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S.E.C. Registration Number

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(Company's Full Name)

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B	A	G	U	M	B	A	Y	A	N		Q	U	E	Z	O	N		C	I	T	Y			

(Business Address: No. Street City/ Town/ Province)

DINA D.R. INTING
Contact Person

8709-2038 to 41
Company Telephone Number

1	2		3	1

Month Day
Fiscal Year

		1	7	-	Q		

FORM TYPE
(**QUARTERLY REPORT FOR SEPTEMBER 30, 2024)**

0	6		3rd Thurs.

Month Day

Certificate of Permit to Offer Securities for Sale
Secondary License Type, If Applicable

S	E	C

Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders   Domestic   Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

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, 2024**

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) 870920-38 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	**8,926,082,279** (net of 1,343,745,700 buyback 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 Accounting Standard 34, *Interim Financial Reporting*. As such, the ICFS 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 of and for the year ended December 31, 2023 ("ACFS"). The accounting policies, methods and measurements used in the ICFS are consistent with those applied in ACFS. The amendments to existing standards adopted by the Group effective January 1, 2024 do not have material impact on the Group's ICFS. 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 both the ACFS and ICFS).

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 presented at cost as part of Treasury Shares 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

Alliance Global Group, Inc. and its subsidiaries ("the Group") is organized into four major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, Travellers or NWR 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 (namely, real estate property development and leasing, manufacture and distribution of distilled spirits, leisure-entertainment and hospitality, and quick-service restaurants operations) (see Note 4 to the ICFS).

The Group disaggregates revenues recognized from contracts with customers into these segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This same disaggregation is used in earnings releases, annual reports and investor presentations.

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 – Top Five

In Million Pesos	M9 2024	M9 2023	YoY	YoY %	Q3 2024	Q3 2023	YoY %	Q2 2024	Q2 2023	YoY %	Q1 2024	Q1 2023	YoY %
REVENUES AND INCOME	161,550	150,423	11,127	7.4	54,096	51,329	5.4	56,849	48,805	16.5	50,605	50,288	0.6
NET PROFIT ["NP"]	20,047	20,143	(96)	(0.5)	6,222	5,957	4.4	7,218	7,060	2.2	6,607	7,126	(7.3)
NET PROFIT TO OWNERS ["NPO"]	12,974	12,934	40	0.3	4,190	3,688	13.6	4,569	4,567	0.0	4,216	4,678	(9.9)
EBITDA	43,521	42,082	1,439	3.4	14,311	13,957	2.5	15,241	13,854	10.0	13,970	14,271	(2.1)
NP rate ["NPR"]	12.41%	13.39%			11.50%	11.61%		12.70%	14.47%		13.06%	14.17%	
NPO rate ["NPOR"]	8.03%	8.60%			7.74%	7.19%		8.04%	9.36%		8.33%	9.30%	
EBITDA Margin	26.94%	27.98%			26.45%	27.19%		26.81%	28.39%		27.61%	28.38%	
Return on investment/assets [NP/TA]	2.45%	2.63%									0.82%	0.94%	
	Sept 30, 2024	Dec 31, 2023	YoY	%				June 30, 2024			Mar 31, 2024		
TOTAL ASSETS	817,827	782,543	35,284	4.5				814,803			807,664		
CURRENT ASSETS	391,216	381,854	9,362	2.5				395,127			401,720		
CURRENT LIABILITIES	160,547	166,993	(6,446)	(3.9)				157,437			164,355		
Current ratio	2.44x	2.29x						2.51x			2.44x		
Quick ratio	0.94x	0.93x						1.01x			1.04x		
	M9 2024	M9 2023	YoY	YoY %				Q2 2024	Q2 2023	YoY %	Q1 2024	Q1 2023	YoY %
EBITDA	43,521	42,082	1,439	3.4				15,241	13,854	10.0	13,970	14,271	(2.1)
Interest expense	9,444	8,922	522	5.9				3,501	2,780	25.9	2,841	2,737	3.8
INTEREST COVERAGE	4.61	4.72						4.35	4.98		4.92	5.21	

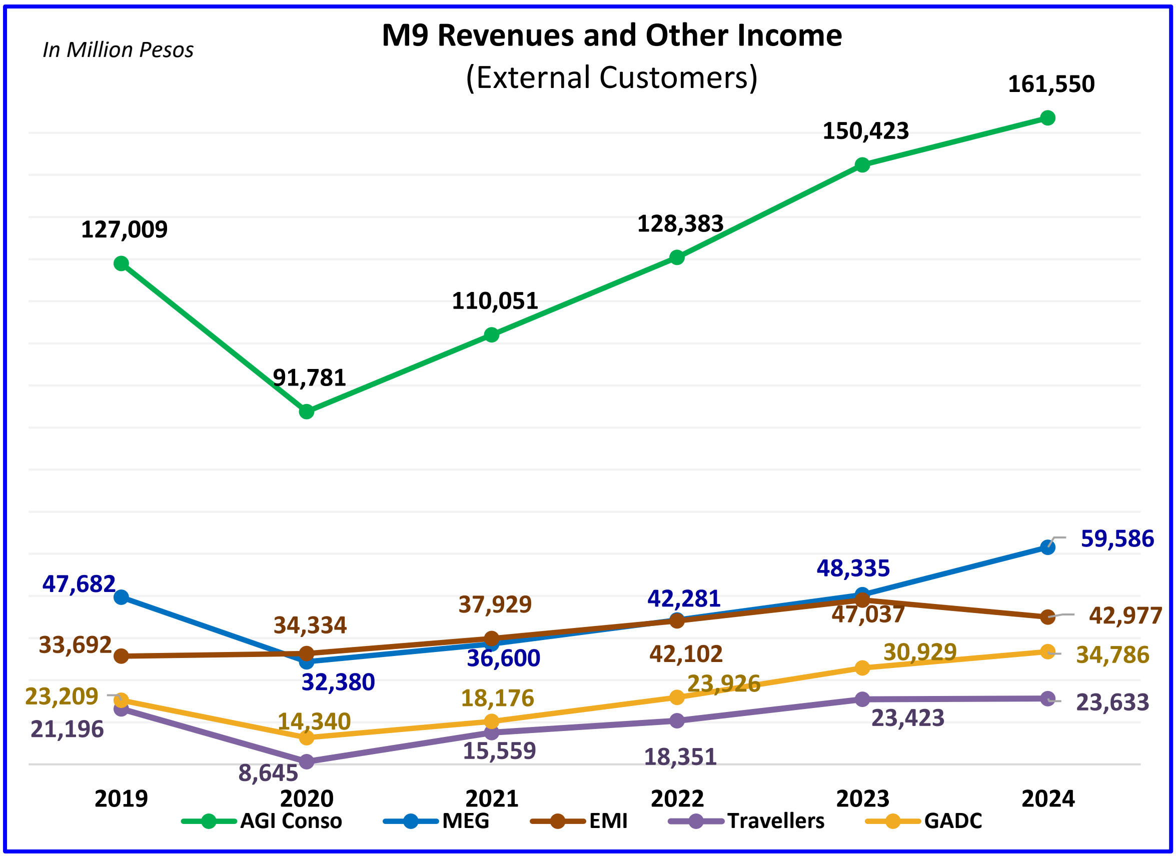
- Revenue growth – measures the percentage change in sales/revenues over a designated period. Performance is measured in terms of both amount and volume, where applicable.
- Net profit growth – measures the percentage change in net profit over a designated period of time
- Net profit rate – computed 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
- Interest coverage ratio - computed as profit before tax and interest expense divided by interest expense -measures the business' ability to meet its interest payments.

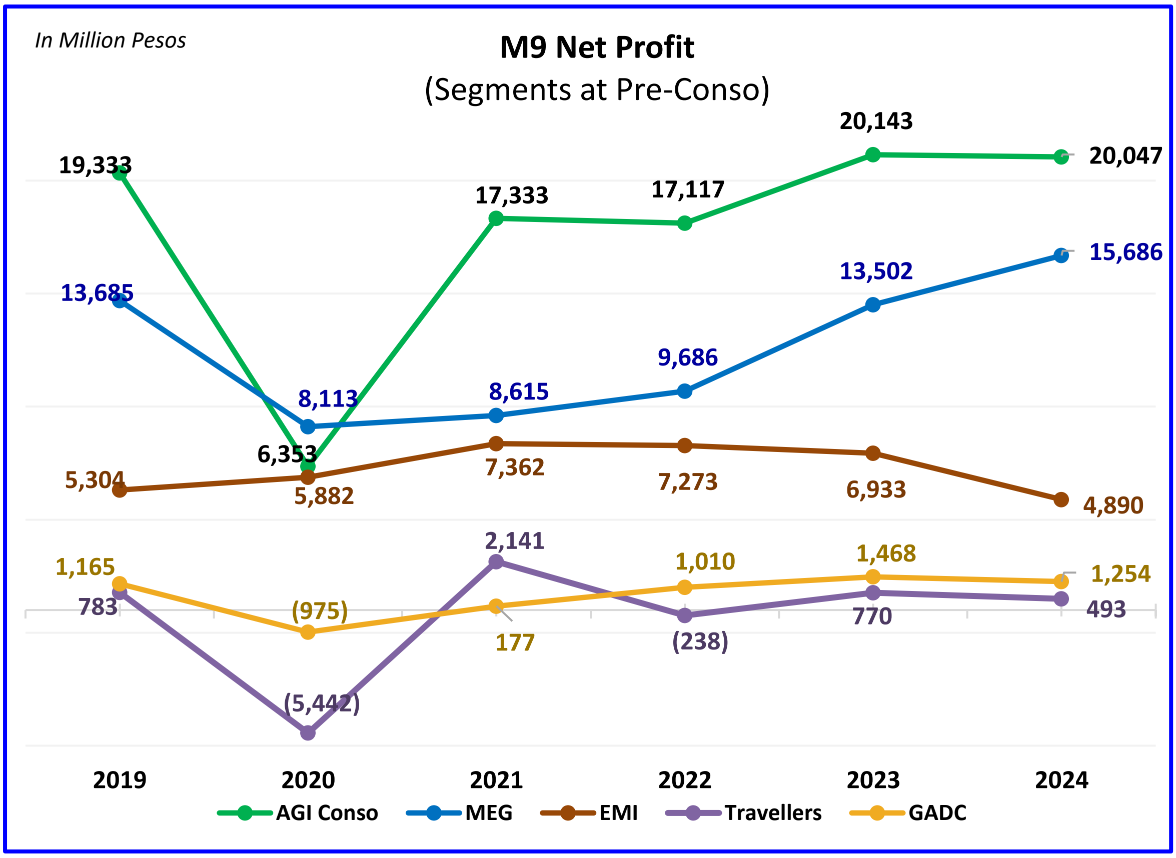
Results of Operations – First Nine Months 2024 vs 2023

The Group, one of the country's largest conglomerates, expanded its revenues and other income ('topline") in the first nine months of the year ("M9") by 7% year-on-year ("YoY") to P161.5billion, highlighting the resilient performance across its diverse business segments, particularly marked by the double-digit growth from real estate sales, hotel, and quick-service restaurant operations. The net profit ("NP") and net profit to owners ("NPO") that were realized therefrom remained relatively stable at P20.0 billion and P13.0 billion, respectively.

Gross profit rate ("GPR") stood at 42% for M9 this year as compared to 43% for same period last year as rising inflationary costs of inputs cut into the margins, while operating expenses and finance costs and other charges were respectively kept at 21% and 7% of topline for both comparable periods. NP rate ("NPR"), NPO rate ("NPOR") and profit before interest, income tax, depreciation and amortization ("EBITDA") rate were registered at 12%, 8% and 27%, respectively, as compared to 13%, 9% and 28% during the same period last year.

By business segments, as represented by the major subsidiary groups [based on pre-conso results, i.e. as reported separately by the major subsidiaries]:





In Million Pesos	Contribution	M9 2024 PreConso	M9 2024 Conso	M9 2023 PreConso	M9 2023 Conso	Conso YoY 2024	YoY % 2024	Q3 2024 Conso	Q3 YoY % 2024	QoQ % 2024
Revenues and other income	100%	165,737	161,550	154,873	150,423	11,127	7.4%	54,096	5.4%	(4.8%)
Megaworld	37%	59,783	59,586	48,525	48,335	11,250	23.3%	20,622	25.6%	2.3%
Emperador	27%	43,023	42,977	47,084	47,037	(4,061)	(8.6%)	14,436	(9.7%)	(6.6%)
Travellers	15%	23,637	23,633	23,425	23,423	210	0.9%	7,326	(11.5%)	(20.1%)
Golden Arches	22%	34,763	34,786	30,870	30,929	3,858	12.5%	11,637	9.6%	(1.1%)
Others	0%	4,530	568	4,969	698	(130)	(18.6%)	74	153.6%	(75.0%)
Cost and expenses	100%	136,523	136,086	126,233	125,687	10,398	8.3%	45,762	3.9%	(5.0%)
Megaworld	30%	40,440	40,440	32,312	32,312	8,127	25.2%	13,296	18.6%	(8.4%)
Emperador	27%	36,950	36,474	38,832	38,359	(1,885)	(4.9%)	12,742	(3.2%)	(1.4%)
Travellers	17%	23,113	23,250	22,625	22,582	669	3.0%	7,397	(10.7%)	(15.3%)
Golden Arches	24%	32,982	32,929	28,903	28,898	4,031	13.9%	11,332	13.9%	3.4%
Others	2%	3,037	2,993	3,561	3,537	(544)	(15.4%)	995	(30.6%)	(3.1%)
Tax expense	100%	5,418	5,418	4,593	4,593	825	18.0%	2,112	59.3%	42.3%
Megaworld	68%	3,658	3,658	2,710	2,710	947	34.9%	1,520	160.8%	64.7%
Emperador	22%	1,183	1,183	1,319	1,319	(136)	(10.3%)	460	(18.0%)	31.0%
Travellers	1%	31	31	30	30	2	5.1%	10	2.2%	(20.5%)
Golden Arches	10%	528	528	500	500	28	5.6%	118	(20.3%)	(37.1%)
Others	0%	18	18	34	34	(16)	(47.8%)	3	(85.9%)	(62.5%)
Net profit	100%	23,797	20,047	24,047	20,143	(96)	(0.5%)	6,222	4.4%	(13.8%)
Megaworld	77%	15,686	15,488	13,502	13,312	2,176	16.3%	5,806	25.6%	23.0%
Emperador	27%	4,890	5,320	6,933	7,360	(2,040)	(27.7%)	1,234	(45.5%)	(43.7%)
Travellers	2%	493	351	770	812	(460)	(56.7%)	(81)	(291.3%)	(119.3%)
Golden Arches	7%	1,254	1,330	1,468	1,532	(201)	(13.1%)	187	(64.2%)	(70.0%)
Others	-12%	1,475	(2,443)	1,374	(2,873)	430	15.0%	(924)	35.3%	(25.0%)
Net profit to owners	100%	21,715	12,974	22,422	12,934	40	0.3%	4,190	13.6%	(8.3%)
Megaworld	79%	13,727	10,290	12,021	8,618	1,671	19.4%	4,112	34.4%	37.3%
Emperador	33%	4,787	4,294	6,784	5,903	(1,608)	(27.2%)	1,009	(44.1%)	(42.2%)
Travellers	1%	497	155	773	503	(347)	(69.1%)	(106)	(713.6%)	(141.9%)
Golden Arches	5%	1,228	679	1,470	784	(106)	(13.5%)	98	(62.9%)	(68.3%)
Others	-19%	1,475	(2,444)	1,374	(2,874)	430	15.0%	(924)	35.3%	(25.0%)

Note: Numbers may not add up due to rounding off.
***"PreConso"** refers to numbers at subsidiary level, yet may slightly differ due to reclassifications for alignment made at consolidation level.*
***"Conso"** represents numbers from external sources i.e. after elimination/consolidation adjustments.*

By business segments – the following discussions were based on pre-consolidation results, i.e. the numbers reported separately by the major subsidiaries:

Megaworld, one of the country's largest real estate developer and pioneer of the live-work-play township concept, reported revenues and income of P59.8 billion, NP of P15.7 billion and NPO of P13.7 billion in M9, respectively jumping 23%, 16% and 14% YoY, underscoring the group's strategic execution that drive growth across the group's diverse business segments. Costs and expenses expanded 25% YoY, mainly due to accelerated activities across all business segments and higher interest expense in current period, yet other operating expenses were reduced to 23% of topline (from 24% a year ago). GPR remained stable at 49% for both comparable periods while NPR and NPOR stood at 26% and 23%, respectively, as compared to 28% and 25% a year ago.

Real estate sales, which comprised 68% of Megaworld's revenue streams (vs 65% a year ago), soared 30% YoY to P37.8 billion, driven by the sustained demand across township developments, and reflecting the market's continued preference for quality and integrated living experiences offered by the 'LIVE-WORK-PLAY' townships. The current brand mix for Megaworld-GERI-Empire East-Suntrust/SLI was 71%-13%-8%-8% (65%-16%-10%-9% in M9 2023). About 58% of sales were from Metro Manila projects, 17% Cavite-Laguna-Batangas-Rizal, and 16% Visayas. Reservation sales in M9 reached P102.4 billion which accounted for 71% of Megaworld's full year reservation sales target of P145.0 billion, driven by attractive big-ticket projects that catered mainly to the mid-high income segments of the residential market. Two tourism-related townships were launched in M9: the 150ha Lialto Beach and the 25ha Golf Estates and San Benito Estate, both in Batangas. The 34th township, the 84ha Ilocandia Coastown in Laoag, Ilocos Norte was launched in October. Megaworld is on track to have 35 townships by end of 2024.

Rental income, which comprised 25% of Megaworld's revenues, increased 6% YoY to P14.2 billion mainly from stable office leases and from improved mall occupancy rate. *Megaworld Premier Offices* rentals remained stable at P9.6 billion, registering 87% occupancy rate and 82% renewal rate. *Megaworld Lifestyle Malls* rentals soared 16% YoY to P4.5 billion, mainly driven by rising foot traffic, improving tenant sales and 93% occupancy rate.

Megaworld Hotels & Resorts revenues surged 38% YoY to P3.6 billion, largely buoyed by the expanding MICE activities and global tourism market. Hotels in Metro Manila attained 72% occupancy versus 66% a year ago.

These operating results brought in 37%, 77% and 79% to AGI's consolidated revenues and income, NP and NPO, respectively.

Emperador operated in a global spirits sector, and global beverage alcohol markets that faced softening of demand during the current interim period, as cost-of-living pressures[1] mounted due to inflationary rising prices[2,3]. Amid this backdrop, its revenues and other income slipped 8% year-on-year ("YoY") to P43.2 billion in M9, with NP and NPO receding 29% YoY to P4.9 billion and P4.8 billion, respectively. The Group recorded GPR of 32% and NPR of 11% in the current period which were still considerably healthy. The group remained resilient due to its diversified product portfolio, which covers numerous price points, and its wide distribution reach in over 100 global markets.

While GP margins were easily swayed by product-sales mix, it's GPR managed to stay above 30% of sales, amid the global rise in prices of inputs on product mix. The group kept prudent watch of its operating expenses, maintaining these expenses at just about 16% of the topline for both comparable periods. Interest expense went up slightly (+P0.07 billion), driven by higher interest rates (EURIBOR and SONIA) on a higher principal base than a year ago. EBITDA rate was posted at 19% for M9 this year as compared to 22% a year ago.

The Brandy segment turned over P25.0 billion in revenues and other income from its external customers, a 10% fall YoY attributed to weakness in most global markets in M9, including Spain, Mexico and Philippines, as consumers shifted to affordable alternatives. Latin America and North America, however, remained to be stable markets for the Segment's products. GPR was relatively steady at 23% while operating expenses scaled down 17% YoY to P3.2 billion from reduced selling and distribution expenses. Interest expense went down 15% YoY (-P0.1 billion) due to variable interest on ELS from a year ago[4]. Consequently, both NP and NPO were respectively adverse by about 37% YoY registering NPR and NPOR of 7% and EBITDA rate reaching 15%.

The Scotch Whisky segment turned over P18.2 billion in revenues and other income from its external customers, behind 6% YoY due to the industry slowdown in the category, and in spirits and luxury goods more generally, across multiple markets worldwide. The tough trading situation in China and in US impacted the Scotch Whisky sales in Asia-Pacific and North American regions while Latin America, Middle East/Africa and Global Travel Retail continued to forge ahead. GPR remained healthy at 43% while operating expenses were maintained at comparatively same level, while interest expense doubled YoY (+P0.2 billion) from additional loan drawdowns for the Segment's ongoing expansion. Consequently, NP (which is same as its NPO) lagged 24% YoY,

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[1] Households remain under considerable financial pressure. Latest report from IWSR showed that consumers are cutting back on alcohol spending or shifting on to more affordable alternative as cost-of-living pressures eat into their disposable income. *Source: theiwsr.com*

[2] Consumer price index ("CPI") has been rising worldwide, particularly in major countries where the Group has presence. ~ *Source: tradingeconomics.com*

[3] The world food price index has risen from 117.7 points in January 2024 to 118.8 points in March and further rising to 121.0 points in June to 124.9 points in September to 127.4 points in October 2024. ~ *Source: Food and Agriculture Organization of UN*

[4] This current year's variable interest followed the last year-end presentation under Equity.

with NPR of 16% as compared to 20% from a year ago. EBITDA rate reached 24% in M9 from 26% a year ago.

The group contributed 27% to AGI's consolidated revenues and income, 27% to consolidated NP, and 33% to consolidated NPO.

Travellers, the owner and operator of Newport World Resorts ("NWR"), an integrated leisure and tourism resort in Pasay City, ended M9 with P22.9 billion core revenues, supported by rise in tourism and MICE activities in spite of lower net gaming revenues. GPR in M9 stood at 42% as compared to 43% during the same period in 2023. Higher operating expenses and finance costs pulled NP and NPO to P0.5 billion in M9.

Net gaming revenues contracted 5% YoY to P17.5 billion with the decline in gross gaming revenues due to lower win rates in an overall volume growth.

Non-gaming core revenues (from hotels, food, beverage and other operating income) climbed 9% YoY to P5.4 billion, driven by the rise in F&B covers and occupancy rates in hotels and mall tenants. The hotels benefitted from the growth in both domestic and international tourism with the occupancy rates of the 5 hotels in NWR ranging 77% to 88% (74% to 86% a year ago), and the hotel in Iloilo maintained at same level of occupancy rate of 30% as a year ago.

Travellers group accounted for 15% of AGI's consolidated revenues and income, 2% to consolidated NP and 1% to consolidated NPO.

GADC, the master franchise holder of McDonald's in the Philippines and a strategic partnership with the George Yang group, sustained its M9 revenue growth trajectory as it closed this year's M9 with P34.6 billion core revenues, attributed to increased foot traffic in the restaurants/stores and its creative product offerings and attractive pricing. Rising prices of commodities, encompassing fuel and oil, dragged NP and NPO to P1.3 billion and P1.2 billion, respectively with GPR and NPR standing at 22% and 4%, respectively as compared to 23% and 5% during the same period in 2023. During the interim, GADC concentrated on enhancing value, coffee offerings, leveraging digital initiatives while adapting to shifts in consumer behavior, economic conditions and industry trends.

Systemwide store sales for M9 rose 10% YoY, propelled by front-counter channels with dine-in sales climbing 17% YoY. Same-store sales expanded 3% YoY. McDonald's added 'Crispy Chicken Fillet' to the 'McSavers Sulit-Busog Meals' line up for breakfast and regular hours which led to an increase in sales and customer visits, exceeding target. During the first nine months of the year, the group opened a total of 33 new stores (23 in Luzon, 6 in Visayas and 4 in Mindanao) and closed 9 stores (8 in Luzon and 1 in Mindanao), bringing total store count to 764 at end-September from 740 stores at the beginning of the year (and 705 a year ago). Stores were concentrated 81% in Luzon, including Metro Manila.

These operating results translated into 22% contribution to consolidated revenues and income, 7% to consolidated NP and 5% to consolidated NPO of AGI.

By profit and loss accounts:

The preceding discussions are reflected in the consolidated profit and loss accounts, as shown in the following table:

In Million Pesos	M9 2024	M9 2023	YoY'24	%
REVENUES AND OTHER INCOME				
Sale of goods	80,785	75,837	4,948	6.5%
Consumer goods	42,937	46,787	(3,850)	(8.2%)
Revenue from real estate (RE) sales	37,848	29,050	8,798	30.3%
Rendering of services	75,724	70,362	5,362	7.6%
Gaming	24,316	25,940	(1,624)	(6.3%)
Less: Promotional allowance	(6,822)	(7,618)	796	(10.4%)
Net Gaming	17,494	18,322	(828)	(4.5%)
Sales by company-operated quick-service restaurants	31,514	27,959	3,555	12.7%
Franchise revenues	3,037	2,762	274	9.9%
Rental Income	14,468	13,575	893	6.6%
Others	9,211	7,744	1,467	18.9%
Hotel operations	7,825	6,527	1,298	19.9%
Other services	1,385	1,216	169	13.9%
Share in net profits of associated and joint ventures	-	19	(19)	n/m
Finance and other income	5,041	4,205	836	19.9%
TOTAL	161,550	150,423	11,127	7.4%
COST AND EXPENSES				
Cost of goods sold	48,169	45,126	3,043	6.7%
Consumer goods sold	29,234	30,297	(1,063)	(3.5%)
RE sales	18,935	14,830	4,106	27.7%
Cost of services	42,274	38,354	3,920	10.2%
Gaming	8,075	8,222	(147)	(1.8%)
Services	34,199	30,133	4,067	13.5%
Other operating expenses	34,416	31,812	2,604	8.2%
Selling and marketing	13,769	11,728	2,042	17.4%
General and administrative	20,646	20,084	562	2.8%
Share in net losses of associates and joint ventures	56	-	56	n/m
Finance cost and other charges	11,171	10,395	776	7.5%
TOTAL	136,086	125,687	10,398	8.3%
TAX EXPENSE	5,418	4,593	825	18.0%
NET PROFIT	20,047	20,143	(96)	(0.5%)
NET PROFIT TO OWNERS	12,974	12,934	40	0.3%

Note: Numbers may not add up due to rounding off. Percentages are taken based on full numbers, not from the presented rounded amounts.

Revenues and income, as a result of the foregoing discussions, increased 7% YoY (+P11.1billion) to P161.5 billion. ***Sale of goods*** (real estate, alcoholic beverages and snack products) jumped 7% YoY (+P4.9 billion) to P80.8 billion as real estate sales soared 30% YoY (+P8.8 billion) to P37.8 billion while sales of consumer goods contracted 8% YoY (-P3.8 billion) to P42.9 billion, due to consumers' cautious spending. ***Service revenues*** (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) expanded 8% YoY (+P5.4 billion) to P75.7 billion. Sales of quick-service restaurants, franchise revenues, rental revenues and hotel operations climbed 13% (+P3.6 billion), 10% (+P0.3 billion), 7% (+P0.9 billion), and 20% (+P1.3 billion), respectively while net gaming revenues fell 4% (-P0.8 billion). ***Share in net loss of associates and joint ventures*** which is mainly attributable net loss of an associate of Megaworld and Travellers that exceeded the net profit of Emperador's joint venture, a turnaround from profit reported last year. ***Finance and other income*** increased 20% YoY (+P0.8 billion) to P5.0 billion, mainly due to miscellaneous other income earned during the period.

Costs and expenses increased 8% YoY (+P10.4 billion) to P136.1 billion. ***Cost of goods sold*** climbed 7% YoY (+P3.0 billion) while ***cost of services*** increased 10% YoY (+P3.9 billion) due to increases in services and rising costs. ***Other operating expenses*** climbed 8% YoY (+P2.6 billion) to P34.4 billion, yet were maintained at 21% of topline. ***Finance and other charges*** expanded 7% YoY (+P0.8 billion) to P11.2 billion due mainly to higher interest expense attributable to loans drawn during the interim and high interest rates reported during the period.

Tax expense jumped 18% YoY (+P0.8 billion) to P5.4 billion due to increase in taxable net profit, especially of Megaworld.

EBITDA amounted to P43.5 billion as compared to P42.1 billion a year ago, exhibiting EBITDA rates of 27% and 28%, respectively.

As a result of the foregoing, **NP** and **NPO** reported were about the same level as compared to the same period in 2023 ending the period with P20.0 billion and P13.0 billion, respectively.

Financial Condition

Consolidated total assets amounted to P817.8 billion at end of the interim period from P782.5 billion at beginning of year, a 5% growth (+P35.3 billion) during the first nine months of the year. The Group is liquid with **current assets** exceeding **current liabilities** 2.4 times and 2.3 times at the end and beginning of the interim period, respectively. Current assets amounted to P391.2 billion while current liabilities amounted to P160.5 billion at end of the interim period.

Cash and cash equivalents decreased by 17% (-P11.2 billion) during the interim, ending at P53.8 billion from P65.0 billion at the start of the year, primarily from uses in investing activities (capital expenditures, advances) outpacing the inflows from financing activities (proceeds from loans) and operating activities. Net cash provided by operations and used in financing activities and in investing activities during the period were presented in the interim consolidated statements of cash flows.

In summary, the **accounts with at least +/- 5% changes** from year-end were as follows.

Current trade and other receivables increased 7% (+P5.2 billion) to P81.3 billion mainly from real estate sales and rental transactions and from alcoholic products sales. **Non-current trade and other receivables** spiked 18% (+P5.3 billion) to P34.8 billion from increased real estate sales and rental transactions.

Contract assets, which represent the reclassified portion of trade and other receivables relating to rights to payment which are conditioned upon the completion of units sold and represent excess of progress of work over the right to an amount of consideration, went up 41% (+P6.9 billion) for **currently** maturing assets and 8% (+P0.7 billion) for **non-currently** maturing assets. These all pertain to Megaworld business.

Other current assets increased 5% (+P1.1 billion) mainly due to increase in input vat, creditable withholding tax and other prepayments, generally due to timing of payments, largely from Megaworld business.

Advances to landowners and joint operators increased 6% (+P0.5 billion) mainly from MEG's additional advances to land owners and co-venturers.

Financial assets at fair value through other comprehensive income surged 34% (+P0.2billion) due to marked-to-market valuation.

Property, plant and equipment went up 5% (+P8.6 billion) to P166.9 billion mainly due to the ongoing expansion relating to Scotch Whisky business and NWR as well as in GADC stores.

Investment properties hiked 6% (+P8.7 billion) to P145.1 billion mainly due to acquisition of raw land and costs of completed and on-going developments of properties intended for lease under Megaworld, Travellers and GADC.

Deferred tax assets increased 5% (+P0.2 billion) mainly due to movements in timing differences.

Other non-current assets spiked 18% (+P0.8 billion) to P5.6 billion mainly due to increase in MEG's deferred commission and Travellers' additional advances for future investment.

Current interest-bearing loans increased 10% (+P4.9 billion) while **non-current interest-bearing loans** escalated 14% (+P19.6 billion), for a total increase of P24.5 billion, from new loans and drawdowns partly reduced by principal payments during the period.

Current bonds payable closed its beginning balance of P12.0 billion due maturity of Megaworld peso-denominated bond while **non-current bonds payable** increased 1% (+P0.2 billion) due to current translation of Megaworld US$-denominated bond, for a net decrease of 38% (-P11.8 billion).

Contract liabilities represent MEG's excess of collection over the progress of work with **current** portion increasing 28% (+P0.5 billion) and **non-current portion** decreasing 5% (-P0.3billion) during the interim period.

Income tax payable decreased 36% (-P1.0 billion) to P1.8 billion from P2.8 billion from the beginning of the period due to payment of annual income tax in April, lower accrual for interim period and collection of creditable withholding taxes applied during the period.

Advances from other related parties declined 13% (-P0.1 billion) to P0.7 billion from Megaworld accounts.

Retirement benefit obligations shrank 29% (-P0.5 billion) to P1.2 billion from changes in assumptions and benefit payments in retirement plans of Travellers, GADC, Megaworld and Emperador.

Deferred tax liabilities increased 11% (+P2.5 billion) to P24.9 billion due to movements in timing differences.

Liquidity and Capital Resources

The consolidated statements of financial position showed strong liquidity with current assets exceeding current liabilities 2.3times and 2.4times at the beginning and end of interim period, respectively. Likewise, the interim period opened and closed with total-liabilities-to-equity ratio of 1.0 : 1.0 and interest-bearing-debt-to-equity ratio of 0.6 : 1.0. Assets exceeded liabilities 2.0times, and equity 2.0times as well at the beginning and end of the interim period.

In general, working capital and investing expenditures during the period were sourced internally from operations and externally through bank loans. 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	**September 2024**	June 2024	March 2024	December 2023	December 2022	December 2021
Cash and cash equivalents	53,798	64,305	75,817	65,020	79,929	82,278
FVTPL/ FVOCI financial assets	16,130	16,585	15,738	15,497	15,305	13,934
Total Available	69,928	80,889	91,555	80,517	95,235	96,212
Interest-bearing debt- current	54,140	51,503	47,392	49,226	32,504	80,304
Interest-bearing debt noncurrent	161,448	167,915	162,581	141,884	136,288	93,109
Bonds payable- current	-	-	12,000	11,998	14,026	-
Bonds payable- noncurrent	19,294	20,010	19,261	19,117	31,213	41,982
Total Debt	234,882	239,428	241,235	222,225	214,031	215,395
Net cash (debt)	(164,954)	(158,538)	(149,680)	(141,708)	(118,796)	(119,183)
Total Available to debt rate	29.77%	33.78%	37.95%	36.23%	44.50%	44.67%
Total debt to total equity rate	56.66%	58.66%	60.08%	56.32%	58.48%	64.25%
Net debt to total equity rate	39.79%	38.84%	37.28%	35.91%	32.46%	35.55%

Prospects for the future

The Group remains optimistic in its prospects ahead as it anchors its growth on the Group's strong brands, attractive product offerings, creative marketing strategies, extensive distribution network, and overall financial strength. It is mindful of the current challenges in global and domestic economies.

The Group, with its diversified businesses, has a proven record of creating value over time and is confident in its ability to deliver sustainable profitable growth and value for its stakeholders, backed by its overall agility and versatility.

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.

(Below is intentionally left blank.)

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/
Compliance Officer
(As Principal Financial/Accounting Officer)
November 14, 2024

Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

Schedule of Financial Soundness Indicators
Annex 68-E
As of September 30, 2024

Ratio	**Formula**	**9/30/2024**	12/31/2023
Current ratio	Current assets / Current liabilities	2.44	2.29
Acid test ratio	Quick assets / Current liabilities (Quick assets include cash and cash equivalents, trade and other receivables and financial assets at fair value through profit or loss)	0.94	0.93
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds payable)	0.19	0.27
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and bonds payable)	0.57	0.56
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.97	1.98
		09/30/2024	09/30/2023
Interest rate coverage ratio	EBIT / Total Interest	3.70	3.77
Return on investment	Net profit / Total stockholders' equity	0.05	0.05
Return on investment of equity owners	Net profit attributable to owners of the Parent Company/ equity attributable to the owners of the Parent Company	0.04	0.05
Return on assets	Net profit/ Total assets	0.02	0.03
Net profit margin	Net profit / Total revenues	0.12	0.13

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
(Amounts in Philippine Pesos)

	September 30, 2024 (UNAUDITED)	December 31, 2023 (AUDITED)
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	P 53,797,870,728	P 65,020,293,464
Trade and other receivables - net	81,332,453,198	76,137,327,017
Contract assets	23,610,116,024	16,725,717,102
Financial assets at fair value through profit or loss	15,438,154,467	14,979,877,496
Inventories - net	191,924,909,791	184,971,533,515
Other current assets	25,112,554,304	24,019,299,755
Total Current Assets	391,216,058,512	381,854,048,349
NON-CURRENT ASSETS		
Trade and other receivables - net	34,755,674,468	29,464,201,523
Contract assets	9,740,992,337	8,995,733,228
Advances to landowners and joint operators	8,682,648,375	8,160,417,609
Financial assets at fair value through other comprehensive income	691,822,872	516,804,124
Investments in associates and joint ventures	6,658,822,089	6,597,586,489
Property, plant and equipment - net	166,861,906,459	158,306,841,259
Investment properties - net	145,088,904,417	136,346,654,133
Intangible assets - net	42,743,375,982	42,012,224,412
Deferred tax assets - net	5,781,462,970	5,532,181,062
Other non-current assets	5,605,017,067	4,756,358,650
Total Non-current Assets	426,610,627,036	400,689,002,489
TOTAL ASSETS	P 817,826,685,548	P 782,543,050,838

		September 30, 2024 (UNAUDITED)		December 31, 2023 (AUDITED)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**82,419,619,518**	P	80,924,053,058
Interest-bearing loans		**54,140,327,827**		49,226,320,430
Bonds payable		**-**		11,997,992,546
Lease liabilities		**1,187,538,888**		1,223,819,878
Contract liabilities		**2,256,855,280**		1,763,382,934
Income tax payable		**1,805,664,655**		2,806,533,744
Advances from other related parties		**709,916,952**		813,376,420
Other current liabilities		**18,027,139,385**		18,237,251,890
Total Current Liabilities		**160,547,062,505**		166,992,730,900
NON-CURRENT LIABILITIES				
Interest-bearing loans		**161,447,634,056**		141,884,302,466
Bonds payable		**19,293,914,216**		19,116,598,705
Lease liabilities		**17,559,729,878**		17,716,166,635
Contract liabilities		**5,380,641,479**		5,693,360,461
Retirement benefit obligation		**1,241,177,781**		1,744,230,935
Redeemable preferred shares		**1,574,159,348**		1,574,159,348
Deferred tax liabilities - net		**24,891,106,081**		22,359,550,189
Other non-current liabilities		**11,338,646,738**		10,894,439,768
Total Non-current Liabilities		**242,727,009,577**		220,982,808,507
Total Liabilities		**403,274,072,082**		387,975,539,407
EQUITY				
Equity attributable to owners of the parent company		**292,721,468,098**		260,893,094,852
Non-controlling interest		**121,831,145,368**		133,674,416,579
Total Equity		**414,552,613,466**		394,567,511,431
TOTAL LIABILITIES AND EQUITY	**P**	**817,826,685,548**	P	782,543,050,838

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	2024		2023	
	Year-to-Date	**Quarter**	Year-to-Date	Quarter
REVENUES AND INCOME				
Sale of goods	**P 80,785,016,670**	**P 27,357,838,797**	P 75,836,591,704	P 26,115,852,967
Rendering of services	**75,723,527,997**	**25,144,943,243**	70,361,865,352	24,268,897,761
Share in net profits of associates and joint ventures - net	**-**	**-**	18,953,857	(41,903,124)
Finance and other income	**5,041,401,922**	**1,593,519,251**	4,205,424,115	986,628,137
	161,549,946,589	**54,096,301,291**	150,422,835,028	51,329,475,741
COSTS AND EXPENSES				
Cost of goods sold	**48,169,212,852**	**16,552,318,013**	45,126,008,968	15,474,321,636
Cost of services	**42,274,429,653**	**14,192,827,485**	38,354,417,060	13,143,162,744
Other operating expenses	**34,415,739,020**	**11,832,314,971**	31,811,873,235	11,072,947,326
Share in net losses of associates and joint ventures - net	**55,577,912**	**16,904,745**	-	-
Finance costs and other charges	**11,170,787,773**	**3,167,635,208**	10,394,958,230	4,355,628,415
	136,085,747,210	**45,762,000,422**	125,687,257,493	44,046,060,121
PROFIT BEFORE TAX	**25,464,199,379**	**8,334,300,869**	24,735,577,535	7,283,415,620
TAX EXPENSE	**5,417,519,722**	**2,112,139,603**	4,593,010,291	1,326,250,795
NET PROFIT	**20,046,679,657**	**6,222,161,266**	20,142,567,244	5,957,164,825
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains on remeasurement of retirement benefit obligation	**506,109,000**	**206,877,000**	221,765,996	(92,938,000)
Net unrealized fair value gain on financial assets at fair value through other comprehensive income	**448,877,256**	**179,801,341**	104,281,610	27,799,691
Deferred tax income (expense) relating to components of other comprehensive income	**(126,527,250)**	**(51,719,250)**	(55,441,500)	23,234,500
	828,459,006	**334,959,091**	270,606,106	(41,903,809)
Items that will be reclassified subsequently to profit or loss				
Translation adjustments	**2,380,644,956**	**1,453,082,862**	1,818,829,708	464,591,492
Net unrealized fair value loss on cash flow hedge	**59,510,541**	**115,219,487**	(34,130,258)	(16,101,009)
Deferred tax income (expense) relating to components of other comprehensive loss	**8,289,160**	**12,286,772**	(6,519,226)	(10,841,131)
	2,448,444,657	**1,580,589,121**	1,778,180,224	437,649,352
TOTAL COMPREHENSIVE INCOME	**P 23,323,583,320**	**P 8,137,709,478**	P 22,191,353,574	P 6,352,910,368
Net profit attributable to:				
Owners of the parent company	**P 12,974,358,236**	**P 4,189,565,659**	P 12,934,102,277	P 3,688,496,947
Non-controlling interest	**7,072,321,421**	**2,032,595,607**	7,208,464,967	2,268,667,878
	P 20,046,679,657	**P 6,222,161,266**	P 20,142,567,244	P 5,957,164,825
Total comprehensive income attributable to:				
Owners of the parent company	**P 15,994,897,390**	**P 5,976,382,376**	P 14,369,804,928	P 3,993,722,903
Non-controlling interest	**7,328,685,930**	**2,161,327,102**	7,821,548,646	2,359,187,465
	P 23,323,583,320	**P 8,137,709,478**	P 22,191,353,574	P 6,352,910,368
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company:				
Basic and Diluted	**P 1.4798**	**P 0.4778**	P 1.4562	P 0.4153
Diluted	**P 1.4798**	**P 0.4778**	P 1.4562	P 0.4153

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(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 on Financial Assets at FVOCI	Accumulated Translation Adjustments	Revaluation Reserves on Cash Flow Hedge	Share Options	Other Reserves	Appropriated	Unappropriated	Total	Total	Non-controlling Interest	Total Equity
As of January 1, 2024, as previously stated	P 10,269,827,979	P 34,518,916,029	(P 15,910,646,863)	(P 280,093,750)	P 188,350,301	(P 4,395,409,250)	P 4,271,571	P 620,625,162	P 43,826,090,598	P 5,058,840,000	P 186,992,323,075	P 192,051,163,075	P 260,893,094,852	P 133,674,416,579	P 394,567,511,431
Change in accounting policy:															
Adoption of PFRS 15 covered by PIC Q&A 2018-12-D	-	-	-	-	-	-	-	-	-	-	(702,611,166)	(702,611,166)	(702,611,166)	(345,196,883)	(1,047,808,049)
Balance at January 1, 2024, as restated	10,269,827,979	34,518,916,029	(15,910,646,863)	(280,093,750)	188,350,301	(4,395,409,250)	4,271,571	620,625,162	43,826,090,598	5,058,840,000	186,289,711,909	191,348,551,909	260,190,483,686	133,329,219,696	393,519,703,382
Transactions with owners:															
Change in percentage of ownership	-	-	-	-	-	-	-	-	16,836,722,313	-	-	-	16,836,722,313	(16,516,310,965)	320,411,348
Acquisition of treasury shares	-	-	(790,917,215)	-	-	-	-	-	-	-	-	-	(790,917,215)	-	(790,917,215)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,353,491,328)	(2,353,491,328)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	(114,000,000)	(114,000,000)	(114,000,000)	-	(114,000,000)
Acquisition and incorporation of new subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	54,800,000	54,800,000
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	7,753,036	7,753,036
Effect of deconsolidation	-	-	-	-	-	-	-	-	6,226,287	-	(15,303,933)	(15,303,933)	(9,077,646)	(19,511,001)	(28,588,647)
Net realized gain on sale of investment in FVOCI	-	-	-	-	-	-	-	-	-	-	104,027,183	104,027,183	104,027,183	-	104,027,183
	-	-	(790,917,215)	-	-	-	-	-	16,842,948,600	-	(25,276,750)	(25,276,750)	16,026,754,635	(18,826,760,258)	(2,800,005,623)
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	532,777,013	-	(23,444,627)	(23,444,627)	509,332,386	-	509,332,386
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	450,000,000	(450,000,000)	-	-	-	-
Total comprehensive income	-	-	-	306,436,347	564,248,245	2,105,429,944	44,424,619	-	-	-	12,974,358,236	12,974,358,236	15,994,897,391	7,328,685,930	23,323,583,321
Balance at September 30, 2024	**P 10,269,827,979**	**P 34,518,916,029**	**(P 16,701,564,078)**	**P 26,342,597**	**P 752,598,546**	**(P 2,289,979,306)**	**P 48,696,190**	**P 620,625,162**	**P 61,201,816,211**	**P 5,508,840,000**	**P 198,765,348,768**	**P 204,274,188,768**	**P 292,721,468,098**	**P 121,831,145,368**	**P 414,552,613,466**
Balance at January 1, 2023	P 10,269,827,979	P 34,518,916,029	(P 14,411,741,336)	P 193,960,665	P 159,403,187	(P 6,250,765,182)	P 28,819,212	P 620,625,162	P 33,446,366,213	P 4,764,840,000	P 169,391,821,143	P 174,156,661,143	P 232,732,073,072	P 133,236,039,264	P 365,968,112,336
Transactions with owners:															
Change in percentage of ownership	-	-	-	-	-	-	-	-	8,976,062,476	-	-	-	8,976,062,476	(6,794,841,691)	2,181,220,785
Acquisition of treasury shares	-	-	(1,117,609,025)	-	-	-	-	-	-	-	-	-	(1,117,609,025)	-	(1,117,609,025)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,088,008,733)	(2,088,008,733)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	(18,989,171)	(18,989,171)	(18,989,171)	-	(18,989,171)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	3,104,668	3,104,668
	-	-	(1,117,609,025)	-	-	-	-	-	8,976,062,476	-	(18,989,171)	(18,989,171)	7,839,464,280	(8,879,745,756)	(1,040,281,476)
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	674,176,193	-	(57,363,857)	(57,363,857)	616,812,336	-	616,812,336
Total comprehensive income (loss)	-	-	-	134,256,692	9,676,644	1,316,124,667	(24,355,352)	-	-	-	12,934,102,277	12,934,102,277	14,369,804,928	7,821,548,646	22,191,353,574
Balance at September 30, 2023	P 10,269,827,979	P 34,518,916,029	(P 15,529,350,361)	P 328,217,357	P 169,079,831	(P 4,934,640,515)	P 4,463,860	P 620,625,162	P 43,096,604,882	P 4,764,840,000	P 182,249,570,392	P 187,014,410,392	P 255,558,154,616	P 132,177,842,154	P 387,735,996,770

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(Amounts in Philippine Pesos)
(UNAUDITED)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**P 25,464,199,379**	P 24,735,577,535
Adjustments for:		
Interest expense	**9,444,397,159**	8,922,199,400
Depreciation and amortization	**8,612,881,366**	8,424,489,125
Interest income	**(3,083,526,567)**	(3,182,230,109)
Unrealized foreign currency loss - net	**234,566,090**	281,175,661
Loss from deconsolidation of subsidiaries	**161,230,217**	-
Share in net losses (profits) of associates and joint ventures	**55,577,912**	(18,953,857)
Reversal of provisions	**(36,500,000)**	-
Reversal of impairment losses - net	**(22,955,989)**	(57,010,273)
Impairment loss on inventories	**19,181,553**	-
Dividend income	**(14,927,866)**	(14,050,086)
Net loss on disposal of assets	**11,478,841**	52,685,077
Stock option benefit expense	**7,753,036**	3,104,668
Gain from derecognition of right-of-use assets and lease liabilities	**(6,525,294)**	(20,912,399)
Operating profit before working capital changes	**40,846,829,837**	39,126,074,742
Decrease (increase) in trade and other receivables	**(7,470,076,391)**	7,256,116,551
Increase in inventories	**(6,922,127,574)**	(11,834,024,948)
Increase in contract assets	**(7,629,658,031)**	(5,041,600,607)
Increase in financial assets at fair value through profit or loss	**(99,575,536)**	(48,116,491)
Increase in advances to landowners and joint ventures	**(522,230,766)**	(24,345,216)
Increase in other current assets	**(642,071,494)**	(3,792,591,870)
Increase (decrease) in trade and other payables	**739,924,040**	(11,123,910,215)
Increase (decrease) in contract liabilities	**180,753,364**	(109,108,704)
Decrease in retirement benefit obligation	**(162,558,242)**	(2,971,939)
Increase (decrease) in other current liabilities	**(210,112,503)**	1,236,318,795
Increase in other non-current liabilities	**444,206,970**	998,055,745
Cash generated from operations	**18,553,303,674**	16,639,895,843
Cash paid for taxes	**(3,966,804,840)**	(3,325,174,712)
Net Cash From Operating Activities	**14,586,498,834**	13,314,721,131
Balance carried forward	**P 14,586,498,834**	P 13,314,721,131

	2024	2023
Balance brought forward	**P 14,586,498,834**	P 13,314,721,131
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property, plant and equipment	**(14,548,637,152)**	(9,710,536,359)
Investment properties	**(8,674,030,199)**	(6,213,394,331)
Intangible assets	**(43,222,451)**	(21,994,975)
Interest received	**1,454,644,389**	1,901,868,607
Additional advances granted to associates and other related parties	**(657,881,247)**	(241,287,342)
Proceeds from:		
Disposal of property, plant and equipment	**267,814,345**	342,147,501
Deconsolidation of subsidiary	**69,268,033**	-
Collection of notes and loans receivables	**6,521,739**	-
Collection of advances to associates and other related parties	**386,483,294**	-
Cash dividends received	**14,927,866**	14,050,086
Decrease (increase) in other non-current assets	**(407,951,740)**	128,116,977
Net Cash Used in Investing Activities	**(22,132,063,123)**	(13,801,029,836)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing loans and bonds	**49,571,972,456**	39,106,028,847
Payment of interest-bearing loans and bonds	**(38,735,025,830)**	(36,256,800,634)
Interest paid	**(10,295,358,811)**	(10,616,291,318)
Dividends paid	**(2,467,491,328)**	(2,106,997,904)
Payment of lease liabilities	**(960,605,434)**	(981,910,697)
Acquisition of treasury shares	**(790,917,215)**	(1,117,609,025)
Advances paid to related parties	**(614,035,505)**	(1,543,050,455)
Advances collected and received from related parties	**510,576,037**	510,576,037
Gain on sale of investment in available-for-sale financial assets	**104,027,183**	-
Buyback of shares from non-controlling interest	**-**	(668,595,880)
Net Cash Used in Financing Activities	**(3,676,858,447)**	(13,674,651,029)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(11,222,422,736)**	(14,160,959,734)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**65,020,293,464**	79,929,420,988
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**P 53,797,870,728**	P 65,768,461,254

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(With Comparative Figures as of December 31, 2023)
(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 listed its shares in the Philippine Stock Exchange ("PSE") on April 19, 1999.

Currently, AGI is one of the leading conglomerates in the Philippines, with interests in real estate property development, food and beverage, tourism-entertainment and gaming, and quick–service restaurant. Its fifth leg, the infrastructure, has not yet started operations. The Company and its subsidiaries, associates and joint ventures (collectively referred to as the "Group") operate a diversified range of businesses that focus on developing products and services that generally cater to their target markets, under the following entities (see Note 4):

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI — September 2024	December 2023
Subsidiaries				
Megaworld and subsidiaries				
Megaworld Corporation	"Megaworld"	(a)	**75%**	72%
Megaworld Resort Estates, Inc.		(b)	**87%**	86%
Townsquare Development, Inc.			**52%**	51%
Golden Panda-ATI Realty Corporation			**52%**	51%
Arcovia Properties, Inc.			**75%**	72%
Belmont Newport Luxury Hotels, Inc.			**75%**	72%
Davao Park District Holdings Inc.			**75%**	72%
Eastwood Cyber One Corporation			**75%**	72%
Global One Hotel Group, Inc.			**75%**	72%
Global One Integrated Business Services, Inc.			**75%**	72%
Hotel Lucky Chinatown, Inc.			**75%**	72%
Landmark Seaside Properties, Inc.			**75%**	72%
Luxury Global Hotels and Leisures, Inc.			**75%**	72%
Luxury Global Malls, Inc.			**75%**	72%
Mactan Oceanview Properties and Holdings, Inc.			**75%**	72%
Megaworld Cayman Islands, Inc.		(c)	**75%**	72%
Megaworld Cebu Properties, Inc.			**75%**	72%
Megaworld Land, Inc.			**75%**	72%
Citywalk Building Administration, Inc.			**75%**	72%
Forbestown Commercial Center Administration, Inc.			**75%**	72%
Iloilo Center Mall Administration, Inc.			**75%**	72%
Newtown Commercial Center Administration, Inc.			**75%**	72%
Paseo Center Building Administration, Inc.			**75%**	72%
San Lorenzo Place Commercial Center Administration, Inc.			**75%**	72%
Southwoods Lifestyle Mall Management, Inc.			**75%**	72%
Cityfront Commercial Center Administration, Inc.			**75%**	72%
Uptown Commercial Center Administration, Inc.			**75%**	72%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **September 2024**	 December 2023
Subsidiaries				
Megaworld and subsidiaries				
Valley Peaks Property Management, Inc.			**75%**	72%
Megaworld Newport Property Holdings, Inc.			**75%**	72%
Megaworld Oceantown Properties, Inc. (formerly Oceantown Properties, Inc.)	"MOPI"		**75%**	72%
Piedmont Property Ventures, Inc.			**75%**	72%
Prestige Hotels and Resorts, Inc.			**75%**	72%
Richmonde Hotel Group International Ltd.		(d)	**75%**	72%
Megaworld San Vicente Coast, Inc. (formerly San Vicente Coast, Inc.)	"MSVCI"		**75%**	72%
Savoy Hotel Manila, Inc.			**75%**	72%
Savoy Hotel Mactan, Inc.			**75%**	72%
Kingsford Hotel Manila, Inc.			**75%**	72%
Agile Digital Ventures, Inc.			**75%**	72%
MREIT Fund Managers, Inc.	"MFMI"	(n)	**75%**	72%
MREIT Property Managers, Inc.	"MPMI"	(n)	**75%**	72%
MREIT, Inc.	"MREIT"	(n)	**39%**	41%
Belmont Hotel Mactan, Inc.			**75%**	72%
Grand Westside Hotel, Inc.		(o)	**75%**	72%
Stonehaven Land, Inc.			**75%**	72%
Streamwood Property, Inc.			**75%**	72%
Megaworld Bacolod Properties, Inc.			**68%**	66%
Westside Commercial Center Administration Inc.	"WCCAI"	(p)	**75%**	-
Manila Bayshore Property Holdings, Inc.			**70%**	68%
Megaworld Capital Town, Inc.			**57%**	55%
Megaworld Central Properties, Inc.			**57%**	55%
Soho Cafe and Restaurant Group, Inc.			**56%**	54%
La Fuerza, Inc.			**50%**	48%
Megaworld-Daewoo Corporation			**45%**	43%
Northwin Properties, Inc.			**45%**	43%
Gilmore Property Marketing Associates Inc.			**39%**	37%
Integrated Town Management Corporation			**37%**	36%
Maple Grove Land, Inc.			**37%**	36%
Megaworld Globus Asia, Inc.			**37%**	36%
Suntrust Properties, Inc.			**75%**	72%
Governor's Hills Science School, Inc.			**75%**	72%
Sunrays Properties Management, Inc.			**75%**	72%
Suntrust Ecotown Developers, Inc.			**75%**	72%
Suntrust One Shanata, Inc.			**75%**	72%
Suntrust Two Shanata, Inc.			**75%**	72%
Stateland, Inc.			**73%**	71%
Global-Estate Resorts, Inc.	"GERI"	(e)	**62%**	59%
Southwoods Mall Inc.			**68%**	65%
Elite Club & Leisure Inc.	"ECLI"	(o)	**62%**	59%
Integrated Resorts Property Management, Inc.	"IRPMI"	(o)	**62%**	59%
Twin Lakes Corp.			**68%**	65%
Twin Lakes Hotel, Inc.			**68%**	65%
Megaworld Global-Estate, Inc.			**67%**	64%
Global-Estate Golf and Development, Inc.	"GEGDI"		**62%**	59%
Golforce, Inc.			**62%**	59%
Southwoods Ecocentrum Corp.			**37%**	35%
Philippine Aquatic Leisure Corp.			**37%**	35%
Global-Estate Properties, Inc.			**62%**	59%
Aklan Holdings Inc.			**62%**	59%
Blu Sky Airways, Inc.			**62%**	59%
Fil-Estate Subic Development Corp.			**62%**	59%
Fil-Power Concrete Blocks Corp.			**62%**	59%
Fil-Power Construction Equipmen Leasing Corp.			**62%**	59%
Golden Sun Airways, Inc.			**62%**	59%
La Compaña De Sta. Barbara, Inc.			**62%**	59%
MCX Corporation			**62%**	59%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI September 2024	December 2023
Subsidiaries				
Megaworld and Subsidiaries				
Pioneer L-5 Realty Corp.			**62%**	59%
Prime Airways, Inc.			**62%**	59%
Sto. Domingo Place Development Corp.			**62%**	59%
Fil-Estate Industrial Park, Inc.			**49%**	47%
Sherwood Hills Development Inc.			**34%**	32%
Fil-Estate Urban Development Corp.			**62%**	59%
Global Homes and Communities, Inc.			**62%**	59%
Savoy Hotel Boracay, Inc.			**62%**	59%
Belmont Hotel Boracay, Inc.			**62%**	59%
Novo Sierra Holdings, Corp.			**62%**	59%
Elite Communities Property Services, Inc.			**62%**	59%
Oceanfront Properties, Inc.			**31%**	29%
Empire East Land Holdings, Inc.	"EELHI"		**61%**	59%
Sonoma Premiere Land, Inc.		(f)	**77%**	75%
Pacific Coast Mega City, Inc.			**78%**	76%
Valle Verde Properties, Inc.			**61%**	59%
Laguna BelAir School, Inc.			**45%**	43%
20th Century Nylon Shirt, Inc.			**61%**	59%
Eastwood Property Holdings, Inc.			**61%**	59%
Empire East Communities, Inc.			**61%**	59%
Sherman Oak Holdings, Inc.			**61%**	59%
Emperador and subsidiaries				
Emperador Inc.	"EMI" or "Emperador"		**81%**	81%
Emperador Distillers, Inc.	"EDI"		**81%**	81%
Alcazar de Bana Holdings Company, Inc.			**81%**	81%
ProGreen AgriCorp, Inc.			**81%**	81%
South Point Science Park, Inc.			**81%**	81%
Ocean One Transport Inc.		(o)	**81%**	81%
Anglo Watsons Glass, Inc.			**81%**	81%
Cocos Vodka Distillers Philippines, Inc.			**81%**	81%
The Bar Beverage, Inc.			**81%**	81%
Tradewind Estates, Inc.			**81%**	81%
BoozyLife, Inc.			**70%**	56%
Zabana Rum Company, Inc.			**81%**	81%
The World's Finest Liquor	"TWFL"		**81%**	81%
Emperador International Ltd.	"EIL"	(d)	**81%**	81%
Emperador Asia Pte Ltd.	"EA"	(h)	**81%**	81%
Grupo Emperador Spain, S.A.U.	"GES"	(h)	**81%**	81%
Bodega San Bruno, S.L.	"BSB"	(h)	**81%**	81%
Bodegas Fundador S.L.U.	"BFS"	(h)	**81%**	81%
Harvey's Cellars S.L.U	"HCS"	(h)	**81%**	81%
Grupo Emperador Gestion S.L.	"GEG"	(h)	**81%**	81%
Domecq Bodega Las Copas, S.L.	"DBLC"	(g, h)	**40%**	40%
Stillman Spirits, S.L.	"SSSL"	(h)	**81%**	81%
Pedro Domecq S.A. de C.V.	"PDSC"	(g, h)	**40%**	40%
Emperador Europe SARL	"EES"	(h)	**81%**	81%
Emperador Holdings (GB) Limited.	"EGB"	(h)	**81%**	81%
Emperador UK Limited	"EUK"	(h)	**81%**	81%
Whyte and Mackay Global Limited	"WMG"	(h)	**81%**	81%
Whyte and Mackay Group Limited	"WMGL"	(h)	**81%**	81%
Whyte and Mackay Limited	"WML"	(h)	**81%**	81%
Whyte and Mackay Warehousing Ltd.	"WMWL"	(h)	**81%**	81%
GADC and subsidiaries				
Golden Arches Development Corporation	"GADC"		**49%**	49%
Advance Food Concepts Manufacturing, Inc.		(q)	**-**	49%
Golden Arches Realty Corporation			**49%**	49%
Red Asian Food Solutions, Inc.		(q)	**-**	37%
Clark Mac Enterprises, Inc.			**49%**	49%
Golden Laoag Foods Corporation			**38%**	38%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **September 2024**	 December 2023
Subsidiaries				
GADC and subsidiaries				
Davao City Food Industries, Inc.			**37%**	37%
First Golden Laoag Ventures, 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.		(q)	**-**	26%
GY Alliance Concepts, Inc.		(q)	**-**	19%
Travellers and subsidiaries				
Travellers International Hotel Group, Inc.	"Travellers"	(i)	**60%**	60%
Agile Fox Amusement and Leisure Corporation			**60%**	60%
APEC Assets Limited			**60%**	60%
Aquamarine Delphinium Leisure and Recreation, Inc.			**60%**	60%
Bright Pelican Leisure and Recreation, Inc.			**60%**	60%
Brightleisure Management, Inc.			**60%**	60%
Brilliant Apex Hotels and Leisure Corporation			**60%**	60%
Coral Primrose Leisure and Recreation Corporation			**60%**	60%
Deluxe Hotels and Recreation, Inc.			**60%**	60%
Entertainment City Integrated Resorts & Leisure, Inc.			**60%**	60%
FHTC Entertainment & Productions, Inc.	"FHTC"		**60%**	60%
Golden Peak Leisure and Recreation, Inc.			**60%**	60%
Grand Integrated Hotels and Recreation, Inc.			**60%**	60%
Grandservices, Inc.			**60%**	60%
Grandventure Management Services, Inc.			**60%**	60%
Lucky Star Hotels and Recreation, Inc.			**60%**	60%
Lucky Panther Amusement and Leisure Corporation			**60%**	60%
Luminescent Vertex Hotels and Leisure Corporation			**60%**	60%
Magenta Centaurus Amusement and Leisure Corporation			**60%**	60%
Manhattan Resorts Inc.		(p)	**60%**	-
Majestic Sunrise Leisure & Recreation, Inc.			**60%**	60%
Netdeals, Inc.			**60%**	60%
Newport Star Lifestyle, Inc.			**60%**	60%
Royal Bayshore Hotels & Amusement, Inc.			**60%**	60%
Sapphire Carnation Leisure and Recreation Corporation			**34%**	60%
Scarlet Milky Way Amusement and Leisure Corporation			**60%**	60%
Sparkling Summit Hotels and Leisure Corporation			**60%**	60%
Valiant Leopard Amusement and Leisure Corporation			**60%**	60%
Vermillion Triangulum Amusement and Leisure Corporation			**60%**	60%
Westside City, Inc.	"WCI"	(j)	**59%**	59%
Purple Flamingos Amusement and Leisure Corporation			**59%**	59%
Red Falcon Amusement and Leisure Corporation			**59%**	59%
Captain View Group Limited			**59%**	59%
Westside Theatre Inc.			**60%**	60%
Corporate and Others				
Alliance Global Brands, Inc.			**100%**	100%
McKester Pik-nik International Limited	"MPIL"	(d)	**100%**	100%
Great American Foods, Inc.		(k)	**100%**	100%
New Town Land Partners, Inc.	"NTLPI"		**100%**	100%
Alliance Global Group Cayman Islands, Inc.		(c)	**100%**	100%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI September 2024	December 2023
Subsidiaries				
Corporate and Others				
Boracay Newcoast Resorts, Inc.			**100%**	100%
Dew Dreams International, Inc.			**100%**	100%
First Centro, Inc.	"FCI"		**100%**	100%
ERA Real Estate Exchange, Inc.			**100%**	100%
Oceanic Realty Group International, Inc.			**100%**	100%
Greenspring Investment Holdings Properties Ltd.		(d)	**100%**	100%
Alliance Global-Infracorp Development, Inc.	"AG-Infracorp"		**100%**	100%
Shiok Success International, Inc.			**100%**	100%
Travellers Group Ltd.		(d)	**100%**	100%
Venezia Universal Ltd.		(d)	**100%**	100%
Dew Dreams International, Ltd.		(d)	**100%**	100%
Shiok Success International, Ltd.		(d)	**100%**	100%
Adams Properties, Inc.	"Adams"		**60%**	60%
Newport World Resort Properties, Inc.	"NWRPI"	(o)	**100%**	100%
Associates				
First Premiere Arches Restaurant Inc.			**49%**	49%
Bonifacio West Development Corporation			**34%**	33%
Suntrust Resort Holdings, Inc. (formerly Suntrust Home Developers, Inc.)	"SUN"		**25%**	24%
Palm Tree Holdings and Development Corporation			**30%**	29%
SWC Project Management Limited			**25%**	24%
WC Project Management Limited			**25%**	24%
Suncity WC Hotel Inc.			**25%**	24%
Fil-Estate Network, Inc.			**12%**	12%
Fil-Estate Sales, Inc.			**12%**	12%
Fil-Estate Realty and Sales Associates, Inc.			**12%**	12%
Fil-Estate Realty Corp.			**12%**	12%
Nasugbu Properties, Inc.			**9%**	8%
Joint Ventures				
Bodegas Las Copas, S.L.	"BLC"	(l)	**40%**	40%
Front Row Theatre Management, Inc.		(m)	**30%**	30%

Explanatory notes:

(a) AGI's effective ownership interest is derived from its 49% direct ownership, 3% direct holdings of FCI, 18% direct holdings of NTLPI and 2% direct holdings of other subsidiaries.
(b) AGI and Megaworld directly owns 49% and 51%, respectively.
(c) Foreign subsidiaries operating under the laws of the Cayman Islands.
(d) Foreign subsidiaries operating under the Business Companies Act of the British Virgin Islands ("BVI").
(e) AGI's effective ownership interest represents its indirect holdings through Megaworld, which owns 83% and 82% of GERI as of September 30, 2024 and December 31, 2023, respectively.
(f) A subsidiary through 60% and 40% direct ownership of EELHI and FCI, respectively.
(g) DBLC, a subsidiary of GES, is operating under the laws of Spain and its subsidiary PDSC is operating under the laws of Mexico.
(h) Subsidiaries under EIL. EA is operating under the laws of Singapore while GES and its subsidiaries BSB, BFS, GEG, DBLC, SSSL and HCS (a subsidiary of BFS) are operating under the laws of Spain. EES is operating under the laws of Luxembourg. DBLC's subsidiary PDSC is operating under the laws of Mexico. EGB (the ultimate UK parent) is operating under the laws of England and Wales. EUK, WMG, WML, WMWL and WMGL are operating under the laws of Scotland. EA, EES and EGB are direct subsidiaries of EIL.
(i) Effective ownership is based on total voting rights of both common and preferred shares held by the Group – 33% by AGI, 2% by FCI, 2% by Megaworld, and 39% by Adams [24% by Genting Hongkong Limited ("GHL") and negligible by the public]. As for Travellers' common shares, 42% are directly owned by AGI, 4% by FCI, 3% by Megaworld, 20% by Adams, 31% by GHL and less than 1% by the public.
(j) AGI's effective ownership is through 1% direct ownership, 57% through 95% ownership of Travellers, and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(k) Foreign subsidiary of MPIL operating under the laws of United States of America.
(l) A foreign joint venture under GES and operating under the laws of Spain.
(m) A joint venture through FHTC.

(n) MFMI is engaged in the business of providing fund management services to real estate investment trust ("REIT") companies. MPMI is engaged in the business of providing services in relation to property management, lease management, marketing and project management. MREIT is engaged in the business of real estate investment trust, as provided under Republic Act No. 9856, the Real Estate Investment Trust Act of 2009.
(o) Newly incorporated subsidiaries in 2023.
(p) Newly incorporated subsidiaries in 2024.
(q) Deconsolidated subsidiaries in 2024

The Company, its subsidiaries, associates and joint ventures are incorporated and operating in the Philippines, except for such foreign subsidiaries and a joint venture as identified in the preceding table (see explanatory notes c, d, g, h, k, l and m above).

AGI's shares of stock and those of Megaworld, EMI, GERI, EELHI, MREIT and SUN are listed in and traded through the PSE as of September 30, 2024. EMI's shares were secondary listed and started trading on the Main Board of the Singapore Exchange Securities Trading Limited on July 14, 2022.

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 14, 2024 the release of the interim consolidated financial statements ("ICFS") of the Group as of and for the nine months ended September 30, 2024 (including the comparative financial statements as of December 31, 2023, and for the nine months ended September 30, 2023).

2. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies that have been used in the preparation of these financial statements are summarized below and in the succeeding pages. The policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation of Interim Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

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, 2023.

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.

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

(b) *SEC Financial Reporting Reliefs Availed by the Group*

The Group has availed of several financial reporting reliefs granted by the SEC relating to several implementation issues of PFRS 15, *Revenue from Contracts with Customers*, affecting the real estate industry under following Memorandum Circular (MC):

- MC No. 14-2018, *Philippine Interpretation Committee Question and Answer (PIC Q&A) No. 2018-12 Implementation Issues Affecting Real Estate Industry*
- MC No. 3-2019, PIC Q&A Nos. 2018-12-H and 2018-14
- MC No. 4-2020, Deferment of the Implementation of IFRS Interpretations Committee (IFRIC) Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, Borrowing Costs) for Real Estate Industry
- MC 34-2020, Deferral of PIC Q&A No. 2018-12 and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry for another period of three years or until 2023

In accordance with MC No. 08-2021, *Amendment to SEC MC No. 14-2018, MC No. 03-2019, MC No. 04-2020, and MC No. 34-2020 to Clarify Transitory Provision*, the Group opted to avail of the following financial reliefs, with the descriptions of the implementation issues and their qualitative impacts to the consolidated financial statements, until the end of the deferment period as provided under the relevant MC.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry (deferred until December 31, 2023)

The IFRIC concluded that any inventory (work-in-progress) for unsold units under construction that the entity recognizes is not a qualifying asset, as the asset is ready for its intended sale in its current condition (i.e., the developer intends to sell the partially constructed units as soon as it finds suitable customers and, on signing a contract with a customer, will transfer control of any work-in-progress relating to that unit to the customer). Accordingly, no borrowing costs can be capitalized on such unsold real estate inventories.

Had the Group elected not to defer the IFRIC Agenda Decision, it would have the following impact in the consolidated financial statements:

- interest expense would have been higher;
- cost of real estate inventories would have been lower;
- total comprehensive income would have been lower;
- retained earnings would have been lower; and,
- the carrying amount of real estate inventories would have been lower.

As of September 30, 2024, the Group adopted the IFRIC agenda decision using the modified retrospective approach. The Group recognized the impact of the change against the beginning retained earnings and non-controlling interest in 2024 amounting to P1 billion and P48 million, respectively. The impact to the comparative accounts are increase (decrease) in: current assets amounting to (P1.4 billion), non-current assets amounting to P282 million and non-current liabilities amounting to (P67 million).

(ii) PIC Q&A No. 2018-12-D, *Concept of the Significant Financing Component in the Contract to Sell* and PIC Q&A No. 2020-04, *Addendum to* PIC Q&A 2018-12-D: *Significant Financing Component Arising from Mismatch between the Percentage of Completion and Schedule of Payments* (deferred until December 31, 2023)

PFRS 15 requires that in determining the transaction price, an entity shall adjust the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the entity with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. There is no significant financing component if the difference between the promised consideration and the cash selling price of the good or service arises for reasons other than the provision of finance to either the customer or the entity, and the difference between those amounts is proportional to the reason for the difference. Further, the Group does not need to adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception that the timing difference of the receipt of full payment of the contract price and that of the completion of the project, are expected within one year and significant financing component is not expected to be significant.

As at September 30, 2024, the Group adopted the guidelines of the Financial Reporting Reliefs granted by the SEC. It assessed and has determined that the impact on the existing contracts is not material for the years presented and the beginning balance of retained earnings. Consequently, no adjustments have been made relative to the adoption. The Group will continue to assess new contracts to determine if the significant financing component is material and for recognition.

2.2 Adoption of Amended Standards

(a) Effective in 2024 that are Relevant to the Group

The Group adopted for the first time the following pronouncements, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments)	: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current, and Non-current Liabilities with Covenants
PAS 7 and PFRS 7 (Amendments)	: Statement of Cash Flow, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	: Leases – Lease Liability in a Sale and Leaseback

The adoption of the amendments did not have a significant impact on the Group's ICFS.

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 Group performed its annual impairment test of goodwill and trademarks with indefinite useful lives at year-end and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill arising from business combination and other intangible assets is based on value-in-use calculations. The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated and considers the relationship between the market capitalization of the subsidiaries and its net book value, among other factors, when reviewing for indicators of impairment. The Group's management assessed that as at and for the nine months ended September 30, 2024 and as at December 31, 2023, goodwill arising from business combination and other intangible assets with indefinite useful lives are not impaired.

Aside from the foregoing, 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 as at and for the year ended December 31, 2023.

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 *Emperador* segment refers to the manufacture and distribution of distilled spirits, including the production of glass containers, which is undertaken by Emperador Inc. and subsidiaries.

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

(d) 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.

The Group disaggregates revenues recognized from contracts with customers into these segments that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. This same disaggregation is used in earnings releases, annual reports and investor presentations.

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, contract assets, inventories, property, plant and equipment, intangible assets and investment properties. Segment liabilities include all operating liabilities and consist principally of trade and other payables, contract liabilities, lease liabilities, 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 the nine months ended September 30, 2024 and 2023.

	For nine months ended September 30, 2024 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES AND INCOME					
Sales to external customers	P 56,091,538,610	P 22,895,699,198	P 34,574,318,309	P 42,531,949,101	P 156,093,505,218
Intersegment sales	197,649,664	4,428,557	-	46,693,722	248,771,943
Finance and other income	3,494,132,675	737,119,617	189,170,083	444,704,286	4,865,126,661
Segment revenues and income	59,783,320,949	23,637,247,372	34,763,488,392	43,023,347,109	161,207,403,822
Cost of sales and expenses excluding depreciation and amortization	(32,175,554,864)	(17,590,487,378)	(29,614,433,653)	(34,363,021,501)	(113,743,497,396)
	27,607,766,085	6,046,759,994	5,149,054,739	8,660,325,608	47,463,906,426
Depreciation and amortization	(2,756,411,918)	(2,559,573,479)	(2,310,480,852)	(1,088,318,169)	(8,714,784,418)
Finance costs and other charges	(5,507,992,889)	(3,100,142,911)	(842,485,868)	(1,022,605,702)	(10,473,227,370)
Profit before tax	19,343,361,278	387,043,604	1,996,088,019	6,549,401,737	28,275,894,638
Tax expense	(3,657,549,028)	(31,396,458)	(527,581,360)	(1,183,091,063)	(5,399,617,909)
SEGMENT PROFIT	P 15,685,812,250	P 355,647,146	P 1,468,506,659	P 5,366,310,674	P 22,876,276,729
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(P 104,141,835)	(P 16,021)	P -	P 48,579,944	(P 55,577,912)
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 457,576,182,092	P 124,865,912,387	P 44,436,719,113	P 158,954,124,196	P 785,832,937,788
Segment liabilities	164,813,470,917	81,029,320,244	33,238,445,229	56,359,931,183	335,441,167,573

	For nine months ended September 30, 2023 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES AND INCOME					
Sales to external customers	P 45,370,209,916	P 23,301,060,884	P 30,740,808,516	P 46,297,338,146	P 145,709,417,462
Intersegment sales	189,666,742	1,865,743	-	46,403,152	237,935,637
Finance and other income	2,964,971,577	122,063,385	128,983,399	740,160,912	3,956,179,273
Segment revenues and income	48,524,848,235	23,424,990,012	30,869,791,915	47,083,902,210	149,903,532,372
Cost of sales and expenses excluding depreciation and amortization	(25,397,943,977)	(17,295,409,396)	(25,948,498,661)	(36,093,953,070)	(104,735,805,104)
	23,126,904,258	6,129,580,616	4,921,293,254	10,989,949,140	45,167,727,268
Depreciation and amortization	(2,598,674,511)	(2,801,632,493)	(2,093,448,067)	(1,040,471,319)	(8,534,226,390)
Finance costs and other charges	(4,315,848,809)	(2,484,637,366)	(855,654,382)	(1,224,368,214)	(8,880,508,771)
Profit before tax	16,212,380,938	843,310,757	1,972,190,805	8,725,109,607	27,752,992,107
Tax expense	(2,710,360,594)	(29,884,839)	(499,532,459)	(1,318,927,100)	(4,558,704,992)
SEGMENT PROFIT	P 13,502,020,344	P 813,425,918	P 1,472,658,346	P 7,406,182,507	P 23,194,287,115
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(P 76,523,882)	(P 15,950)	P -	P 95,493,689	P 18,953,857

The following presents the segment assets and liabilities of the Group as of December 31, 2023 (audited):

	Megaworld	Travellers	GADC	Emperador	Total
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 438,475,725,137	P 120,541,830,887	P 43,540,118,524	P 146,842,120,073	P 749,399,794,621
Segment liabilities	165,129,182,950	76,744,321,423	32,861,761,447	48,242,131,577	322,977,397,397

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, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Revenues and income		
Total segment revenues and income	**P 161,207,403,822**	P 149,903,532,372
Unallocated corporate revenue	**591,314,710**	698,255,377
Elimination of intersegment revenues	**(248,771,943)**	(178,952,721)
Revenues as reported in interim consolidated statements of comprehensive income	**P 161,549,946,589**	P 150,422,835,028
Profit or loss		
Segment operating profit	**P 22,876,276,729**	P 23,194,287,115
Unallocated corporate loss	**(2,580,825,129)**	(2,872,767,150)
Elimination of intersegment revenues	**(248,771,943)**	(178,952,721)
Profit as reported in interim consolidated statements of comprehensive income	**P 20,046,679,657**	P 20,142,567,244

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Assets		
Segment assets	**P 785,832,937,788**	P 749,399,794,621
Unallocated corporate assets	**31,993,747,760**	33,143,256,217
Total assets reported in the interim consolidated statements of financial position	**P 817,826,685,548**	P 782,543,050,838
Liabilities		
Segment liabilities	**P 335,441,167,573**	P 322,977,397,397
Unallocated corporate liabilities	**67,832,904,509**	64,998,142,010
Total liabilities reported in the interim consolidated statements of financial position	**P 403,274,072,082**	P 387,975,539,407

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, 2024 and December 31, 2023 are shown below.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost	**P 248,276,204,977**	P 233,054,483,874
Accumulated depreciation, amortization and impairment	**(81,414,298,518)**	(74,747,642,615)
Net carrying amount	**P 166,861,906,459**	P 158,306,841,259

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, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period, net of accumulated depreciation, amortization and impairment	**P 158,306,841,259**	P 148,458,368,969
Additions	**15,838,569,747**	17,858,506,181
Depreciation and amortization charges for the period	**(6,687,490,991)**	(8,210,851,260)
Disposals – net	**(279,293,187)**	(722,871,901)
Effect of deconsolidation – net	**(258,077,670)**	-
Reclassifications	**(81,469,508)**	952,511,413
Impairment reversal	**22,955,989**	36,035,061
Transfers – net	**(129,180)**	-
Derecognition	**-**	(64,857,204)
Balance at end of period, net of accumulated depreciation, amortization and impairment	**P 166,861,906,459**	P 158,306,841,259

6. INVESTMENT PROPERTIES

The Group's investment properties include 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 properties at the beginning and end of the reporting periods are shown below.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Cost	**P 171,591,304,116**	P 160,551,649,883
Accumulated depreciation	**(26,502,399,699)**	(24,204,995,750)
Net carrying amount	**P 145,088,904,417**	P 136,346,654,133

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

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period, net of accumulated depreciation	**P 136,346,654,133**	P 129,355,913,097
Additions	**11,041,071,053**	10,857,268,275
Depreciation charges for the period	**(2,298,949,949)**	(2,910,093,573)
Transfers – net	**129,180**	-
Transfer to inventories	**-**	(956,433,666)
Balance at end of period, net of accumulated depreciation	**P 145,088,904,417**	P 136,346,654,133

7. DIVIDENDS

There were no dividends declared and paid by the Company for the nine-month periods ended September 30, 2024 and 2023.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

	September 30, 2024 (Unaudited)	September 30, 2023 (Unaudited)
Basic and Diluted –		
Net profit attributable to owners of the parent company	**P 12,974,358,236**	P 12,934,102,277
Divide by the weighted average number of outstanding common shares	**8,767,848,279**	8,881,939,279
	P 1.4798	P 1.4562

The Parent Company has an ongoing buyback program up to April 8, 2025. The Company has repurchased 1,343,745,700 shares for P15.5 billion and 1,229,654,700 shares for P14.4 billion as of September 30, 2024 and 2023, respectively, which are reported as Treasury Shares.

There are 158.23 million shares held by subsidiaries with a total cost of P1.2 billion as of September 30, 2024 and 2023 that were reported as part of Treasury Shares in the consolidated statements of changes in equity and taken out of outstanding common shares in computing EPS.

The basic and diluted earnings per share are the same for the nine months ended September 30, 2024 and 2023, as the Company's Executive Stock Option Plan are considered to be antidilutive since their conversion to ordinary shares would increase earnings per share. Thus, the number of issued and outstanding common shares presented above does not include the effect of the potential common shares from the Executive Stock Option Plan.

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, 2024 and 2023, and the related outstanding balances as of September 30, 2024 and December 31, 2023 are as follows:

Related Party Category	Notes	Amount of Transaction September 30, 2024 (Unaudited)	Amount of Transaction September 30, 2023 (Unaudited)	Receivable (Payable) September 30, 2024 (Unaudited)	Receivable (Payable) December 31, 2023 (Audited)
Subsidiaries' stockholders:					
Management fees		(P 120,717,472)	(P 306,830,850)	(P 359,427,270)	(P 238,709,798)
Accounts payable	9.3	-	-	(171,837,958)	(171,837,958)
Related party under common ownership:					
Purchase of raw materials	9.1	848,557,964	888,935,906	(23,887,448)	(176,251,132)
Purchase of finished goods	9.1	10,681,529	417,366,353	(780,622)	(78,257,097)
Advances granted	9.2	12,445,788	217,829,570	4,351,616,972	4,339,171,184
Associates –					
Advances granted	9.2	24,959,325	23,457,772	1,035,235,901	1,010,276,576
Others:					
Accounts receivable	9.3	233,992,840	377,284,369	1,173,309,618	939,316,778
Accounts payable	9.3	-	3,070,715	(42,137,715)	(42,137,715)
Advances	9.4	103,459,468	652,119,334	(709,916,952)	(813,376,420)
Donations		190,924,993	192,303,738	(14,597,887)	(25,336,837)

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

9.1 Purchase of Goods

Emperador imports finished goods and raw materials through a related party under common ownership. These transactions are normally being paid directly within 30 to 90 days. Emperador also imports raw materials from a wholly owned subsidiary of BLC.

9.2 Advances to Associates and Other Related Parties

Entities within the Group grant advances to associates and other related parties 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 movements in the Advances to associates and other related parties, which are shown as part of Trade and Other Receivables account in the consolidated statements of financial position, are presented as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**P 5,349,447,760**	P 5,461,614,757
Cash advances granted	**127,268,034**	383,639
Collections	**(89,862,921)**	(112,550,636)
Balance at end of period	**P 5,386,852,873**	P 5,349,447,760

As of September 30, 2024 and December 31, 2023, 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.

9.3 Due from/to Related Parties

Transactions with related parties include the following: financing of opening of letters of credit and payment of progress billings, royalty fees, rentals, interest and certain expenses in behalf of the entities within Group or other related parties. Settlement is generally made in cash or through offsetting arrangements.

The outstanding balances of the Due from/to Related Parties are included under Trade and Other Receivables and Trade and Other Payables accounts, respectively, in the consolidated statements of financial position, as presented below.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Due from Related Parties		
Balance at beginning of period	**P 939,316,778**	P 1,244,633,704
Additions	**530,613,213**	1,155,322,473
Collections	**(296,620,373)**	(1,460,639,399)
Balance at end of period	**P 1,173,309,618**	P 939,316,778
Due to Related Parties		
Balance at beginning of period	**P 213,975,673**	P 360,249,006
Additions	**-**	5,100,885
Repayments	**-**	(151,374,218)
Balance at end of period	**P 213,975,673**	P 213,975,673

As of September 30, 2024 and December 31, 2023, based on management's assessment, no additional amount of impairment is necessary.

9.4 Advances from Other 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.

The movements in advances from other related parties are as follows:

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Balance at beginning of period	**P 813,376,420**	P 1,627,756,528
Advances paid	**(614,035,505)**	(1,324,956,145)
Advances availed	**510,576,037**	510,576,037
Balance at end of period	**P 709,916,952**	P 813,376,420

9.5 Transactions with the Retirement Plans

The Group has formal retirement plans established separately for each significant subsidiary, particularly Megaworld, GERI, EELHI, Travellers, GADC, EDI and WML. These plans are defined benefit post-employment plans maintained for qualified employees, administered and managed by trustee banks (except for GERI which is still an unfunded plan) that are legally separated from the Group. The retirement funds do not provide any guarantee or surety for any obligation of the Group and their investments are not covered by any restrictions or liens.

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").

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.

In a Resolution dated May 3, 2021, the Supreme Court also held that Travellers' "gaming revenues as a PAGCOR licensee were exempt from regular corporate income tax after payment of the five percent (5%) franchise tax".

In March 2022, the BIR issued circular which sought to clarify that the franchise tax imposed to PAGCOR and its licenses which is defined as 5% of the gross gaming revenues, shall be remitted to the BIR, specifically to the concerned Revenue District Office where the license is registered. In the same circular, BIR also clarified that the exemption to VAT covers only the contractees of PAGCOR but not the licensees. However, the Company is in the position that the SC decision extends to all taxes, including VAT, and as such, Travellers did not report any VAT on its gaming transactions.

10.2 Skytrain Project

On October 2017, the Group submitted an unsolicited proposal to the government to build Skytrain that will link Uptown Fort Bonifacio to Guadalupe Station of Metro Rail Transit Line-3. The Group was granted an Original Proponent Status by the DOTr in May 2018 and its proposal is now undergoing review and evaluation at NEDA Board.

10.3 Co-Development Agreement between WCI and SUN

The principal terms of the co-development agreement are as follows:

(i) WCI and Travellers shall lease the Project Site (i.e. "the site upon which the hotel casino is to be erected") to SUN.

WCI and Travellers shall lease to SUN the site upon which a hotel casino will be erected at an annual rental of US$10.6 million (P551.3 million), exclusive of VAT, until August 19, 2039. The lease shall automatically be renewed subject to applicable laws for another 25 years, unless otherwise agreed upon by the parties. The annual rental shall be payable upon the commencement of operation of the hotel casino. As of September 30, 2024, the construction remains in progress and operations have not yet commenced.

(ii) SUN shall finance the development and construction of a hotel casino.

SUN shall finance the development and construction of a hotel casino on the leased area. SUN shall also pay a certain fixed amount to WCI for reimbursement of costs already incurred and construction works that have already been accomplished on the Project Site.

In 2021, the conditions specified in the CDA had been fulfilled and the transfer of assets has been completed.

(iii) WCI shall enter into an agreement with SUN, for the latter to operate and manage a hotel casino.

WCI and SUN shall enter into an agreement for the operations and management of a hotel casino for the period of the gaming Provisional License Agreement (i.e. up to July 11, 2033) as well as any extension or renewal of the Provisional License Agreement on terms mutually agreed between WCI and SUN. The operations and management agreement was entered into by the parties on May 4, 2020.

As of September 30, 2024, the hotel casino has not yet commenced its operation; hence, no revenues have been taken up.

(iv) WCI and the Travellers as warrantors

Fortune Noble Limited ("Fortune") [a wholly-owned subsidiary of Suncity Group Holdings Limited], the parent company of SUN, conditionally agreed to subscribe to 2.55 billion new SUN shares subject to the terms and conditions mutually agreed upon by the parties. WCI and Travellers agreed to act as the warrantors, wherein, a put option over the shares of SUN was included. The put option enables Fortune to transfer ownership over SUN to the warrantors in exchange for an option price, upon the happening of any of the put option events during the option period.

The option period commences from the date of the agreement up to the day immediately preceding the date on which the hotel casino first starts its operation. The put option events mainly pertains to the successful commencement of operations of the hotel casino, which include, among others, the termination or suspension of gaming license due to the default of the warrantors, termination of WCI's lease over Site A as applicable, or failure to acquire government consent for operation of hotel casino.

The option price is equivalent to the aggregate of: (a) the consideration for the acquisition by Fortune of the 1.1 billion SUN shares as at the date of the agreement together with interest from the date of completion of the said acquisition up to the date of completion of the put option; and, (b) the aggregate of the shares subscription price for the subscription of 2.55 billion new SUN shares including interest as well from the date of shares subscription completion up to the date of completion of the put option.

Travellers' management assessed that since the put option transfers significant risk to the Group as warrantors, it shall be accounted for as a financial guarantee to be measured under PFRS 9, *Financial Instruments*. Accordingly, the put option was initially recognized at the amount of premium received then, subsequently measured at the higher of the amount initially recognized or the amount using the expected credit loss model ("ECL").

Applying the ECL model, the option price that WCI and Travellers are committed to pay amounting to P3.7 billion was compared with the value of the collateral or the shares of stocks that they will receive. In determining the value of the shares, management assessed that the price of SUN shares in the PSE as of September 30, 2024 amounting to P0.88 per share or a total value of P7.2 billion is a reasonable estimate of its value. In terms of probability of default, management assessed that it is unlikely or remote (see Note 11.2).

As of September 30, 2024 and December 31, 2023, the value of the put option is still the amount initially recognized as the option price is fully secured by the value of SUN shares and that the probability of default was assessed to be remote.

10.4 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 periods.

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"), financial assets at fair value through other comprehensive income ("FVOCI"), interest-bearing loans, bonds payable, trade receivables and payables and derivative assets 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, U.S. dollars, Euros and U.K. pounds, 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. The Group has no significant exposure to changes in foreign currency exchange rates for Euros and U.K. pounds since these currencies are not significant to the Group's consolidated financial statements.

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

	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	U.S. Dollars	**HK Dollars**	U.S. Dollars	HK Dollars
Financial assets	**P 9,926,391,274**	**P 2,979,335,462**	P 4,678,192,199	P 2,698,447,122
Financial liabilities	**(33,457,712,270)**	**(1,221,001,396)**	(34,451,048,501)	(714,161,785)
	(P 23,531,320,996)	**P 1,758,334,066**	(P 29,772,856,302)	P 1,984,285,337

The sensitivity of the consolidated income before tax for the period with regard to the Group's financial assets and financial liabilities and the U.S. dollar – Philippine peso exchange rate assumes +/- 9.08% and +/- 10.68% changes in exchange rate for the nine months ended September 30, 2024 and for the year ended December 31, 2023, respectively. The HK dollar – Philippine peso exchange rate assumes +/- 9.09% and +/- 10.80% changes in exchange rate for the nine months ended September 30, 2024 and for the year ended December 31, 2023, 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 (weakened) against the U.S. dollar, with all other variables held constant, consolidated profit before tax would have increase (or decrease) by P2.1 billion for the nine-month period ended September 30, 2024 and increase (or decrease) by P3.0 billion for the year ended December 31, 2023. If the Philippine peso had strengthened against the HK dollar, with all other variables held constant, consolidated profit before tax would have decrease (or increase) by P0.2 billion for the nine-month period ended September 30, 2024 and decrease (or increase) by P0.2 billion for the year ended December 31, 2023.

The Group periodically reviews the trend of the foreign exchange rates and monitors its non-functional currency cash flows.

Exposures to foreign exchange rates vary during the period depending on the volume of overseas transactions. Nonetheless, the analysis in the previous page 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 certain 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 +/- 0.72% for Philippine peso and +/- 2.32% for U.S. dollar in 2024, and +/- 3.57% for Philippine peso and +/- 4.42% for U.S. dollar in 2023 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, 2024 and December 31, 2023, with effect estimated from the beginning of the period. All other variables held constant, the consolidated profit before tax would have increased by P2.3 billion for the nine-month period ended September 30, 2024, and decreased by P0.4 billion for the year ended December 31, 2023. Conversely, if the interest rates decreased by the same percentage, consolidated profit before tax would have been lower or higher 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. 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.

Cash and cash equivalents in banks in the Philippines are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 per depositor per banking institution. The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high quality external credit ratings.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables.

The Group identifies headline inflation rate and bank lending rate to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

ECL for advances to associates and other related parties are measured and recognized using the liquidity approach. Management determines possible impairment based on the related party's ability to repay the advances upon demand at the reporting date taking into consideration the historical defaults from the related parties.

Except for real estate sales, contract assets and rental receivables, the Group's financial assets are not covered with any collateral or credit enhancement. Accordingly, the Group manages credit risk by setting limits on the amount of risk in relation to a particular customer including requiring payment of any outstanding receivable before a new credit is extended. Such risk is monitored on a regular basis and subject to an annual or more frequent review. Approval for credit limits are secured from the credit manager.

The Group considers credit enhancements in determining the expected credit loss. Trade receivables from real estate sales are collateralized by the real properties sold while rental receivables are secured to the extent of advanced rental and security deposits received from lessees. Further, customers are required to issue post-dated checks, which provide additional credit enhancement.

Trade and other receivables that are past due but not impaired are presented below.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Not more than 30 days	**P 4,456,654,944**	P 3,988,620,046
31 to 60 days	**2,217,696,170**	1,103,061,834
Over 60 days	**4,932,435,069**	4,220,626,799
	P 11,606,786,183	P 9,312,308,679

Moreover, the management has assessed that risk over the put option has not increased significantly, as the related probability of any of the put option event from happening is low or remote under the circumstances. Hence, in accordance with the general approach of ECL, the value of the put option was measured on a 12-month basis.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery of the financial asset. Indicators that there is no reasonable expectation of recovery include the cessation of enforcement activity and where the value of any assets that the Group may get from the customers is less than the outstanding contractual amounts of the financial assets to be written-off.

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 three-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, 2024, the Group's financial liabilities (excluding lease 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 64,307,684,718	P 13,235,407,846	P -	P -
Interest-bearing loans	19,274,592,440	45,564,766,038	165,142,674,159	13,693,873,188
Bonds payable	403,470,375	403,470,375	21,176,081,500	-
Advances from related parties	211,475,673	709,916,952	-	-
Redeemable preferred shares	-	-	1,574,159,348	-
Security deposits	45,744,870	56,006,770	214,350,239	337,133,322
Slot jackpot liability	777,821,068	-	-	-
Other liabilities	61,754,507	1,849,959,180	4,405,650,047	57,471,876
	P 85,082,543,651	**P 61,819,527,161**	**P 192,512,915,293**	**P 14,088,478,386**

As of December 31, 2023, the Group's financial liabilities (excluding lease 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 61,035,145,699	P 13,458,340,848	P -	P -
Interest-bearing loans	10,841,737,985	42,160,104,131	146,039,373,582	7,132,187,500
Bonds payable	7,082,262,471	7,082,262,470	24,543,746,338	-
Advances from related parties	354,678,292	813,376,420	-	-
Redeemable preferred shares	-	-	1,574,159,348	-
Security deposits	9,235,949	9,235,949	160,603,584	460,328,949
Slot jackpot liability	582,308,901	-	-	-
Other liabilities	88,665,612	1,896,639,560	3,876,641,360	78,260,000
	P 79,994,034,909	P 65,419,959,378	P 176,194,524,212	P 7,670,776,449

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

11.4 Other Price Risk Sensitivity

The Group's market price risk arises from its investments carried at fair value. 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, 2024 and December 31, 2023 are summarized below.

	Observed Volatility Rates		Impact on Equity	
	Increase	**Decrease**	**Increase**	**Decrease**
2024 - Investment in quoted equity securities at:				
FVOCI	**+25.18%**	**-25.18%**	**P 61,167,237**	**(P 61,167,237)**
FVTPL	**+25.18%**	**-25.18%**	**1,430,081,722**	**(1,430,081,722)**
2023 - Investment in quoted equity securities at:				
FVOCI	+28.02%	-28.02%	P 39,044,170	(P 39,044,170)
FVTPL	+28.02%	-28.02%	1,381,811,591	(1,381,811,591)

The maximum additional estimated gain or loss in 2024 and 2023 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 2024 and 12 months in 2023, 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 consolidated statements of financial position are shown below.

	September 30, 2024 (Unaudited)		December 31, 2023 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	**P 53,797,870,728**	**P 53,797,870,728**	P 65,020,293,464	P 65,020,293,464
Trade and other receivables	**96,648,274,329**	**95,651,770,157**	85,399,153,052	84,399,153,052
Other financial assets	**4,618,516,520**	**4,505,810,352**	5,080,197,380	4,904,034,848
	P 155,064,661,577	**P 153,955,451,237**	P 155,499,643,896	P 154,323,481,364
Financial assets at FVTPL:				
Marketable debt and equity securities	**P 15,224,113,397**	**P 15,224,113,397**	P 14,885,081,366	P 14,885,081,366
Derivative assets	**214,041,070**	**214,041,070**	94,796,130	94,796,130
	P 15,438,154,467	**P 15,438,154,467**	P 14,979,877,496	P 14,979,877,496
Financial assets at FVOCI – Equity securities	**P 691,822,872**	**P 691,822,872**	P 516,804,124	P 516,804,124
Financial Liabilities				
Financial liabilities at FVTPL – Slot jackpot liability	**P 777,821,068**	**P 777,821,068**	P 562,612,222	P 562,612,222
Financial liabilities at amortized cost:				
Current:				
Trade and other payables	**P 80,133,639,596**	**P 79,137,135,423**	P 70,408,455,872	P 69,408,455,872
Interest-bearing loans	**54,140,327,827**	**55,895,712,264**	49,226,320,430	53,984,785,885
Bonds payable	**-**	**-**	11,997,992,546	11,707,084,198
Commission payable	**1,788,174,451**	**1,788,174,451**	1,807,973,948	1,807,973,948
Lease liabilities	**1,187,538,888**	**1,187,538,888**	1,223,819,878	1,223,819,878
Advances from related parties	**709,916,952**	**709,916,952**	813,376,420	813,376,420
	P 137,959,597,714	**P 138,718,477,978**	P 135,477,939,094	P 138,945,496,201
Non-current:				
Interest-bearing loans	**P 161,447,634,056**	**P 161,031,970,043**	P 141,884,302,466	P 146,288,000,637
Bonds payable	**19,293,914,216**	**18,506,266,893**	19,116,598,705	18,653,089,654
Lease liabilities	**17,559,729,878**	**17,559,729,878**	17,716,166,635	17,716,166,635
Retention payable	**2,135,037,030**	**2,135,037,030**	2,296,205,051	2,296,205,051
Redeemable preferred shares	**1,574,159,348**	**1,574,159,348**	1,574,159,348	1,574,159,348
Casino deposit certificates	**1,250,000,000**	**1,250,000,000**	1,250,000,000	1,250,000,000
Security deposits	**997,951,655**	**976,058,543**	936,937,625	903,331,280
	P 204,258,426,183	**P 203,033,221,735**	P 184,774,369,830	P 188,680,952,605

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

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market 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 techniques, it maximizes the use of observable market data where it is available and relies 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.

13.2 Financial Instruments Measured at Fair Value

The table below and in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of September 30, 2024 and December 31, 2023.

	September 30, 2024 (Unaudited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 15,224,113,397	P -	P -	P 15,224,113,397
Derivative asset	-	214,041,070	-	214,041,070
Financial assets at FVOCI –				
Equity securities	242,919,926	312,000,000	136,902,946	691,822,872
	P 15,467,033,323	**P 526,041,070**	**P 136,902,946**	**P 16,129,977,339**
Financial liabilities:				
Financial liability at FVTPL –				
Derivative liabilities	**P -**	**P 777,821,068**	**P -**	**P 777,821,068**

	December 31, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 14,885,081,366	P -	P -	P 14,885,081,366
Derivative asset	-	94,796,130	-	94,796,130
Financial assets at FVOCI –				
Equity securities	139,201,178	240,700,000	136,902,946	516,804,124
	P 15,024,282,544	P 335,496,130	P 136,902,946	P 15,496,681,620
Financial liabilities:				
Financial liability at FVTPL –				
Slot jackpot liability	P -	P 562,612,222	P -	P 562,612,222

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

The table below and in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of September 30, 2024 and December 31, 2023.

	September 30, 2024 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 53,797,870,728	P -	P -	P 53,797,870,728
Trade and other receivables	-	4,596,178,458	91,055,591,699	95,651,770,157
Other financial assets	2,627,410,215	674,588,829	1,203,811,308	4,505,810,352
	P 56,425,280,943	**P 5,270,767,287**	**P 92,259,403,007**	**P 153,955,451,237**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 79,137,135,423	P 79,137,135,423
Interest-bearing loans	-	-	55,895,712,264	55,895,712,264
Advances from related parties	-	-	709,916,952	709,916,952
Commission payable	-	-	1,788,174,451	1,788,174,451
Lease liabilities	-	-	1,187,538,888	1,187,538,888
Non-current:				
Bonds payable	18,506,266,893	-	-	18,506,266,893
Lease liabilities	-	-	17,559,729,878	17,559,729,878
Interest-bearing loans	-	-	161,031,970,043	161,031,970,043
Redeemable preferred shares	-	-	1,574,159,348	1,574,159,348
Retention payable	-	-	2,135,037,030	2,135,037,030
Security deposits	-	-	976,058,543	976,058,543
Casino deposit certificates	-	-	1,250,000,000	1,250,000,000
	P 18,506,266,893	**P -**	**P 323,245,432,820**	**P 341,751,699,713**

	December 31, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 65,020,293,464	P -	P -	P 65,020,293,464
Trade and other receivables	-	6,521,739	84,392,631,313	84,399,153,052
Other financial assets	2,747,667,961	567,511,433	1,588,855,454	4,904,034,848
	P 67,767,961,425	P 574,033,172	P 85,981,486,767	P 154,323,481,364
Financial liabilities:				
Current:				
Bonds payable	P 11,707,084,198	P -	P -	P 11,707,084,198
Trade and other payables	-	-	69,408,455,872	69,408,455,872
Interest-bearing loans	-	-	53,984,785,885	53,984,785,885
Advances from related parties	-	-	813,376,420	813,376,420
Commission payable	-	-	1,807,973,948	1,807,973,948
Lease liabilities	-	-	1,223,819,878	1,223,819,878
Non-current:				
Bonds payable	18,653,089,654	-	-	18,653,089,654
Lease Liabilities	-	-	17,716,166,635	17,716,166,635
Interest-bearing loans	-	-	146,288,000,637	146,288,000,637
Redeemable preferred shares	-	-	1,574,159,348	1,574,159,348
Retention payable	-	-	2,296,205,051	2,296,205,051
Security deposits	-	-	903,331,280	903,331,280
Casino deposit certificates	-	-	1,250,000,000	1,250,000,000
	P 30,360,173,852	P -	P 297,266,274,954	P 327,626,448,806

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 above 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.

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

The fair value of the Group's investment properties earning rental income was determined through discounted cash flows valuation technique. The Group uses assumptions that are mainly based on market conditions existing at each reporting period, such as: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and appropriate discount rates. These valuations are regularly compared to actual market yield data and actual transactions by the Group and those reported by the market. The expected future market rentals are determined on the basis of current market rentals for similar properties in the same location and condition.

The Group determines the fair value of idle properties through appraisals by independent valuation specialists using market-based valuation approach where prices of comparable properties are adjusted for specific market factors such as location and condition of the property.

As of September 30, 2024 and December 31, 2023, the fair value of the Group's investment property amounting to P483.6 billion is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of investment properties earning rental income was determined using the income approach which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated annual cash inflow and outgoing expenses, anticipated increase in market rental, discount rate and terminal capitalization rate.

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 periods presented.

	September 30, 2024 (Unaudited)	December 31, 2023 (Audited)
Total liabilities	**P 403,274,072,082**	P 387,975,539,407
Total equity	**414,552,613,466**	394,567,511,431
Liabilities-to-equity ratio	**0.97:1.00**	0.98:1.00

15. OTHER MATTERS

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

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES
September 30, 2024
(Amounts in Philippine Pesos)

Current	P	66,739,398,219
1 to 30 days		4,456,654,944
31 to 60 days		2,217,696,170
Over 60 days		4,932,435,069
Total		78,346,184,402
Due from other related parties		2,986,268,796
Balance as at September 30, 2024	**P**	**81,332,453,198**