measured using the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

The presentation of the ICFS is consistent with the most recent ACFS presentation, except for the amendments introduced by the new accounting standards mentioned in Note 2.2.

The Group presents all items of income and expense in a single consolidated statement of comprehensive income.

2.2 Adoption of New and Amended PFRS

(a) Effective in 2017 that are Relevant to the Group

In 2017, the Group adopted for the first time the following amendments and annual improvements to PFRS that are relevant to the Group and effective for financial statements with annual periods beginning on or after January 1, 2017 which did not have a significant impact on the Group's ICFS:

PAS 7 (Amendments)	:	Statement of Cash Flows – Disclosure Initiative
PAS 12 (Amendments)	:	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses
Annual Improvements	:	Annual Improvement to PFRS (2014 – 2016 cycle)

(b) Effective Subsequent to 2017 but are not Adopted Early

There are new PFRS, amendments, interpretation and annual improvements to existing standards effective for annual periods subsequent to 2017, which are adopted by the Financial Reporting Standards Council. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

PAS 40	:	Transfers of Investment Property
PFRS 2 (Amendments)	:	Share-based Payment – Classification and Measurement of Share-based Payment Transactions

PFRS 9 (2014)	:	Financial Instruments
PFRS 10 and PAS 28 (Amendments)	:	Consolidated Financial Statements, and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture
PFRS 15	:	Revenue from Contracts with Customers
PFRS 16	:	Leases
Philippine International Financial Reporting Interpretations Committee 22	:	Foreign Currency Transactions and Advance Consideration
Annual Improvements	:	Annual Improvement to PFRS (2014 – 2016 cycle)

Management is currently assessing the impact of these standards and interpretation on the Group's consolidated financial statements and it will conduct a comprehensive study of the potential impact of these standards prior to their mandatory adoption date to assess the impact of all changes.

3. JUDGMENTS AND ESTIMATES

The preparation of the Group's ICFS in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the policies applied and amounts reported in the ICFS and related explanatory notes. Judgments and estimates are based on historical experience and management's best knowledge of current events and actions, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates. There were no changes in estimates of amounts reported in prior financial years that have a material effect in the current interim period.

The judgments, estimates and assumptions applied in the ICFS, including the key sources of estimation uncertainty, were the same as those applied in the ACFS for the year ended December 31, 2016, except for the significant judgment applied during the interim period in the recognition of impairment losses for damaged capital assets and other casualty losses relating to an incident as more fully discussed in Note 10.2. In addition, Travellers has also assessed and determined that the recovery of the foregoing losses arising from insurance claims is highly probable and virtually certain from the respective third party insurance companies (see Note 10.2).

4. SEGMENT INFORMATION

4.1 Business Segments

The Group is organized into major business segments, which are the major subsidiaries of the Group. These represent the main products and services provided by the Group and the line of business in which the Group operates. Presented below is the basis of the Group in reporting its primary segment information.

(a) The *Megaworld* segment consists of development of real estate, integrated resorts, leasing of properties and hotel operations business which is primarily undertaken by Megaworld Corporation and subsidiaries, the Group's forerunner in the real estate industry.

(b) The *Travellers* segment relates to tourism-oriented business that integrates entertainment, hospitality and leisure, including gaming, as that of Resorts World Manila, which is operated by Travellers International Hotel Group, Inc. and subsidiaries.

(c) The *GADC* segment refers to operations of McDonald's restaurants in the Philippines in accordance with the franchise agreement between GADC and McDonald's Corporation, USA.

(d) The *Emperador* segment refers to the manufacture and distribution of distilled spirits, particularly brandy and Scotch whisky, including the production of glass containers, which is undertaken by Emperador Inc. and subsidiaries.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their physical location and use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of operating cash and cash equivalents, trade and other receivables, inventories, property, plant and equipment, intangible assets and investment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables, interest-bearing loans and bonds payable.

4.3 Intersegment Transactions

Segment revenues, expenses and performance include sales and purchases between business segments. Such sales and purchases are eliminated in consolidation.

4.4 Analysis of Segment Information

Segment information can be analyzed as follows for nine months ended September 30, 2017 and 2016.

	For nine months ended September 30, 2017 (Unaudited)				
	Megaworld	**Travellers**	**GADC**	**Emperador**	**Total**
REVENUES					
Sales to external customers	P 35,578,080,115	P 15,701,035,012	P 18,486,693,363	P 26,991,362,029	P 96,757,170,519
Intersegment sales	52,966,723	(10,150,507)	-	-	42,816,216
Finance and other revenues	893,469,282	55,916,070	195,782,179	476,186,000	1,621,353,531
Segment revenues	36,524,516,120	15,746,800,575	18,682,475,542	27,467,548,029	98,421,340,266
Cost of sales and expenses excluding depreciation and amortization	(20,608,983,035)	(13,082,878,132)	(16,271,538,528)	(21,100,714,498)	(71,064,114,193)
	15,915,533,085	2,663,922,443	2,410,937,014	6,366,833,531	27,357,226,073
Depreciation and amortization	(1,307,485,117)	(1,428,869,548)	(822,367,421)	(568,286,450)	(4,127,008,536)
Finance cost and other charges	(1,257,601,817)	(1,014,458,450)	(136,711,968)	(499,406,871)	(2,908,179,106)
Profit before tax	13,350,446,151	220,594,445	1,451,857,625	5,299,140,210	20,322,038,431
Tax expense	(3,012,566,240)	(228,161,625)	(475,053,955)	(831,011,513)	(4,546,793,333)
SEGMENT PROFIT (LOSS)	**P 10,337,879,911**	**(P 7,567,180)**	**P 976,803,670**	**P 4,468,128,697**	**P 15,775,245,098**
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 300,073,502,046	P 91,866,601,602	P 16,843,081,477	P 97,659,234,520	P 506,442,419,645
Segment liabilities	131,316,914,927	49,624,664,942	10,414,045,219	43,546,991,137	234,902,616,225

	For nine months ended September 30, 2016 (Unaudited)				
	Megaworld	**Travellers**	**GADC**	**Emperador**	**Total**
REVENUES					
Sales to external customers	P 33,884,784,789	P 20,776,389,040	P 16,379,184,250	P 27,258,235,613	P 98,298,592,692
Intersegment sales	110,746,502	-	-	22,056,267	132,802,769
Finance and other revenues	1,268,725,139	63,826,118	113,903,964	336,637,677	1,783,092,898
Segment revenues	35,264,255,430	20,840,215,158	16,493,088,214	27,616,929,557	100,214,488,359
Cost of sales and expenses excluding depreciation and amortization	(20,612,324,452)	(15,885,781,077)	(14,395,433,202)	(20,709,483,862)	(71,603,022,593)
	14,651,930,978	4,954,434,081	2,097,655,012	6,907,445,695	28,611,465,766
Depreciation and amortization	(955,159,324)	(1,263,819,120)	(813,808,658)	(599,677,939)	(3,632,465,041)
Finance cost and other charges	(1,668,221,210)	(572,757,370)	(139,461,783)	(373,249,208)	(2,753,689,571)
Profit before tax	12,028,550,444	3,117,857,591	1,144,384,571	5,934,518,548	22,225,311,154
Tax expense	(2,713,656,087)	(137,731,414)	(325,767,130)	(1,012,175,319)	(4,189,329,950)
SEGMENT PROFIT	P 9,314,894,357	P 2,980,126,177	P 818,617,441	P 4,922,343,229	P 18,035,981,204

The following presents the segment assets and liabilities of the Group as of December 31, 2016 (audited):

SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 282,832,774,666	P 73,934,705,268	P 15,617,095,043	P 93,657,270,308	P 466,041,845,285
Segment liabilities	119,545,632,116	31,683,728,199	10,220,260,865	40,626,020,465	202,075,641,645

4.5 Reconciliations

Presented below is a reconciliation of the Group's segment information to the key financial information presented in its ICFS.

	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)
Revenues		
Total segment revenues	**P 98,421,340,266**	P 100,214,488,359
Unallocated corporate revenue	**1,950,346,431**	1,482,219,516
Elimination of intersegment revenues	**(42,816,216)**	(132,802,769)
Revenues as reported in interim consolidated profit or loss	**P 100,328,870,481**	P 101,563,905,106
Profit or loss		
Segment operating profit	**P 15,775,245,098**	P 18,035,981,204
Unallocated corporate losses	**(573,048,066)**	(567,027,175)
Elimination of intersegment revenues	**(42,816,216)**	(132,802,769)
Profit as reported in interim consolidated profit or loss	**P 15,159,380,816**	P 17,336,151,260

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Assets		
Segment assets	**P 506,442,419,645**	P 466,041,845,285
Unallocated corporate assets	**38,509,802,543**	25,255,117,630
Total assets reported in the consolidated statements of financial position	**P 544,952,222,188**	P 491,296,962,915
Liabilities		
Segment liabilities	**P 234,902,616,225**	P202,075,641,645
Unallocated corporate liabilities	**49,076,474,892**	43,117,649,822
Total liabilities reported in the consolidated statements of financial position	**P 283,979,091,117**	P 245,193,291,467

Concentration of revenue is considered when at least 10% of total segment revenue is generated from a single customer. There is no concentration of the Group's revenue in a single customer as the 10% threshold has not been met in any of the periods presented.

5. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation, amortization and impairment of property, plant and equipment as of September 30, 2017 and December 31, 2016 are shown below.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Cost	**P 122,441,408,795**	P 107,817,201,450
Accumulated depreciation, amortization and impairment	**(28,038,598,386)**	(24,823,530,375)
Net carrying amount	**P 94,402,810,409**	P 82,993,671,075

A reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the reporting periods is shown below.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Balance at beginning of period net of accumulated depreciation, amortization and impairment	**P 82,993,671,075**	P 66,274,228,540
Additions during the period	**14,929,712,375**	16,538,650,771
Depreciation and amortization charges for the period	**(3,263,221,645)**	(3,916,329,443)
Disposals – net	**(1,246,155,777)**	(246,716,578)
Reclassifications – net	**936,773,995**	2,662,446
Impairment loss – reversal	**48,153,634**	-
Additions due to acquired subsidiaries and business unit	**3,876,752**	4,137,460,795
Impairment loss		(166,497656)
Transfer from investment properties	**-**	457,721,767
Disposals due to deconsolidation of subsidiaries	**-**	(87,509,567)
Balance at end of period net of accumulated depreciation, amortization and impairment	**P 94,402,810,409**	P 82,993,671,075

6. INVESTMENT PROPERTY

The Group's investment property includes several parcels of land, buildings and improvements which are held for investment purposes only, either to earn rental income or for capital appreciation or both. The gross carrying amounts and accumulated depreciation of investment property at the beginning and end of the reporting periods are shown below.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Cost	**P 76,367,111,537**	P 69,730,950,830
Accumulated depreciation	**(8,499,087,418)**	(7,424,181,679)
Net carrying amount	**P 67,868,024,119**	P 62,306,769,151

A reconciliation of the carrying amounts of investment property at the beginning and end of the reporting periods is shown below.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Balance at beginning of period net of accumulated depreciation	P 62,306,769,151	P 48,170,946,188
Additions during the year	5,764,661,019	12,979,191,612
Depreciation charges for the period	(1,074,905,739)	(1,239,429,762)
Reclassifications – net	960,324,226	2,832,273,156
Disposals during the year	(88,824,538)	(766,776)
Additions due to acquired business units	-	22,276,500
Transfer to property, plant and equipment	-	(457,721,767)
Balance at end of period net of accumulated depreciation	P 67,868,024,119	P 62,306,769,151

7. DIVIDENDS

On August 19, 2016, the BOD of the Company approved the declaration of cash dividends of P0.31 per share. Total dividends of P3,183.6 million was payable to stockholders on record as of September 5, 2016. The said dividends were fully paid on September 19, 2016.

There were no dividends declared and paid by the Company for the nine months period ended September 30, 2017.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)
Basic:		
Net profit attributable to owners of the parent company	P 10,181,009,436	P 11,048,274,861
Divide by the number of outstanding common (net of treasury shares of 130,852,300 in 2017 and 122,964,200 in 2016)	10,138,975,679	10,146,863,779
	P 1.0041	P 1.0888
Diluted:		
Net profit attributable to owners of the parent company	P 10,181,009,436	P 11,048,274,861
Divide by the number of outstanding common (net of treasury shares of 130,852,300 in 2017 and 122,964,200 in 2016)	10,244,575,679	10,252,463,779
	P 0.9938	P 1.0776

On September 19, 2017 the BOD approved a two-year share repurchase program allowing the Company to repurchase up to P5.0 billion shares from existing stockholders. As of September 30, 2017, the Company has repurchased 7,888,100 shares for P128.8 million under this program which are reported as Treasury Shares. In addition, as of September 30, 2017, certain subsidiaries held 122,964,200 shares which cost P936.2 million that are considered as part of Treasury Shares. Such treasury shares do not form part of outstanding shares.

As of September 30, 2017 and 2016, there are 105.6 million potentially dilutive shares from the Company's Executive Stock Option Plan. However, such number of dilutive shares has no significant effect on the weighted average number of outstanding common shares and, consequently has no material effect on the 2017 and 2016 diluted EPS.

9. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, joint ventures, the Group's key management personnel and retirement fund, and others. The summary of the Group's transactions with its related parties for the periods ended September 30, 2017 and 2016, and the related outstanding balances as of September 30, 2017 and December 31, 2016 are as follows:

Related Party Category	Notes	Amount of Transaction September 30, 2017 (Unaudited)	Amount of Transaction September 30, 2016 (Unaudited)	Outstanding Balance Receivable (Payable) September 30, 2017 (Unaudited)	Outstanding Balance Receivable (Payable) December 31, 2016 (Audited)
Subsidiaries' stockholders:					
Casino transactions	9.2	**P 270,605,773**	P 313,594,217	**P -**	(P 16,989,712)
Management fees	9.3	**164,660,447**	366,598,554	**(1,319,529)**	(65,125,989)
Accounts payable	9.5	**(33,000,002)**	2,500,000	**(347,670,510)**	(380,670,512)
Redeemable preferred shares	9.7	**(70,621,690)**	(62,746,714)	**(2,084,316,982)**	(2,013,695,292)
Issuance of equity-linked debt securities	9.8	**-**	-	**(5,280,000,000)**	(5,280,000,000)
Related party under common ownership:					
Purchase of raw materials	9.1	**2,219,089,071**	2,196,603,717	**(626,271,279)**	(1,256,577,065)
Purchase of imported goods	9.1	**6,040,403**	5,870,731	**(154,005)**	(1,059,608)
Advances granted	9.4	**(99,558,798)**	(1,090,904,949)	**1,294,424,783**	1,393,983,581
Associates –					
Advances granted	9.4	**168,695,478**	43,857,283	**1,294,967,680**	1,126,272,202
Others:					
Accounts receivable	9.5	**(551,912,817)**	78,437,838	**260,137,493**	812,050,310
Accounts payable	9.5	**(11,993,694)**	155,850,897	**(251,269,228)**	(263,262,922)
Advances from joint venture partners and others	9.6	**202,216,204**	(250,737,021)	**1,943,471,908 (**	1,741,255,704)

Unless otherwise stated, the outstanding balance of the Group's transactions with its related parties are unsecured, noninterest-bearing and payable on demand.

9.1 Purchase of Goods

Emperador imports finished goods and raw materials such as alcohol, flavorings and other items through Andresons Global, Inc., a related party under common ownership. Emperador also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly owned subsidiary of BLC; hence a related party under common control.

These transactions are payable within 30 days. The outstanding balances related to these purchases are presented as part of Trade payables under Trade and Other Payables account in the interim consolidated statements of financial position.

9.2 Casino Transactions with GHL

Travellers recognized outstanding accounts payable to GHL representing show money received by GHL from foreign patrons which GHL will later remit to Travellers. The outstanding balances are presented as part of Trade payables under Trade and Other Payables account in the interim consolidated statements of financial position.

9.3 Operations and Management Agreement with GHL

Some of Travellers' administrative functions are being handled by certain key officers and employees under the management of GHL as agreed by both parties under the Operations and Management Agreement. Management fees are presented as part of Management fees under the Other Operating Expenses account in the interim consolidated statements of comprehensive income.

The outstanding balance is presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position. The outstanding liability is unsecured, noninterest-bearing and payable in cash upon demand.

9.4 Advances to Associates and Other Related Parties

Entities within the Group grant advances to associates and other entities for working capital purposes. These advances to associates and other related parties are unsecured, noninterest-bearing and repayable upon demand. Settlement is generally made in cash or through offsetting arrangements. The outstanding balances of Advances to associates and other related parties, which are shown as part of Investments in and Advances to Associates and Other Related Parties account in the interim consolidated statements of financial position, and movement of the account are presented as follows (these mainly represent advances granted by Megaworld):

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Balance at beginning of period	**P 2,520,255,783**	P 3,971,897,497
Cash advances granted	**304,724,710**	35,162,769
Collections	**(235,588,030)**	(386,790,457)
Advances eliminated through consolidation	**-**	(1,100,014,026)
Balance at end of period	**P 2,589,392,463**	P 2,520,255,783

As of September 30, 2017 and December 31, 2016, based on management's assessment, the outstanding balances of advances to associates and other related parties are not impaired; hence, no impairment losses were recognized.

9.5 Due from/to Related Parties

Transactions with related parties include the following: financing of opening of letters of credit and payment of progress billing, royalty fees, rentals, interest and certain expenses in behalf of the entities within Group or other related parties. The amounts due from and to related parties are unsecured, noninterest-bearing and due and demandable any time. Settlement is generally made in cash or through offsetting arrangements.

The details of the Due from/to Related Parties are presented under Trade and Other Receivables and Trade and Other Payables accounts, respectively, in the consolidated statements of financial position as follows:

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Due from Related Parties		
Balance at beginning of period	**P 812,050,310**	P 273,130,005
Additions	**34,454,603**	649,883,409
Collections	**(586,367,420)**	(110,963,104)
Balance at end of period	**P 260,137,493**	P 812,050,310
Due to Related Parties		
Balance at beginning of period	**P 643,933,434**	P 430,329,812
Repayments	**(77,718,868)**	(756,067,314)
Additions	**32,725,172**	969,670,936
Balance at end of period	**P 598,939,738**	P 643,933,434

9.6 Non-current Advances from Related Parties

Certain expenses of entities within the Group are paid for by other related parties. The advances are unsecured, noninterest-bearing, with no repayment terms, and generally payable in cash or through offsetting arrangements. Advances from Joint Venture (JV) partners pertain to advances from golf share partners and lot owners.

Details of Advances from Related Parties and JV Partners are presented as follows:

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Advances from related parties	**P1,472,414,242**	P1,270,198,038
Advances from JV partners	**471,057,666**	471,057,666
	P1,943,471,908	P1,741,255,704

9.7 Redeemable Preferred Shares

This pertains to preferred shares issued by GADC in March 2005 and TLC in September 2012.

9.8 Equity-linked Debt Securities

Prior to 2015, EMP issued equity-linked debt securities (ELS) instrument to a stockholder amounting to P5.3 billion, with outstanding amount presented as Equity-linked debt securities under Other Non-current Liabilities account in the interim consolidated statements of financial position. On June 15, 2017, the parties agreed to amend the ELS instrument such that conversion shares shall now be 728,275,862 new shares; interest that has accrued up to this year in the amount of P832.260 million shall be applied as consideration for the Investor's acquisition of 122,391,176 common shares (accrued interest shares) to be delivered by the Issuer no later than December 4, 2017; and fixed interest rate is now 0%.

9.9 Transactions with the Retirement Plans

The Group has a formal retirement plan established separately for each significant subsidiary, particularly Megaworld, GERI, GADC, EDI and WML. These plans are defined benefit post-employment plan maintained for qualified employees, administered and managed by trustee banks (except for GERI which is still an unfunded plan).

Unit investment trust fund and equity and debt securities, which are included as plan assets under the fund consist of investments in corporations listed in the PSE. The retirement fund neither provides any guarantee or surety for any obligation of the Group. The retirement fund also does not have any investments in the Group's shares of stock.

10. COMMITMENTS AND CONTINGENCIES

10.1 Tax Contingencies of Travellers' Casino Operations

Travellers is subject to 25% and 15% license fees, inclusive of franchise tax and in lieu of all taxes, with reference to the income component of the gross gaming revenues, as provided under the Provisional License Agreement with Philippine Amusement and Gaming Corporation (PAGCOR).

In August 2016, the Supreme Court (SC) confirmed that "all contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos." The SC Decision has been affirmed with finality by the SC in a Resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the Bureau of Internal Revenue.

10.2 Losses from Property Damages of Travellers

On June 2, 2017, Jessie Javier Carlos ("Carlos") entered Travellers' premises, fired his assault rifle, and set ablaze gaming furniture and equipment in the casino which resulted to physical damages on a portion of the Travellers' properties (see Note 3). He forcibly entered the casino area with a clear motive to rob and he started fires as a diversionary tactic. The smoke from the fires that Carlos started caused the death of 36 employees and guests, as well as physical injuries to many.

As opined by external counsel, based on the reports of from the insurer's adjusters, and taking into consideration the reports of the pertinent government agencies, there is strong legal ground to believe that the claim related to the June 2 incident will not be disallowed. Consequently, Travellers recognized and presented property damage and losses and other losses as Losses from Casualty, net of reimbursement from expected minimum insurance claims and recoveries in the 2017 interim consolidated statement of comprehensive income. The related receivable representing the reimbursement from expected minimum insurance claims and recoveries from third party insurance companies is presented as part of Trade and Other Receivables account in the 2017 interim consolidated statement of financial position.

10.3 Other Commitments and Contingencies

There are other commitments, guarantees and contingent liabilities that arise in the normal course of operations of the Group which are not reflected in the accompanying ICFS. Management is of the opinion that losses, if any, from these items will not have any material impact on the ICFS.

In addition, there are no material off-balance sheet transactions, arrangements, obligations and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at fair value through profit or loss (FVTPL), available-for-sale (AFS) financial assets, interest-bearing loans, bonds payable, trade receivables and payables and derivative asset and liabilities which arise directly from the Group's business operations. The financial debts were issued to raise funds for the Group's capital expenditures.

The Group does not actively engage in the trading of financial assets for speculative purposes.

The Group is exposed to a variety of financial risks in relation to financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

11.1 Market Risk

(a) Foreign Currency Sensitivity

Most of the Group's transactions are carried out in Philippine pesos, Euros, UK pounds and U.S. dollars, which are the functional currencies of the individual subsidiaries making the transactions. The currency exchange risk arises from transactions carried out in currencies other than the functional currency of the subsidiaries at each entity level.

Foreign-currency denominated financial assets and financial liabilities, translated into Philippine pesos at period-end closing rate are as follows:

	September 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
	U.S. Dollars	**HK Dollars**	U.S. Dollars	HK Dollars
Financial assets	**P 12,683,805,340**	**P 3,163,333,824**	P 2,668,826,850	P 1,875,066,202
Financial liabilities	**(39,006,581,001)**	**(421,405,473)**	(37,979,525,901)	(427,946,563)
	(P 26,322,775,661)	**P 2,741,928,351**	(P35,310,699,051)	P 1,447,119,639

The sensitivity of the consolidated income before tax for the period with regard to the Group's financial assets and the U.S. dollar – Philippine peso exchange rate assumes +/- 7.11% and +/- 7.50% changes in exchange rate for the nine months ended September 30, 2017 and for the year ended December 31, 2016, respectively. The HK dollar – Philippine peso exchange rate assumes +/-10.55% and +/- 9.10% changes for the nine months ended September 30, 2017 and for the year ended December 31, 2016, respectively. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months estimated at 95% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting periods.

If the Philippine peso had strengthened (or weakened) against the U.S. dollar, with all other variables held constant, consolidated profit before tax would have increased (or decreased) by P1.9 billion for the nine-month period ended September 30, 2017 and P2.6 billion for the year ended December 31, 2016. If in 2017 and 2016, the Philippine peso had strengthened (or weakened) against the HK dollar, with all other variables held constant, consolidated profit before tax would have decreased (or increased) by P0.3 billion for the nine-month period ended September 30, 2017 and P0.1 billion for the year ended December 31, 2016.

The Group periodically reviews the trend of the foreign exchange rates and, as a practical move, increases its U.S. dollar-denominated time deposits in times when the Philippine peso is depreciating or decreases its U.S. dollar-denominated placements in times when the Philippine peso is appreciating.

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's currency risk.

(b) Interest Rate Sensitivity

The Group's interest risk management policy is to minimize interest rate cash flow risk exposures to changes in interest rates. At present, the Group is exposed to changes in market interest rates through bank borrowings and cash and cash equivalents, which are subject to variable interest rates. The Group maintains a debt portfolio unit of both fixed and variable interest rates. All other financial assets are subject to variable interest rates.

The sensitivity of the consolidated profit before tax for the period to a reasonably possible change in interest rates of +/- 0.87% for Philippine peso and +/- 1.15% for U.S. dollar in 2017, and +/- 0.30% for Philippine peso and +/- 1.24% for U.S. dollar in 2016 with effect from the beginning of the period. These percentages have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at September 30, 2017 and December 31, 2016, with effect estimated from the beginning of the period. All other variables held constant, the consolidated profit before tax would have increased by P1.7 billion for both periods. Conversely, if the interest rates decreased by the same percentage, consolidated profit before tax would have been lower by the same amount.

11.2 Credit Risk

Generally, the Group's credit risk is attributable to trade and other receivables arising mainly from transactions with approved franchisees, installment sales receivables, rental receivables and other financial assets. The carrying values of these financial assets subject to credit risk are disclosed in Note 12.

The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Franchisees are subject to stringent financial, credit and legal verification process. In addition, accounts receivables are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant portion of sales, advance payments are received to mitigate credit risk.

With respect to credit risk arising from the other financial assets of the Group, composed of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 per depositor per banking institution.

Trade and other receivables that are past due but not impaired are as follows:

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Not more than 30 days	**P 3,517,094,180**	P 4,384,989,691
31 to 60 days	**519,888,199**	1,081,873,257
Over 60 days	**2,188,900,764**	2,184,716,830
	P 6,225,883,143	P 7,651,579,778

11.3 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a nine-month and one-year period are identified monthly. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, bonds, and preferred shares.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets. In addition, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues.

As of September 30, 2017, the Group's financial liabilities have contractual maturities which are presented below.

	Current		**Non-current**	
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**	**Later than 5 Years**
Trade and other payables	P 30,637,893,212	P 8,709,391,887	P -	P -
Interest-bearing loans	13,082,678,843	13,596,358,891	103,373,167,919	479,081,361
Bonds payable	15,418,690,331	11,522,088,293	4,740,282,500	26,274,530,625
ELS	832,260,000	-	5,280,000,000	-
Advances from related parties	61,220,452	-	1,943,471,908	-
Redeemable preferred shares	-	28,933,722	1,064,257,763	1,825,756,928
Security deposits	60,768,980	16,180,554	114,401,427	211,384,342
Derivative liabilities	199,084,865	-	-	-
Other liabilities	226,543,999	-	158,649,723	-
	P 60,519,140,682	**P 33,872,953,347**	**P116,674,231,240**	**P 28,790,753,256**

As of December 31, 2016, the Group's financial liabilities have contractual maturities which are presented below.

	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later than 5 Years
Trade and other payables	P 31,743,193,261	P 5,379,255,873	P -	P -
Interest-bearing loans	13,793,727,560	9,037,005,807	59,565,861,374	1,054,328,785
Bonds payable	1,116,433,863	40,744,406,381	12,945,153,375	12,717,881,563
ELS	-	-	-	6,738,766,650
Advances from related parties	-	-	-	2,424,926,309
Redeemable preferred shares	-	-	1,848,898,877	251,597,580
Security deposits	-	-	241,114,566	-
Derivative liabilities	356,819,015	-	-	-
Other liabilities	233,357,843	-	-	-
	P 47,243,531,542	P 55,160,668,061	P 74,601,028,192	P 23,187,500,887

The contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

11.4 Other Price Risk Sensitivity

The Group's market price risk arises from its investments carried at fair value (financial assets classified as AFS financial assets). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investments held at fair value and their impact on the equity as of September 30, 2017 and December 31, 2016 are summarized as follows:

	Observed Volatility Rates		**Impact on Equity**	
	Increase	**Decrease**	**Increase**	**Decrease**
2017 - Investment in equity securities	**+28.31%**	**-28.31%**	**P 119,681,302**	**(P 119,681,302)**
2016 - Investment in equity securities	+37.30%	-37.30%	P 153,909,820	(P 153,909,820)

The maximum additional estimated loss in 2017 and 2016 is to the extent of the carrying value of the securities held as of these reporting dates with all other variables held constant. The estimated change in quoted market price is computed based on volatility of listed companies at the PSE for the past nine months in 2017 and 12 months in 2016, at 95% confidence level.

The investments in listed equity securities are considered long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments. The investments are continuously monitored and voting rights arising from these equity instruments are utilized in the Group's favor.

12. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the interim consolidated statements of financial position are shown below.

	September 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets				
Loans and receivables:				
Cash and cash equivalents	**P 66,564,602,837**	**P 66,564,602,837**	P 48,672,938,017	P 48,672,938,017
Trade and other receivables	**86,873,194,243**	**86,873,194,243**	80,832,484,761	80,832,484,761
Other financial assets	**1,223,339,718**	**1,223,339,718**	1,916,384,154	1,916,384,154
	P 154,661,136,798	**P 154,661,136,798**	P131,421,806,932	P131,421,806,932
Financial assets at FVTPL –				
Marketable debt and equity securities	**P 11,220,581,772**	**P 11,220,581,772**	P 10,465,266,604	P 10,465,266,604
AFS financial assets:				
Debt securities	**P 107,753,514**	**P 107,753,514**	P 260,449,586	P 260,449,586
Equity securities	**702,855,692**	**702,855,692**	412,665,700	412,665,700
	P 810,609,206	**P 810,609,206**	P 673,115,286	P 673,115,286

	September 30, 2017 (Unaudited)		December 31, 2016 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Liabilities				
Financial liabilities at FVTPL –				
Derivative liabilities	**P 199,084,865**	**P 199,084,865**	**P** 356,819,015	P 356,819,015
Financial liabilities at amortized cost:				
Current:				
Trade and other payables	**P 39,347,285,099**	**P 39,347,285,099**	P 36,907,266,143	P 36,907,266,143
Interest-bearing loans	**24,131,452,063**	**24,131,452,063**	21,095,657,317	21,095,657,317
Bonds payable	**25,512,065,927**	**25,512,065,927**	39,734,990,308	39,734,990,308
Other current liabilities	**9,008,052,101**	**9,008,052,101**	999,524,921	999,524,921
	P 97,998,855,190	**P 97,998,855,190**	P 98,737,438,689	P 98,737,438,689
Non-current:				
Interest-bearing loans	**P 97,846,942,246**	**P 97,846,942,246**	P 55,500,216,708	P 55,500,216,708
Bonds payable	**24,671,492,636**	**24,671,492,636**	22,330,589,969	22,330,589,969
ELS	**5,264,339,514**	**5,264,339,514**	5,262,906,379	5,262,906,379
Redeemable preferred shares	**2,084,316,982**	**2,084,316,982**	2,013,695,292	2,013,695,292
Advances from related parties	**1,943,471,908**	**1,943,471,908**	1,741,255,704	1,741,255,704
Security deposits	**325,785,769**	**325,785,769**	294,114,566	294,114,566
	P 132,136,349,055	**P 132,136,349,055**	P 87,142,778,618	P 87,142,778,618

13. FAIR VALUE MEASUREMENT AND DISCLOSURES

13.1 Fair Value Hierarchy

The hierarchy groups financial assets and financial liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets or for identical assets or liabilities;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the resource or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or financial liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value of Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing services, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

13.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the interim consolidated statements of financial position on a recurring basis as of September 30, 2017 and December 31, 2016.

	September 30, 2017 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 11,220,581,772	P -	P -	P 11,220,581,772
AFS financial assets:				
Debt securities	107,753,514	-	-	107,753,514
Equity securities	422,752,746	69,700,000	210,402,946	702,855,692
	P 11,751,088,032	**P 69,700,000**	**P 210,402,946**	**P 12,031,190,978**
Financial liability:				
Financial liabilities at FVTPL –				
Derivative liabilities	**P 199,084,865**	**P -**	**P -**	**P 199,084,865**

	December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 10,465,266,604	P -	P -	P 10,465,266,604
AFS financial assets:				
Debt securities	260,449,586	-	-	260,449,586
Equity securities	66,501,898	69,900,000	276,263,802	412,665,700
	P 10,792,218,088	P 69,900,000	P 276,263,802	P 11,138,381,890
Financial liability:				
Financial liabilities at FVTPL –				
Derivative liabilities	P 356,819,015	P -	P -	P 356,819,015

13.3 Financial Instruments Measured at Amortized Cost for Which Fair Value is Disclosed

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the interim consolidated statements of financial position on a recurring basis as of September 30, 2017 and December 31, 2016.

	September 30, 2017 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 66,564,602,837	P -	P -	P 66,564,602,837
Trade and other receivables	-	-	86,873,194,243	86,873,194,243
Other financial assets	-	-	1,223,339,718	1,223,339,718
	P 66,564,602,837	**P -**	**P 88,096,533,961**	**P 154,661,136,798**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 39,347,285,099	P 39,347,285,099
Interest-bearing loans	-	-	24,131,452,063	24,131,452,063
Bonds payable	25,512,065,927	-		25,512,065,927
Other current liabilities	-	-	9,008,052,101	9,008,052,101
Non-current:				
Interest-bearing loans	-	-	97,846,942,246	97,846,942,246
Bonds payable	24,671,492,636	-		24,671,492,636
ELS	-	-	5,264,339,514	5,264,339,514
Redeemable preferred shares	-	-	2,084,316,982	2,084,316,982
Due to related parties	-	-	1,943,471,908	1,943,471,908
Security deposits	-	-	325,785,769	325,785,769
	P 50,183,558,563	**P -**	**P179,951,645,682**	**P 230,135,204,245**

	December 31, 2016 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 48,672,938,017	P -	P -	P 48,672,938,017
Trade and other receivables	-	-	80,832,484,761	80,832,484,761
Other financial assets	-	-	1,916,384,514	1,916,384,514
	P 48,672,938,017	P -	P 82,748,869,275	P 131,421,807,292
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 36,907,266,143	P 36,907,266,143
Interest-bearing loans	-	-	21,095,657,317	21,095,657,317
Bonds payable	39,734,990,308	-	-	39,734,990,308
Other current liabilities	-	-	999,524,921	999,524,921
Non-current:				
Interest-bearing loans	-	-	55,500,216,708	55,500,216,708
Bonds payable	22,330,589,969	-	-	22,330,589,969
ELS	-	-	5,262,906,379	5,262,906,379
Redeemable preferred shares	-	-	2,013,695,292	2,013,695,292
Due to related parties	-	-	1,741,255,704	1,741,255,704
Security deposits	-	-	294,114,566	294,114,566
	P 62,065,580,277	P -	P123,814,637,030	P 185,880,217,307

For financial assets and financial liabilities with fair values included in Level 1, management considers that the carrying amounts of those short-term financial instruments approximate their fair values.

The fair values of the financial assets and financial liabilities included in Level 2 and Level 3 which are not traded in an active market is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

13.4 Investment Property Measured at Cost for which Fair Value is Disclosed

As of December 31, 2016, the fair value of the Group's investment property amounting to P260.8 billion is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of the investment property was determined using the income approach which is performed with values derived using a discounted cash flow model. Also, there were no transfers into or out of Level 3 fair value hierarchy. There was no valuation update made for the current period.

14. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group's capital management objective is to ensure its ability to continue as a going concern; to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk; and to maintain strong and healthy financial position to support its current business operations and drive its expansion and growth in the future.

There were no changes in the Group's approach to capital management during the period.

	September 30, 2017 (Unaudited)	December 31, 2016 (Audited)
Total liabilities	**P 283,979,091,117**	P 245,193,291,467
Equity attributable to owners of the parent company	**157,077,330,517**	147,140,151,266
Debt-to-equity ratio	**P 1.81:1**	P 1.67:1

15. SEASONAL FLUCTUATIONS

For Travellers, casino operations tend to experience seasonality in visitations during public holidays, festivals in the Philippines and around South East Asian region.

There were no seasonal aspects that had a material effect on the financial condition or results of operations of the Group.

16. EVENTS AFTER THE REPORTING PERIOD

AGI is diversifying to infrastructure through a newly-incorporated subsidiary, Infracorp Development, Inc. (Infracorp), as the current administration enters into what it calls as the 'Golden Age of Infrastructure' in the country with its thrust in Private-Public-Partnership (PPP) Projects. In October 2017, Infracorp submitted an unsolicited proposal to the government to build a 2-km monorail called Skytrain that will link Fort Bonifacio to the MRT Guadalupe Station.

On November 2, 2017, Travellers settled its seven-year $300 million notes (equivalent to P15.3 billion and P15.6 billion as at September 30, 2017 and December 31, 2016) along with the related liability swap agreement involving floating-rate coupons.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES
SEPTEMBER 30, 2017
(Amounts in Philippine Pesos)

Current	P	55,893,618,955
1 to 30 days		3,517,094,180
31 to 60 days		519,888,199
Over 60 days		2,188,900,764
Total		62,119,502,097
Due from other related parties		260,137,493
Balance as at June 30, 2017	**P**	**62,379,639,590**