COVER SHEET

SEC Registration Number

A	S	0	9	3	-	7	9	4	6	

COMPANY NAME

ALLIANCE GLOBAL GROUP, INC.
AND SUBSIDIARIES

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

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

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	Certificate of Permit to Offer Securities for Sale
(For December 31, 2024)		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
dinainting@allianceglobal.com.ph	8709-2038 to 41	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
985	3rd Thursday of June	December 31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
DINA INTING	dinainting@allianceglobal.com.ph	8709-2038 to 41	N/A

Contact Person's Address

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

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

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

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. *For the fiscal year ended* **December 31, 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. Avenue, Bagumbayan, 1110 Quezon City
Address of principal office

8. **(632) 87092038 to 41**
Registrant's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

10. *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* ***As of December 31, 2024***
Common	**10,269,827,979**
Treasury shares	**1,365,366,300**
Outstanding	**8,904,461,679**

11. *Are any or all of these securities listed on Philippine Stock Exchange?* **Yes.**

12. *(a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 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.

13. *The aggregate market value of the voting stock held by non-affiliates of AGI as of December 31, 2024, based on the closing price of its common stock of six pesos and eighteen centavos (P6.18) on the Philippine Stock Exchange on April 2, 2025, is P16,524,867,222.*

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PART I - BUSINESS AND GENERAL INFORMATION

1. BUSINESS

a. Organization And Business Development In The Past Three Years

a.1. The Company

Alliance Global Group, Inc. (“**AGI**” or “the **Company**”) is one of the largest conglomerates in the Philippines, with interests in property development, food and beverage manufacture and distribution, quick-service restaurants and integrated tourism development businesses. The Company and its subsidiaries, associates and jointly-controlled entities (the “**Group**”) operate a diversified range of businesses that focuses on providing and developing innovative products and services that generally cater to the target markets’ needs, demands and aspirations.

Incorporated on October 12, 1993, AGI began operations in 1994 as a flint glass-container manufacturer after it acquired a glass manufacturing plant in Canlubang, Laguna. AGI initially listed its shares in the Philippine Stock Exchange (“**PSE**”) in 1999; after which in the same year, it broadened its primary business and became a holding company. Immediately, the Company began its diversification into the food and beverage and real estate industries, and, in 2005, into the quick-service restaurant business. In 2007, it reorganized to consolidate businesses controlled by Dr. Andrew L. Tan and family (“**Tan family**”), specifically in the distilled spirit manufacturing and property development. In 2008, the Company entered into integrated tourism development, with gaming activities, by partnering with a leading multinational leisure, entertainment and hospitality group. In 2011, AGI expanded its integrated tourism estate development outside of Metro Manila, particularly in the Calabarzon and Visayan regions, and in 2014, in Mindanao.

In the years 2013 to 2017, the Group expanded its spirits manufacturing business abroad through acquisitions of rich heritages in Spain, United Kingdom and Mexico. The Group acquired vineyard lands, aged liquids and assets in Spain, and brandy and sherry wine assets, which include the oldest bodegas in Spain, the first brandy in Jerez and in Mexico and other well-known brandy and sherry brands which the Group now owns. The Group acquired and now owns the 5th largest producer of Scotch Whisky in the world by capacity *(Source: 46th Scotch Whisky Industry Review, 2023*) with a history of more than 175 years and ownership of some of the most iconic Scotch Whisky brands in the industry, thus fortifying the distilled spirits business segment.

The Group have been doing realignments and acquisitions also in the real estate segment where it continues to introduce innovative concepts such as ‘integrated lifestyle community’ and ‘transit-oriented developments’ in addition to its ‘live-work-learn-play’ townships within and outside of Metro Manila while the expansion of hotels and non-gaming facilities and offerings and quick-service restaurants is ongoing. AGI began diversifying into infrastructure in 2017 and, in 2018, received an original proponent status (“OPS”) for its Fort Bonifacio-Makati Sky Train Project.

The Tan family beneficially owns a majority interest in AGI.

a.2. Subsidiaries[1]

Emperador Inc.

EMPERADOR INC. (“**EMI**” or “**Emperador**”) is a publicly-listed holding company which operates an integrated global business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages, particularly brandy and Scotch Whisky, through its subsidiaries from the Philippines, United Kingdom, Spain, and Mexico. At present, EMI and its subsidiaries (collectively referred to as “**EMI Group**”) has a wide range of products in its portfolio across multiple price points – from accessible to

[1] *Please see Note 1 to the Consolidated Financial Statements for a comprehensive list of subsidiaries, associates and joint ventures falling under the major subsidiaries, which represent the Group’s business segments.*

luxury — and an international reach to at least 116 countries. The Group's brandy and Scotch Whisky portfolios include some of the oldest and best-recognized brands in the world, including brands with centuries-old legacies. EMI Group has acclaimed renown as the world's largest brandy producer, leading the local brandy segment in the Philippines and Spain, and as the world's fifth largest Scotch whisky producer *(46th Scotch Whisky Industry Reviews 2023)*.

Emperador has established its identity in the Philippine alcoholic beverages business as producer of high-quality liquor and innovative products – predominated by its own brand 'Emperador Brandy' which was introduced in 1990 through its wholly-owned subsidiary **Emperador Distillers, Inc.** ("**EDI**"), the Philippines' largest liquor company and the world's largest brandy producer[2]. This strong presence was further fortified by ensuing offshore acquisitions.

EMI has grown from a Philippine company to a global player with heritage brands under its portfolio. It has enriched its heritage with the acquisitions of century-old businesses in Jerez, Spain, known as the world capital of sherry wine and home of the Brandy De Jerez, and in Scotland, United Kingdom, home of Scotch whisky, which themselves were acclaimed as being the first and oldest facility in Spain and the fifth largest Scotch whisky producer in the world, respectively. These were immediately followed by the acquisition of popular brands and half-century-old business in Mexico that traced its roots in Jerez.

EMI was incorporated on November 26, 2001 and listed its shares on the Philippine Stock Exchange ("PSE") on December 19, 2011. On July 14, 2022, EMI successfully listed on the Main Board of the Singapore Exchange Securities Trading Ltd. ("SGX-ST")- the. first PSE-primary listed company to conduct a secondary listing on the SGX-ST. This secondary listing marked the latest step in its ambitious plans for future international growth. EMI's shares are currently trading in both exchanges under the symbol 'EMI'.

From August to September 2013, AGI, EDI and EMI, which were substantially a shell company at the time, entered into a reverse acquisition in a series of transactions whereby AGI acquired majority control over EMI and EMI acquired full ownership of EDI. In 2013, EMI transformed into a holding company, increased its capital base to P20.0 billion and changed its corporate name to Emperador Inc. As of December 31, 2024, EMI has P20.0 billion authorized capital stock, 16.2 billion shares of which are issued and 15.74 billion shares outstanding (net of treasury shares), with consolidated total assets of P159.5 billion.

EDI, a wholly-owned subsidiary of EMI, is the leading brandy manufacturer and distributor in the Philippines[3] and owns the leading brandy band in the world[4]. It produces its own label brands, namely, 'Emperador Brandy', 'Andy Player' whisky, 'The BaR' flavored alcoholic beverage and 'So Nice', and 'Smirnoff Mule' under license from Diageo North America, Inc. It distributes the Group's products in the Philippines, namely, the Scotch whisky and Brandy de Jerez products, 'New York Club No. 1 vodka' and 'Pik-Nik' shoestring-shaped potato snacks. It also distributes 'Ernest & Julio Gallo' wines in the Philippines. Since 2020, EDI has established a significant distribution footprint in at least sixty (60) countries. EDI continues to collaborate across these countries.

EDI was incorporated on June 6, 2003 and was acquired by AGI from **The Andresons Group, Incorporated** ("**TAGI**") and the Tan Family on February 16, 2007. EDI has an authorized capital stock of 22 billion shares, of which 12.5 billion shares are outstanding and all held by EMI as of to-date.

EDI operates two manufacturing plants in Laguna. The main plant is being leased from its wholly-owned subsidiary ***Tradewind Estates, Inc.*** ("**TEI**") while the annex plant was acquired in May 2012. TEI was incorporated on September 22, 2000 and was acquired by EDI from its previous owner, Alliance Global Brands, Inc. (a wholly-owned subsidiary of AGI), in March 2016. EDI owns two distillery plants in Batangas that are being leased out to and operated by ***Progreen Agricorp, Inc. ("Progreen")***, its wholly-owned domestic subsidiary. EDI procures its new bottles from ***Anglo Watsons Glass, Inc.*** ("**AWG**" or "**AWGI**"), another wholly-owned domestic subsidiary of EDI, which caters principally to EMI Group's requirements. AWG operates a flint glass container manufacturing plant in Laguna on a 24-hour shift which it leases from AGI. A subsidiary of TEI acquired in July 2018, ***Boozylife, Inc.*** is engaged in the on-demand delivery of alcoholic and non-alcoholic beverages. Its online platform proved useful during the COVID-19 quarantine time. ***The World's Finest Liquor Inc.*** ("**TWFLI**"), is a wholly-

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[2] *2024 International Wine and Spirits Record ("IWSR") drinks market analysis, 2023 dataset.*
[3] *Nielsen Retail Measurement as of December 31, 2024.*
[4] *Drinks International The Millionaires' Club 2024 (dataset 2019-2023)*

owned subsidiary of EDI that was incorporated in May 2022 to engage in, among others, the retailing and marketing of the Group's products, , including but not limited to alcoholic and non-alcoholic beverages, in its specialty retail stores. ***Ocean One Transport, Inc.***, a wholly-owned subsidiary of Progreen, was incorporated in the Philippines on January 11, 2023, for the purpose of engaging in ocean, coastwise and inland commerce, and generally in the carriage of freight, goods, cargo in bulk, passengers, mail and personal effects by water between various ports and to engage generally in waterborne commerce.

Emperador International Operations

EIL, a wholly-owned subsidiary of EMI, is a business company incorporated in the British Virgin Islands on December 13, 2006. It is an investment and holding company which is the parent company of the Group's offshore subsidiaries that handle the Scotch whisky, Jerez and Mexican brandies and sherry wine operations. At present, voting rights to EIL is 84% and 16% directly owned by EMI and EDI, respectively. Thus, EIL is 100% beneficially owned by EMI.

Emperador Spain

Emperador Asia Pte Ltd. ("**EAsia**"), a wholly-owned subsidiary of EIL, was incorporated in Singapore. It wholly owns *GES*, a public liability company in Spain, incorporated on September 28, 2011.

Grupo Emperador Spain S.A.U. ("GES") is a wholly-owned subsidiary of EAsia. Its main activities are the production of wines, fortified wines, brandies and all types of alcoholic drinks, as well as the purchase and operation of any type of land and, in particular, vineyards. The Spain group acquired vineyard estates in Toledo, called Daramezas and Bergonza, and in Madrid, called Monte Batres, in 2013-2014. And from thereon, the Spain group started growing. GES group includes subsidiaries operating in Spain and Mexico.

In 2013, GES acquired ***Bodega San Bruno, S.L.U.*** ("**BSB**"), a wholly-owned subsidiary incorporated on January 10, 2013, whose business activities involved the plantation, growing and operation of vineyards. The acquisition included Bodega San Bruno, the San Bruno trademark, vineyards, and sizable inventory of high-quality well-matured brandy from **Gonzalez Byass S.A**. ("**Gonzales Byass**"), one of the largest and oldest liquor and wine conglomerate in Spain.

In 2014, GES invested in ***Bodega Las Copas*** ("**BLC**"), a 50%-50% joint venture with Gonzalez Byass. Presently, BLC and its wholly-owned subsidiaries are engaged in the planting, cultivation and operation of vineyeards, and the conversion and production of alcohol and spirits. The main industrial facilities are located at Jerez de la Frontera in Cadiz and Tomelloso in Ciudad Real.

On February 29, 2016, ***Bodegas Fundador S.L.U.*** ("**Bodegas Fundador**"), a wholly-owned subsidiary of GES, incorporated on September 28, 2011, acquired the Spanish brandy and sherry business from Beam Suntory Inc. The purchase included Spain's largest and oldest brandy cellars established in 1730 with sizeable brandy inventory aged more than 50 years; four iconic brands including 'Fundador Brandy de Jerez' and 'Terry Centenario' (Spain's number one selling brandy), production and bottling facilities, vineyards, distillery and winery facilities. The completion of the purchase marked the birth of the world's biggest brandy company, and a new era began not only for Emperador and Fundador but for the whole brandy and sherry industry in Spain. Bodegas Fundador was consolidated starting March 2016. Bodegas Fundador's wholly-owned subsidiary, Harvey's Cellars, S.L.U. (formerly Destilados de la Mancha S.L.) held the Queen Elizabeth II Royal Warrant, granted as a mark of recognition to companies who have regularly supplied goods or services to the Royal Household.

On January 19, 2017, GES acquired the Grupo Garvey brands and associated inventories, casks and real estate properties. Bodegas Garvey, founded in 1780 by the Irish aristocrat William Garvey and based in Jerez de la Frontera, is one of the oldest brandy and sherry companies in Spain.

On March 30, 2017, BLC and its two subsidiaries, Pedro Domecq S.A. de C.V. and Bodega Domecq S.A. de C.V. (absorbed in 2019 by Pedro Domecq SA de CV), completed the acquisition of the 'Domecq' brand portfolio and related assets from **Pernod Ricard SA**, which was signed on December 1, 2016. In a restructuring that followed later that year, the Domecq brandy portfolio, which include the trademark to the first Mexican brandy 'Presidente', and wine business were integrated into ***Domecq Bodega Las Copas SL*** ("**Domecq BLC**" or "**DBLC**") effective September 1, 2017. Domecq BLC is a subsidiary of GES incorporated on December 20, 2017. It wholly owns ***Pedro Domecq SA de CV*** ("**Pedro Domecq**") (incorporated in Mexico on March 15, 2017) is involved in the manufacturing, bottling and selling of spirits.

***Grupo Emperador Gestion, S.L.U*.,** a wholly-owned subsidiary of GES, was incorporated on October 11, 2016. It provides consulting, management and administration services to the Spain group.

Stillman Spirits, S.L.U., a wholly-owned subsidiary of GES, was incorporated on March 20, 2019. It imports UK products into Europe, following UK's exit from the European Union. It manages The Dalmore Boutique in Madrid (Spain), a recently opened exclusive boutique, including a retail area, which hosts some of the most exclusive whiskies in the world. Additionally, a Whisky Lounge for tastings will soon be launched where 66 VIP clients and their close guests can enjoy their Dalmore whiskies. The boutique officially opened in October 2024 with a formal programme hosted by Master Distiller Richard Paterson OBE. During the event, he presented special whiskies to British Ambassador to Spain, Sir Alexander Ellis.

Emperador Europe

Emperador Europe SARL ("**EES**"), a wholly-owned subsidiary of EIL, is a private limited liability company incorporated in Luxembourg in September 2014. The objective of the company is the holding of participations in any form whatsoever and all other forms of investments.

Emperador Holdings (GB) Limited ("**EHGB**" or "**EGB**"), the ultimate UK parent undertaking and controlling entity, is a wholly-owned subsidiary of EIL. EGB is a private company incorporated under the laws of England and Wales on June 19, 2014. It operates as an investment and holding company and wholly owns EUK.

***Emperador UK Limited* ("EUK")**, a subsidiary of EGB, is a private limited company incorporated in Scotland on May 6, 2014. It is the immediate parent of WMG.

Whyte and Mackay Group Limited ("**WMG**" or "**Whyte and Mackay**"), incorporated on August 7, 2001 in Scotland, is the smallest consolidating group under EGB. WMG and subsidiaries were folded into the EMI Group on October 31, 2014 upon completion of a deal signed on May 9, 2014 between EUK and United Spirits (Great Britain) Limited, an indirect wholly-owned subsidiary of **United Spirits Limited** ("USL") of India (at this time, the world's largest spirits company by volume).

WMG wholly owns ***Whyte and Mackay Global Limited*** ("**WM Global**") which was incorporated on December 4, 2018 in Scotland. The main trading entity is WM Global's wholly-owned subsidiary, ***Whyte and Mackay Limited*** ("**WML**"), which was incorporated on January 20, 1927 in Scotland, whose principal activity is the production, marketing and distribution of distilled potable alcoholic drinks which include Scotch whisky, vodka, liqueurs and other alcoholic drinks. WM Global also wholly owns ***Whyte and Mackay Warehousing Ltd***. ("**WMW**"), incorporated in Scotland for the, principal activity of warehousing and blending of bulk whisky for related and third-party customers, and ***Whyte and Mackay Americas Ltd, LLC*** ("**WMA**"), incorporated in the United States of America, a direct subsidiary of WML handling Whyte and Mackay's business portfolio in US market. There are forty-six dormant companies within WMG Group that are retained for branding purposes. Whyte and Mackay is headquartered in Glasgow and has significant malt and grain production capability from its four malt distilleries and one large grain distillery. In 2022, WML acquired ***St. Vincent Street (446) Limited***, the landlord of its bottling premises at Grangemouth.

On December 4, 2014, with the completion of the Whyte and Mackay acquisition as a condition precedent to its entry, Singapore sovereign wealth fund **GIC Private Ltd**. ("**GIC**"), through its private equity arm, **Arran Investment Pte. Ltd.** ("**Arran**") initially invested P17.6 billion in EMI split into 70%-equity and 30%-equity-linked securities debt ("ELS"), which is convertible to equity between 2 to 7 years. In 2017, additional new shares were issued to Arran in consideration for the three-year accrued interest on the ELS. On February 5, 2020, Arran partly converted a portion of its ELS into EMI shares ("Tranche 1 Shares"). On December 3, 2021, Arran elected to exercise its conversion right in respect of the remaining balance of the ELS ("Tranche 2 Shares"), which is expected to be converted anytime up to August 12, 2025. While the Tranche 2 shares remain unissued, they shall continue to earn variable interest which is at same rate and terms as EMI's dividends to shareholders. As of December 31, 2024, Arran held about 9.5% in EMI's outstanding issued shares.

Whyte and Mackay is the fifth largest producer of Scotch whisky in the world by capacity *(Source: 46th Scotch Whisky Industry Review, 2023)* with a history of 175 years and ownership of some of the most iconic Scotch brands in the industry, including British luxury brands 'The Dalmore Single Highland Malt', 'Jura Single Malt', 'Tamnavulin Single Malt', 'Fettercairn Single Malt', and 'Whyte & Mackay Blended Scotch Whisky'. The products are distributed in approximately 116 countries across the world including a strong presence in the global travel retail space. Some of these products are being distributed in the Philippines by EDI.

Megaworld Corporation

MEGAWORLD CORPORATION ("**MEG**" or "**Megaworld**"), a publicly-listed company since June 15, 1994, is one of the leading property developers in the Philippines and is primarily engaged in the development of large scale mixed-use planned communities or townships, which are comprised of residential, commercial, and office developments and integrated leisure, entertainment and educational/training components. Founded on August 24, 1989 by Dr. Andrew L. Tan, Megaworld initially established a reputation for building high-end residential condominiums and commercial properties located in convenient urban locations with easy access to offices as well as leisure and entertainment amenities in Metro Manila. In 1996, responding to growing demand for integrated lifestyle communities, Megaworld pioneered the live-work-play began the development of mixed-use communities, primarily for the middle-income market, with the launch of Eastwood City, its first mixed-use township development. MEG and its subsidiaries have since then grown and diversified their roster of townships to thirty-five (35): four in Fort Bonifacio, seven in Metro Manila, sixteen in Luzon, six in Visayas, and two in Mindanao.

Megaworld and its subsidiaries ("**Megaworld Group**" or "Megaworld") have real estate portfolio under the 'Megaworld', 'Global Estate Resort', 'Empire East' and 'Suntrust' brands that include residential condominium units, subdivision lots and townhouses as well as office projects and retail space. Megaworld Group has the following three primary business segments: (i) real estate sales of residential developments, (ii) leasing of office space, primarily to business process outsourcing ("BPO") enterprises and retail space and (iii) management of hotel operations. As of December 31, 2024,it owns or has development rights to over 5,554 hectares of land located throughout the Philippines. Since its incorporation in 1989, Megaworld and its affiliates have launched over 800 residential developments, including condominium buildings, residential and commercial lots, alongside more than 1.5 million square meters of gross leasable office space, over 500,000 square meters of mall retail space, and more than 5,000 hotel room keys across 14 homegrown hotels.

The company and its subsidiaries, have won recognition and awards over the years from prestigious organizations locally and internationally that recognized not only the organization itself, its subsidiaries and its foundation, but also its executives and leadership team, as well as its institutional initiatives, campaigns and events.

Megaworld also engages in other property related activities such as project design, construction oversight and property management. Through its wholly-owned subsidiaries, MEG owns, manages and operates its homegrown hotel brands – '**Richmonde**' in Pasig City, Quezon City and Iloilo City; '**Belmont**' in Pasay City and Boracay; '**Savoy**' in Pasay City, Lapu-Lapu City, Cebu and Boracay; and '**Lucky Chinatown**' in Manila City.

Megaworld has P45.7 billion authorized capital stock and P33.81 billion paid-up capital (both common and preferred stock) as at end-2024. Its consolidated total assets amounted to P469.6 billion as at December 31, 2024.

From 46% effective ownership interest in MEG in 2007, the Group increased its effective ownership interest in MEG which is now at 74% by end-2024 through stock subscription, exercise of stock rights and warrants, and purchases in the market.

Global-Estate Resorts, Inc. ("**GERI**"), a publicly listed domestic company incorporated on May 18, 1994, is likewise one of the leading property developers in the country and is engaged primarily in the development of integrated tourism and leisure estates and integrated lifestyle communities consisting of residential, office, retail, hotel and/or golf components. It has a vast land bank where key developments include Boracay Newcoast in Malay, Aklan; Twin Lakes in Laurel, Batangas; Sta. Barbara Heights in Iloilo; Southwoods City in Laguna and Cavite; Alabang West in Las Piñas, Metro Manila; Eastland

Heights in Antipolo, Rizal; The Hamptons Caliraya in Lumban-Cavinti, Laguna; Arden Botanical Estate in Cavite; and The Fifth in Pasig City, Metro Manila. GERI undertakes its development business by itself or through joint ventures with landowners. Its joint venture corporations are ***Twin Lakes Corporation*** (incorporated on March 2, 2011), ***Oceanfront Properties, Inc.*** (incorporated on October 12, 2010 to develop parts of Boracay Newcoast) and ***Southwoods Mall, Inc.*** (incorporated on July 18, 2013). The township developments are marketed by a subsidiary ***Megaworld Global-Estate, Inc.*** (incorporated on March 14, 2011) and an in-house marketing group.

Hotel developments in Boracay and Twin Lakes are operated by its subsidiaries ***Twin Lakes Hotel, Inc.*** (incorporated on September 28, 2018), ***Savoy Hotel Boracay, Inc.*** (incorporated on January 24, 2017), ***Belmont Hotel Boracay, Inc.*** (incorporated on March 18, 2019) and ***Fil-Estate Urban Development Corporation*** (incorporated on March 6, 2000). Another subsidiary operates Fairways and Bluewater, a resort complex integrated with Boracay Newcoast.

AGI acquired 60% interest in GERI in January 2011 and rebranded it to engage in the development of integrated tourism and leisure estates. With the capital infusion, GERI was able to pay its interest-bearing loans and pursue its development plans. In 2013, GERI doubled its authorized capital stock, of which Megaworld subscribed to 25% of the said increase; this together with indirect holdings translates to MEG's 24.7% beneficial ownership in GERI at end-2013. In 2014, GERI was consolidated under Megaworld when the latter acquired AGI's stake in GERI. As at end-2024, Megaworld holds 82.51% of GERI. GERI has P20 billion authorized capital stock, P10.986 billion of which was subscribed and paid-up as of December 31, 2024. Total assets reported as at end-2024 amounted to P62.8 billion.

Empire East Land Holdings, Inc. ("**Empire East**" or ''**ELI**''), a publicly-listed domestic company incorporated on July 15, 1994, is one of the leading developers of mid-cost residential properties. It specializes in multi-cluster condominium projects and multi-phase subdivision developments in key locations in Metro Manila, Laguna and Rizal. Laguna Bel-Air is ELI's flagship township project while Pioneer Woodlands in Mandaluyong is its first transit-oriented development. Transit-oriented developments ("**TOD**") and urban resort communities have been the signature concepts of ELI in recent years. ***Eastwood Property Holdings, Inc.***, a wholly-owned subsidiary, serves as ELI's marketing arm that markets ELI's projects and those of other related parties. ELI is 81.73% owned by Megaworld. ELI has P31.495 billion authorized capital stock, P14.803 billion (14.803 billion shares) of which was issued and P14.701 billion (14.676 billion shares) outstanding as at December 31, 2024. Total assets reported as at end-2024 amounted to P49.4 billion.

Suntrust Properties, Inc. (''**SPI**''), incorporated on November 14, 1997, develops master-planned self-sustaining residential communities and condominiums in Cavite, Laguna, Batangas, Baguio, Davao, Metro Manila and Palawan that provide affordable homes for the low- to moderate-income families. The developments focus on space-saving and functionality features. In March 2011, MEG acquired 50% majority interest in SPI. In 2013, MEG acquired 100% ownership by buying out the minority interests of Empire East and another related party. In July 2018, SPI acquired ***Stateland, Inc.***, a 42-year old real estate company known for building affordable quality homes and well-developed communities in Cavite, Laguna and Metro Manila. The acquisition brings 150 hectares of raw land and other allied properties that spread across more than 200 hectares into the group.

MREIT, Inc. ("MREIT"), is a real estate investment trust ("REIT") incorporated on October 2, 2020. MREIT was designated by MEG, its parent and sponsor, to operate as its flagship REIT company, the primary focus of which is office and retail leasing to a diversified tenant base, with a high-quality portfolio of 14 office, hotel, retail and other assets across the Philippines and an aggregate gross leasable area ("GLA") of 280,175 sqm as of December 31, 2021. which has since increased to 482,000 square meters. On October 1, 2021, MREIT conducted an initial public offering and listed its shares in the PSE. MREIT is 63.44% owned by Megaworld as of December 31, 2024 and 35.52% owned by the public.

Travellers International Hotel Group, Inc.

TRAVELLERS INTERNATIONAL HOTEL GROUP, INC. ("**Travellers**"), incorporated on December 17, 2003, is the developer and operator of **Newport World Resorts** ("NWR") (as rebranded on July 20, 2022, formerly known as Resorts World Manila), an integrated tourism resort in the Philippines. NWR is the first integrated leisure and resort property in the Philippines that combines privately-operated gaming facilities with hotel, retail, dining, entertainment and other leisure amenities. Travellers was awarded one of the first licenses issued by the **Philippine Amusement and Gaming Corporation** ("**PAGCOR**") in June 2008 to construct and operate integrated leisure and gaming facilities to an international standard with the goal of enhancing tourism in the Philippines. NWR, which was the first site to be completed, opened in August 2009.

NWR is an approximately 11.5-hectare integrated tourism resort that is strategically located across the Ninoy Aquino International Airport Terminal 3 ("**NAIA-3**") in Pasay City, Manila and near NAIA Terminals 1 and 2 and directly linked to highways leading to Makati City. NWR is a 24-hour, one-stop, world-class leisure and entertainment facility within Newport City, a mixed-use community of integrated residential condominiums, hotels, restaurants, shops and offices. NWR features a themed shopping and entertainment center, five hotels (4 of which are five-star international branded hotels), and the Marriott Grand Ballroom, a **MICE** (meetings, incentives, conventions and exhibitions) venue with over 8,000 sqm of function space.

The 21,168 sqm Newport Mall offers a retail mall, four cinemas and a 1,710-seat performing arts theater (the "Newport Performing Arts Theater" or "NPAT"). The Marriott Hot
el Manila is the first hotel to open in October 2009 with 342 rooms and suites, to which 228 rooms were later added in the Marriott West Wing in November 2016. Holiday Inn Express Newport City (as rebranded in February 2018) opened in November 2011. The Marriott Grand Ballroom, a world-class events and convention center, formally opened its doors to the public in March 2015. In 2018, NWR opened Grand Wing, a portion of its Phase 3 development project dedicated to gaming activities. In October 2018, Hilton Manila officially opened with 357 rooms. Also in 2018, Travellers opened the first international hotel in Iloilo City- the Courtyard by Marriott Iloilo with 326 rooms. In January 2019, Sheraton Manila Hotel made its comeback to the Philippines after 22 years and officially opened its doors to the public, adding 386 rooms. And during the last quarter of 2021, Hotel Okura Manila, a 190-room Japanese brand hotel that features Hinoki-yu rooms and Japanese fine dining restaurant began its commercial operations. In 2021, Travellers completed the renovation Garden Wing, its Phase 1 gaming facilities.

Travellers has P10 billion authorized capital stock (common and preferred shares), of which P1.93 billion is outstanding as at end-2024. AGI's ownership interest is accounted through direct holding of 42.12% and indirect holdings through its subsidiaries Megaworld, First Centro, Inc. and Adams Properties, Inc. ("Adams") which hold 2.66%, 3.92% and 19.58%, respectively, of Travellers' outstanding common shares. Adams holds 66.48% of outstanding preferred shares while AGI holds 20.23% of its outstanding preferred shares. Travellers has consolidated total assets of P128.6 billion as at end-2024.

Golden Arches Development Corporation

GOLDEN ARCHES DEVELOPMENT CORPORATION ("**GADC**"), a strategic partnership with the George Yang group, is the master franchise holder of McDonalds' in the Philippines. GADC is granted the license in the Philippines to, among other things, own, develop and operate restaurants and engage in the sub-franchising of restaurants under the McDonald's brand in accordance with the multi-unit franchise agreement with **McDonald's Corporation** ("**MCD**"), a company incorporated in Delaware with principal offices in Illinois, USA. GADC was incorporated on July 16, 1980. It has P99.44 million authorized and paid-up common capital stock, 49% of which is held by AGI and the rest by GTY Food Trends, Corp., a company wholly owned by Mr. George Yang's son, Mr. Kenneth Yang. Its consolidated total assets amounted to P47.22 billion at end-2024.

AGI acquired its 49% interest in GADC on March 17, 2005 from **McDonald's Restaurant Operations, Inc.** ("**MRO**"), a subsidiary of MCD, both of which are foreign corporations incorporated in the USA. MRO holds all of GADC's preferred shares.

Alliance Global-Infracorp Development, Inc.

ALLIANCE GLOBAL-INFRACORP DEVELOPMENT, INC. ("**Infracorp**"), a wholly-owned domestic corporation, is AGI's foray into infrastructure development aimed at providing e transport solutions that will improve connectivity across the Group's properties. Incorporated in 2017, its primary purpose is to bid for, invest in, and/or implement infrastructure-related projects, such as but not limited to monorails, airports, expressways, toll roads, and reclaimed land development. In relation to these activities, Infracorp may also acquire, lease , develop or otherwise engage in income-generating ventures involving real property and other rights related to its infrastructure projects. It will handle infrastructure projects, particularly mass transport systems, that will enhance the value of the Group's real estate and tourism developments. The diversification into infrastructure building is aligned with the government's goal of ushering in a golden age of infrastructure in the country.

On May 17, 2018, Infracorp received an Original Proponent Status ("OPS") for its Fort Bonifacio-Makati Sky Train project – a 1.87km public transit system connecting Line 3 Guadalupe Station to Uptown Bonifacio. The project is currently under review and evaluation at NEDA.

Newport World Resorts Properties, Inc.

NEWPORT WORLD RESORTS PROPERTIES, INC. ("**NWRPI**"), a wholly-owned domestic corporation, was incorporated on February 6, 2023, to invest in, acquire and own, hold, use, assign or dispose of property, including shares of stock, bonds, debentures, notes and other securities or obligations of any corporation or association, among others. It has an outstanding share purchase agreement entered into on May 30,2023 to consolidate the interests of Genting Hong Kong Ltd. and its subsidiaries or affiliates in Travellers, its subsidiary and affiliates upon fulfillment of certain conditions.

Newport has P1.9 billion authorized capital stock (common and preferred shares), of which 705 million common shares with P1 par value were subscribed by AGI at a premium, and 84 million preferred shares with P1 par value were subscribed by MEG at a premium as at end of 2024.

*a.3. **Bankruptcy or Similar Proceedings and Significant Assets not in Ordinary Course***

The Company and its subsidiaries have not been involved in any bankruptcy, receivership or similar proceedings. Likewise, there have been no other material reclassifications, mergers, consolidations, or purchases or sales of significant assets not in the ordinary course of business.

b. **Business Description**

AGI is a holding company with interests in the food and beverage business (manufacturing and trading of consumer products), real estate (investment in and development of real estate, leasing of properties, hotel operations and tourism resorts businesses), tourism-entertainment and gaming, and quick service restaurant (McDonald's) businesses. Through its subsidiaries and associates, the Company focuses on developing and providing products and services that cater to the needs, demands and aspirations of its target markets. The Company remains agile and responsive to market trends and economic conditions, reinforcing its position as one of the country's largest and most diversified conglomerates. Through its diverse portfolio and strategic investments, the Group is well positioned for long-term sustainable growth.

*b.1.**Principal Products or Services and their Markets***

EMI

EMI group manufactures its own brands and attributes its leading position to: (i) strong brand equity gained through brand building; (ii) targeted marketing; and (iii) local and global distribution network.

'Emperador Brandy', the first brandy label, was launched in 1990 in the Philippines and is currently the leading local brandy in the country. EDI keeps on innovating its product offerings with creative flavors and packaging to suit the discriminating taste of drinkers, especially the youthful ones who are generally seeking variety and sensory experiences. In 2010, the first light brandy, '**Emperador Light**' was introduced in response to a growing market for alcoholic beverages with lower alcohol content and targeted at younger alcoholic beverage consumers, and in 2019, a lighter variant, the '**Emperador Double Light'**, was introduced for that '*dobleng saya, dobleng tagumpay*' feeling. '**Emperador Light Spanish Edition**' was launched in 2023 in UAE. In March 2013, EDI introduced '**Emperador Deluxe Spanish Edition**', a premium brandy imported from Spain that is created specifically to appeal to the Philippine palate. . In August 2021, '**Emperador Coffee Brand**y' was launched bringing more fun to coffee and more enjoyment to brandy for that 'sarap maka-feel good' feeling that reached globally. In 2022, newly improved '**Emperador Original'** with a 58.72 proof was introduced, offering the classic depth, richness, body, and strength but still within the smoothness range preferred by Filipinos.

Currently, it has the strongest alcohol content in the Emperador portfolio. In second quarter of 2023, ‘Chaser Sparkling Apple Iced Tea**’** was launched as the perfect pair to the favorite Emperador in the ‘**EMPI+Chaser**’ bundle.. In 2023, Emperador elevates its *Tagumpay* brand story to the next generation as it launched “*Angat sa Tagumpay*” advertising campaign and “*Sakto sa Bulsa*” advertising and below-the-line campaign, as it expanded availability of its banner brand Emperador Original “**Lapad -375ml bottle**” in the smaller pack segment nationwide, In 2024, Emperador launched several Emperador Double Light campaigns and had digital promotions.

In 2019, ‘Emperador Brandy’ won the silver medal in the Distilled San Diego Spirits Competition, while ‘Emperador Light’ won the bronze medal.

The premium and imported lines, ‘**Emperador Deluxe Special Reserve**’ and ‘**Emperador Grand Supreme**’ are sold exclusively at EDI’s retail store.

‘**Andy Player Whisky’**, a popular drink in the ‘80s, was revived in October 2015. The whisky blend has a unique character, rich aroma and complex taste which include orange marmalade and maple syrup. **‘Andy Player Extra Smooth Whisky’**, was launched in August 2024. With an ABV of just 25.5%, Andy Player Extra Smooth serves as an excellent entry drink to the world of whisky. It is currently making waves in the Visayas and Mindanao regions, targeting Gen Z drinkers who prefer a light and smooth beverage.

‘**The BaR’**, was initially launched in 2009. ‘The BaR’ is marketed as a ready-to-serve flavored alcoholic beverage with low alcohol content. In the third quarter of 2012, EDI introduced ‘The BaR’ cocktails line primarily targeted at younger alcoholic beverage consumers and female customers. In 2018, ‘**The BaR Premium Gin’**, infused with botanicals from Spain that gives it a delicious burst of flavor not found in local gin products, was launched. This world-class premium gin line comes in three variants- Pink, Lime and Premium Dry. In August 2020, ‘**The Bar Fruity Mix**’ was launched as more young Filipino drinkers appreciate light alcoholic beverages. It is a fruit-forward and ultralight alcohol that comes in two flavors.

‘**So Nice**’ is an ultralight alcohol that gives consumers a refreshing and flavorful drinking experience. This clear, colorless, distilled spirit is available in three variants –green grape, grapefruit and original. It was launched in November 2020 catering to Filipino youth who prefer a lighter drink at an affordable price.

‘**Smirnoff Mule’**, is the number one ready-to-drink beverage in the ready-to-drink category. A full-flavored blend of Smirnoff Vodka, ginger beer, and lime, it delivers a refreshingly smooth taste with a bold kick at 6% ABV. Smirnoff Mule is being manufactured and distributed by EDI under a licensing agreement with Diageo North America, Inc.

‘The New York Club No. 1 Vodka’ is an extremely smooth vodka produced and bottled in the USA. Evoking the vibrancy of New York City’s nightlife, this vodka is so crisp, so clean, so smooth. It is distilled six times from the finest ingredients for that extra smoothness, and filtered to perfection, making a versatile drink for every occasion.

‘**Charles & James Light**’ is a light blended spirit that is distilled and aged in oak barrels and expertly crafted for exceptional richness. It is smooth and light, specifically made for the Filipino palate. Charles & James is the stepping stone to the world of whisky. It is the country’s fastest-growing imported whisky[5].

‘**Zabana Philippine Rum**’ is an award-winning brand of rums created by Filipino master blenders from the purest sugarcane sourced across the country. Its rums range from the entry level ‘**Zabana 8**’ and ‘**Blanco**’, mid-level ‘**Zabana XO**’ and ‘**Zabana White**’ premium ‘**Zabana Small Batch Tropical Spiced**’, ‘**Sherry Oak Cask**’ and ‘**1997**’ to ultra-premium ‘**Zabana Single Barrel**’. Over the years, these rums have accumulated a number of recognitions from award-giving bodies such as Cathay Pacific Hong Kong International Wine & Spirit Competition, International Spirits Challenge, Monde Selection and SIP Awards. In 2024, the brand was renamed **Cazabana**.

[5] *NielseniQ 2024 dataset*

EDI also imports and distributes the Group's products from the distilleries in Spain and Scotland. In 2015, EDI introduced its Scotch Whisky variants in the local market in the local market. It also began distributing 'Fundador Brandy', the Philippine best-selling imported premium brandy, in March 2016 and launched locally 'Tres Cepas Light' in December 2016, EDI also started distributing 'Harveys Bristol Cream' and '**Fundador Double Light**' in 2017.

EDI also distributes '**Pik-Nik'** brand shoestring potato snacks and **Gallo wines**. The 'Pik-Nik' brand is owned by AGI Group.

From ***Bodegas Fundador***, the following iconic brands manufactured and distributed from Spain are under EMI Group beginning March 1, 2016:

'Fundador' is a Brandy de Jerez, from the brandy capital of Spain. Fundador means the 'founder', as it was the first Spanish brandy to be marketed, this happened in 1874 by Pedro Domecq Loustau. It is sold in over 70 countries worldwide, and the no. 1 imported premium brandy in the Philippines. The brand has an excellent range ending with the high premium brand '**Fundador Exclusivo'** and **'Sherry Cask Collection – The Fundador Supremo**'.

'Fundador Supremo' is a Solera Gran Reserva Collection aged in our Sherry Cask, unique in the world and which has belonged to our winery for centuries. A unique creation which represents a true innovation within the category of Brandy de Jerez. The 'Sherry Cask Collection' by Fundador Supremo reveals the depth of the most luxurious flavours provided by time in wood, thus creating an Ultra-Premium category Brandy.

The ageing in Sherry Casks, unique in the world and of very high value, which have contained very old Oloroso, Amontillado or Pedro Ximénez, give the brand the exclusivity and originality it deserves.
In 2023, the **Fundador Supremo 30 YO Palo Cortado** was launched to the market with only 30 bottles. It has been positioned at the top of the range due to its rarity. Fundador Supremo 30 YO Palo Cortado aged in casks that have previously contained a 30 YO Palo Cortado wine. Of all sherry wines, Palo Cortado is the most famous and mysterious. Its uniqueness and exquisiteness have reached such an extent that it has been the subject of several documentaries that try to understand its origin and complexity. Palo Cortado is a type of fortified wine.

'Fundador Light' is currently the best-selling 'Fundador' in the Philippines, having a balanced and clean aroma with a fragrance of wood seasoned sherry and a smooth light taste of brandy from our cellars in Jerez. **'Fundador Double Light'** is an exceptional spirit from sherry casks in our cellars in Jerez, Spain. It guarantees double smoothness and double satisfaction in every bottle with a lower alcohol-by-volume of 25.8% compared to 28% of 'Fundador Light'. It is the ultimate expression of 'Fundador Light' with a different concept. It has more ageing profile and character that is an effect of the double casks.

'Fundador Double Wood' is a Brandy de Jerez Solera Reserve, inspired by the brandies originally crafted in the 19th century, where the prolonged aging makes the holandas acquire the most important and unique characteristics of wood.

'Fundador Triple Wood' is a Brandy de Jerez Solera Gran Reserve obtained through a very long ageing process that triples the standards of brandy production. A unique expression that reveals the depth of the elements contributed by the wood to a powerful bouquet from the long periods of aging.

'Fundador Sherry Cask' is a Sherry Cask Solera and Solera Reserva, which is the classic Fundador version's update. After almost 40 years, its image and liquid were refreshed in 2021 through a simultaneous launch in Spain, UK, Italy, México and USA, whose result is Brandy perfect to drink neat or mix with Cola or any other beverage. Aged in Sherry Casks that have previously contained Sherry wine, this Brandy is the combination of experience and innovation that has the credibility to reinvent the Brandy category.

"Fundador Super Special" is the most affordable Fundador variant in a 1-liter bottle that has the same world-class Fundador taste profile that consumers look for and adore. It also has the lightest alcohol-by-volume content within Fundador's portfolio at 23.5% making it very easy to drink, and perfect for day-to-day small or big occasions.

‘**Terry Centenario’** is the largest brandy in Spain. Centenario means ‘centenary’, and it evokes the change to the twentieth century when the Terry family started producing brandies in its bodegas in Puerto de Santa María. It is a premium and distinguished brand with the iconic net and the unique logo of the Terry Horse. ‘Terry Centenario’ is the leading brand of the Brandy Category in Spain, with 25% market share, surpassing the combined market shares of its two main competitors[6].

‘Terry White’, a new expression, a new category, a new Classic “White Brandy” was born in 2017 to renew the brandy category in Spain by shaking the market though a modern concept of a white spirit. Through mixology platform, this disruptive concept was launched to a fashionable position for a spirit drink for a future halo of Brandy de Jerez.

‘**Tres Cepas**’ is a market leader in Equatorial Guinea. In 1902, the brand ‘Tres Cepas’ was launched in the market and became a successful brand. The year 2016 saw the renaissance of the brand in the Philippines, and a special expression of ‘**Tres Cepas Light’**, with a different concept and bottle, was launched in December at a very affordable introductory price. Tres Cepas Spirit is a delicate selection of wines carefully distilled and aged in Bodegas Fundador’s wineries in Jerez, smooth with mineral notes and beautiful amber tones. In 2017, ‘**Tres Cepas VS**’ was launched. It is an ultimate expression, as the master blended and carefully tasted the oldest soleras and selected barrels with special characters and notes to make a unique blend for this Very Special Tres Cepas.

‘Harveys’ is the number 1 selling Sherry Wine in the world and the leader in the UK. For many years, Bodegas Fundador was honored to hold the prestigious Royal Warrant of Appointment in the United Kingdom, a distinction that allowed its sherry wines to be served at Buckingham Palace and recognized it as the only Spanish company supplying the Royal Household. This unique recognition, granted since 1895, reinforced the brand’s commitment to quality and excellence.

After the passing of Her Majesty Queen Elizabeth II, Bodegas Fundador continues to benefit from the grace period granted by the Royal Warrant as per the Royal Household's terms. We take great pride in our longstanding relationship with the British Royal Family and appreciate the opportunities it has given us to highlight the finest of Spanish tradition.

This brand was registered in Bristol by the Harvey family in 1886 and was the first cream Sherry to be marketed. ‘**Harveys Bristol Cream’** is a unique blend of sherries combining the character and body of aged olorosos with the aroma and finesse of finos and amontillados. It is a proprietary blend of three sherry types: Fino, Amontillado and Oloroso, all created from the Palomino grape. “Everyday’s A Holiday” with Harveys Bristol Cream®, taken alone or with fruit or used as ingredient to desserts and baking.

‘Vermut Marinero by Garvey’ was launched in Spain in 2021, entering a new unexplored category. This product proposal is very different from other competitors: a red vermouth with a touch of Atlantic salt, elaborated from the most selected sherry wines and characterized by a smoothness and a flavour resulting from the Palomino Fino grape macerated with seaweed. A product totally unique and 100% suited for the aperitif moment.

From the ***Domecq brands of brandies and wines*** come these Mexican brandies, which are also distributed in USA. In Brazil, ‘Domecq Brandy’ is a strong brand which covers all markets in Brazil.

‘**Presidente**’ was the first Mexican brandy, launched in 1958. It is produced from a blend of the best grapes of the Hermosillo region of Mexico. Presidente is the leading imported brandy based on sales volume in US in 2023[7], coming from second position in 2022[8]

‘**Presidente Light**’ was brought in from Spain and launched in the Philippines in 2022. Presidente Light Brandy boasts of notes of caramel, toffee, dried raisins, orange marmalade with a very subtle hint of chocolate. A light brandy that is very smooth on the palate.

‘**Don Pedro**’ has been more than 50 years in the market, launched during the 1960s. Its name

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[6] *Based in part of the data reported by NIQ for the Total Brandy category for September 2024, for Total Spain Off and On-Trade. Copyright © 2024 NielsenIQ Spain*

[7] *From an article published on February 25, 2025 in www.statista.com/statistics/986273/leading-imported-brandy-brands/us/*

[8] *From an article dated July 29, 2022 in www.trendhunter.com/trends/brandy-presidente*

celebrates the company's founder, Don Pedro Domecq.

'**Azteca De Oro'** has been more than 36 years in the market. These brands are also distributed in USA. In Brazil, 'Domecq Brandy' is a strong brand which covers all market in Brazil.

Scotch whisky is Scotland's leading indigenous product and is now established as the leading international spirit drink, making it one of Britain's most important exports. It is a distilled spirit made (distilled and matured) in Scotland using *only* cereals, water and yeast. Most whiskies mature far longer than the legal minimum of three years, and the maturation period varies for different whiskies. The age statement on a bottle reflects the amount of time the youngest whisky in that bottle has spent maturing in a cask.

Whyte and Mackay has built on its foundations as a leader in the Scotch Whisky industry.

The award-winning whisky makers' collection now features three **Single Malt Scotch** brands ranked in the top twenty worldwide, by industry authority The IWSR. Fettercairn, is the 4th strategic international brand in the portfolio, which is a scarce ultra premium proposition establishing its reputation as a hidden gem of Single Malt.

Looking in the near-term; The Dalmore is the fastest growing Top 10 Single Malt Brand 2018 – 2013 (+17.7% 18-23). Fettercairn has entered the worldwide Top 50 Single Malt Brands and doubled its sales value since 2020, Jura – The UK's Number 1 Single Malt – is the 3rd fastest growing brand in the Top 20 (+20% versus 2019) , whilst Tamnavulin is now the fastest growing brand in the Top 20 (19-23, +23%) and Number 2 in the UK (volume). WMG is living by its mission to be a driving force in whisky, renowned for building brands that stand out.

'The Dalmore' continues to enjoy exceptional performance, a 'Masterpiece of Malt'. The '**Dalmore Decades**' featured a once-in-a-lifetime collection of whiskies celebrating whisky making artistry across six decades. The campaign broke records for Sotheby's Asia, achieving $1.1M at auction. The collection secured prestigious features in Paris, Los Angeles, London, Taipei and Shanghai. The 'Dalmore Decades' set a new standard in luxury spirits marketing, with a boutique in Hainan, elite performance on Tmall and Whyte and Mackay's first Non-Fungible Tokens (NFTs) partnership. In 2022 The Dalmore launched **The Luminary Collection**, a partnership with renowned Japanese architect Kengo Kuma and design institution V&A Dundee – Scotland's first design museum. The innovative product harnessed Japanese and Scottish Oak Casks, to mature the rare 48 Year Old whisky, as a tribute to the two luminaries behind the project Kengo Kuma and Richard Paterson OBE. A collectible Limited Edition was developed by their proteges Master Whisky Maker Gregg Glass and Maurizio Mauciolla, which sold at pace in global outlets. In 2024, Luminary No.2 was launched, featuring Melodie Leung as the luminary partner. This edition includes a stunning glass sculpture that encapsulates the movement of the spirit within the stills at the Distillery. The **Cask Curation Series** was also launched as a celebration of the technical expertise within the curation of exquisite rare casks that is at the heart of the whisky making artistry for which The Dalmore is renowned. **Edition 2: Port Edition** celebrated the exclusive relationship with Portugal's finest winemakers, Symington Family Estates – and their Graham's Port. In Global Travel, The Dalmore launched the **Portfolio Series** – a stunning presentation of three whiskies created in collaboration with an artist, and a further initiative of the landmark partnership with V&A Dundee, Scotland's design museum.

The Dalmore's Richard Paterson, was awarded as Officer of the Order of the British Empire (OBE) by Queen Elizabeth II celebrating his visionary contribution to the industry over the past five decades. The "Most Excellent Order of the British Empire" is an order of British Chivalry created in 1917 by King George V. Titles in the Order are awarded to members of the public for significant contributions in their field of work (Scotch Whisky Industry). The Dalmore Master Whisky Maker Gregg Glass was awarded the honor of Distiller of the Year, Scotland, by the prestigious Icons of Whisky Awards 2023. The Dalmore was recognized by Icons of Whisky, with a number of commendations, including Communicator of the Year resultant from Cask Curation. The launch was awarded luxury launch of the year, for Global Travel Retail too.

WMG offers Single Malt and Blended Scotch whiskies, liqueurs and vodkas, under the following key brands:

'**The Dalmore Single Malt Scotch Whisky**' sits at the apex of the category in which it competes. It is positioned as a luxury brand, at the pinnacle of the luxury spirits category, and broadening its presence within the luxury consumer goods category.

The Dalmore's powerful stag emblem is built on a heritage that is rooted in the saving of King Alexander III of Scotland from being gored by a raging stag with a single arrow in 1263 by an ancestor of Mackenzie clan. The grateful king granted him the right to bear a stag's head in his coat of arms and so every bottle of The Dalmore is adorned with this noble emblem: a stag's head with twelve points to its antlers, signifying 'royalty'. The Mackenzie family ran the Dalmore distillery from the mid 1800's until Whyte and Mackay took over. It is considered the most revered single malt whisky in the world.

'**The Dalmore Principal Collection**' consists of eight expressions (12 Year Old, 12 Year Old Sherry Cask, 15 Year Old, 18 Year Old, 21 Year Old, King Alexander III, Cigar Malt, Port Wood Reserve) as well as 14 Year Old which is a US market exclusive. Our **Global Travel Retail range** comprises nine expressions (King Alexander III Travel Retail, 20 Year Old, 28 Year Old, Trio, Quartet and Quintet and three expressions within the Voyage of Time Collection which is a Taiwan duty free exclusive only). **Our Rare & Prestige range** has five expressions (25 Year Old, 30 Year Old, 35 Year Old, 40 Year Old & 45 Year Old). In addition to these, we have Limited Editions which are a feature of this scarce and precious Single Malt, and include Cask Curation, the Portfolio Series and the Luminary Series.

'**The Dalmore Quintessence**' is the first and only single malt whisky in the world with five red wine cask finish. Master Distiller Richard Paterson travelled to California to hand select the five different casks in which this exceptional whisky would be matured; Zinfandel, Pinot Noir, Syrah, Merlot and Cabernet Sauvignon, each bringing their individual nuances to create a totally unique single malt.

'The Dalmore Distillery Select' launched in 2024 as a collection of three limited edition whiskies available exclusively via The Dalmore website, and boutiques.

'The Dalmore Portfolio Series' is a collection of three limited edition whiskies, designed for global travelers. Each offer a red wine finish, and are an example of the multi cask curation, for which The Dalmore has become renowned. The series is presented in vibrant packaging created in creation with a leading emerging artist, selected by partner V&A Dundee – Scotland's design museum. In 2024 the series unveiled its inaugural edition, in partnership with artist Fraser Gray.

'The Dalmore Vintages' are a celebration of the whisky making artistry for which The Dalmore has become renowned. Each November the master whisky makers reacquaint themselves with the rare cask laid down to mature at the Distillery. The Vintages are a celebration of those casks that are unusual, and offer a different expression of The Dalmore's house style. In 2024, two editions were released to domestic markets.

'The Dalmore Luminary Series' is a four-year series that celebrates the worlds of whisky and architectural design. Each release is a collaboration with a luminary, leading light, in architecture, alongside The Dalmore's master whisky makers. Each edition is led by a very rare piece sold at auction with renowned auction house, Sotheby's. The first edition featured Kengo Kumo of Japan. The second edition featured Melodie Leung of Zaha Hadid Architects. An accompanying Limited Edition 'collectible' is produced by the Luminaries and made available to domestic markets and global travel.

'**Jura Single Malt Scotch Whisky'** is a premium Scotch whisky that is considered a premium and mainstream single malt whisky. It is produced at the only distillery on the Isle of Jura, a very remote island off the west coast of Scotland. This brand is built upon building shared connection, with a creative platform that encapsulates this whisky made by a tiny Scottish island community 'More Than A Whisky'.

'Jura Sherry Cask – 12 and 15' is an Asian exclusive, which launched in Taiwan in 2023, and built distribution in China in 2024. Casks are hand selected from Jerez for the very best Sherry casks. A full finish in our Oloroso Sherry combines well with our Jura Spirit and account for 75% of the balanced flavour of our 'Jura Sherry Cask'. It is rich, fruity, and vibrant - with notes of chocolate, almond, and ripe plum. In 2024, Jura 15 Sherry Cask Edition launched as the second in the range, exclusively to Asia markets.

'**Jura 12 Years'** boasts a rich depth of flavour. The 12 Year Old is the key brand in the Jura signature series. Matured in American white oak ex-bourbon barrels for 12 years and finished in Oloroso Sherry casks from Jerez, Spain. This 12 Year Old offers refined, succulent tropical aromas of chocolate, walnut, and citrus fruit.

'**Jura 14 Year Old - Rye Cask**' is a 2022 release from Jura Whisky and celebrates Jura's bright community spirit; a close-knit group of around 212 warm and welcoming individuals, inspired by life on their island and all those who have a hand in making it. Matured in American White Oak ex-bourbon barrels, this spirit was then further matured in hand selected American rye whisky barrels to add depth and complexity with layered spice, aromatic, herbal and floral characteristics. The rye casks add distinctive layers of cinnamon, vibrant vanilla, cacao and warm honey flavours.

'**Tamnavulin Single Malt Scotch whisky**' was launched in 2016, initially in the UK. The Tamnavulin Distillery was built in 1966 and was acquired by WMG in 1993. 'Tamnavulin' is the epitome of a Speyside malt; rich, smooth, elegant and refreshing. Tamnavulin is the Gaelic translation for 'Mill on the Hill,' named in part after the 16th century woollen mill which sits on the site of the distillery. This Speyside is double cask. Matured in American Oak Barrels and finished in Amoroso Oloroso Sherry casks for a rich, full-bodied, sweet and mellow taste. EDI started distributing this product in the Philippines in 2018.

'**Tamnavulin Single Malt Scotch Whisky Vintage Collection',** a rare range with expressions from the years 2000, 1979, 1973 and 1970, together with a new Tempranillo finish, was launched in 2018 and is exclusively available in Asia.

'Tamnavulin Sherry Cask Edition' is matured in American Oak Barrels and enhanced by a finesse in three different sherry casks. This classic revelation from the Speyside Valley is marked with notes of vanilla pod, glazed nectarines, and hints of sticky toffee pudding.

'**Tamnavulin White Wine Cask Edition'** showcases the distinctive orchard fruit character of the Speyside distillery, which complements the flavours enhanced by the white wine finish. In line with Tamnavulin's tradition of double matured whiskies, this expression began its life in American White Oak barrels, before undergoing its second maturation in Sauvignon Blanc white wine casks.

Tamnavulin Port Cask Edition was released in 2024 offering notes of ruby and fruits. This new product innovation was aimed at the chain retail channel.

'**Fettercairn'** launched a new permanent collection of whiskies in 2024, reflecting the investment and availability of casks at key age-statements. The coming of age of stocks enables the brand to invest in a core range to replace the limited editions that were released in short runs 2018-2023. The domestic range features a 12 Year Old, 18 Year Old Scottish Oak, and is led by Fettercairn 16 Year Old. A differentiated range for Travel Retail, which is an important growth driver for the brand, features 14 Year Old, 17 Year Old and the 25 Year Old.

'Fettercairn 24 Year Old' showcases the tropical house style as it evolves in time. A significant age statement it encapsulates how the distinctive character of this whisky develops in 24 years, with intricate flavours of Madagascan vanilla and red liquorice alongside the rich tropical fruits with a sweet, spiced finish.

'Fettercairn Very Rare 50 Year Old' was released in extremely limited volumes, and bespoke crafted presentation case. Distilled in 1966 it offers antique notes of vanilla, pear and nectarine.

Fettercairn 200th Anniversary Collection was created in 2024 to mark the 200th Anniversary of the Distillery, and features six rare and very rare whiskies. Each whisky was selected to commemorate significant milestones in the distillery's history. The set was presented in a hand-crafted case of Scottish Oak, produced by famed cabinet maker John Galvin. The collection is strictly limited to 10 sets, for the domestic markets.

'**Whyte and Mackay Blended Scotch Whisky**' is produced using a unique triple maturation process that ensures a smoother, richer taste. In 2019, a new innovative product, '**Whyte & Mackay Light'**, was launched in the UK to allow consumers to enjoy a great whisky taste whilst consuming lower units of alcohol. At 21.5% ABV, this product was a first in the UK and received widespread acclaim for quality and for the important messaging it represents. This new lighter spirit drink has been enriched by sweet Sherry casks and freshly emptied Bourbon barrels and tastes great – smooth with a subtle hint of smoke and perfectly enjoyed straight over ice, or with your favorite mixer.

'Woodsman Blended Scotch Whisky' was launched in 2018 as a more contemporary proposition for younger consumers. It was designed to work well with mixers and with its modern bottle design, it has attracted new consumers into the Blended Scotch market.

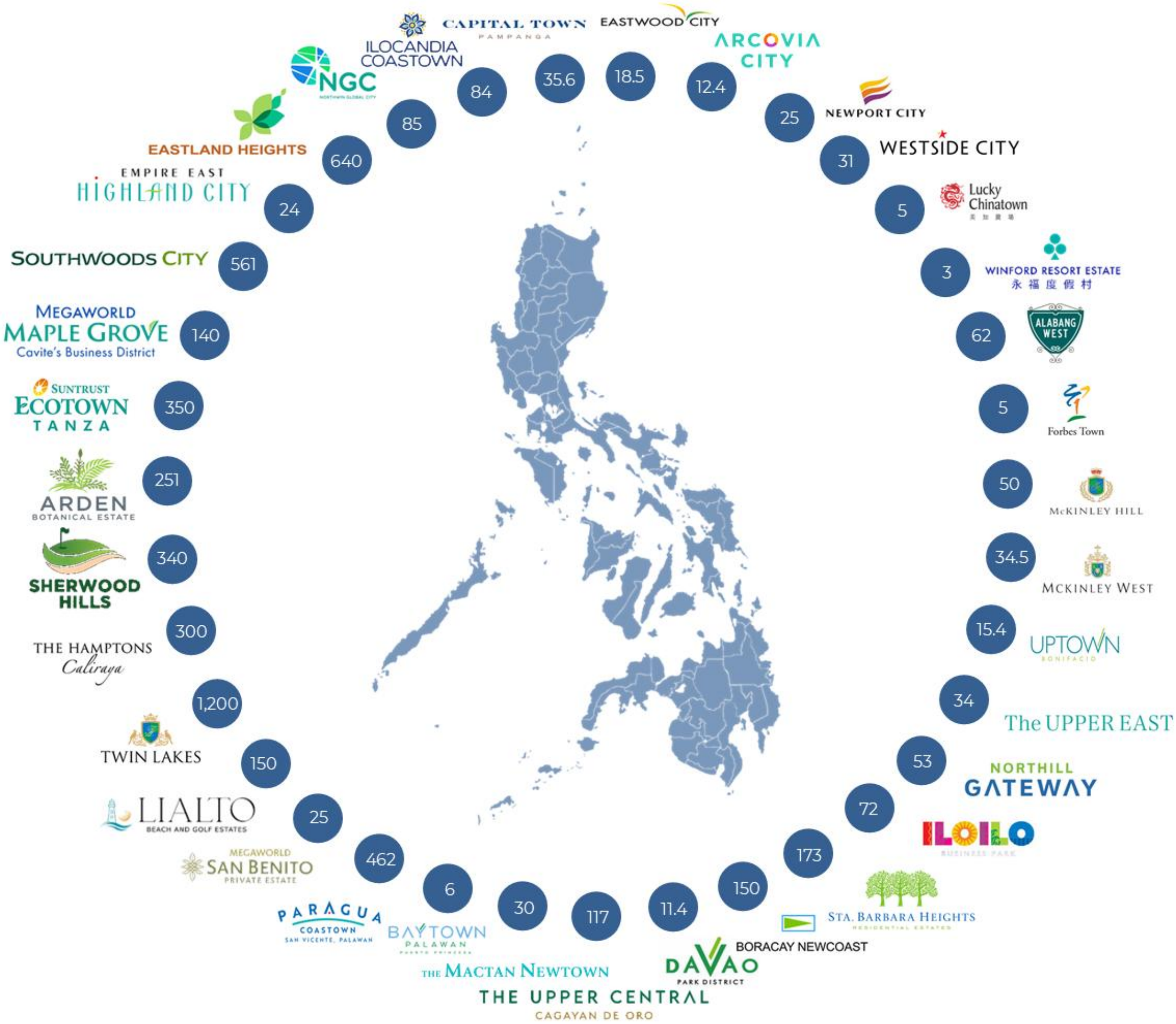
'**Shackleton**' is a Blended Malt brand launched in 2017. It was inspired by a 1907 whisky which was extracted after 100 years under ice. A conservation team carefully extracted crates of whisky left behind by renowned polar explorer Sir Ernest Shackleton. Whyte and Mackay master blender Richard Paterson carefully selected 20 of the finest highland malts to recreate the antique whisky supplied to the British Antarctic Expedition. It has hints of vanilla, ginger and licorice on the nose, with a taste of on demerara sugar, manuka honey and dried pineapples, and a whisper of bonfire smoke in the finish.

John Barr, **Cluny** and **Claymore** are all blended Scotch whiskies, a combination of malt whiskies and grain whiskies from a number of different distilleries.

'**Glayva'**, a liqueur made from a blend of aged Scotch whiskies, a selected range of spices, Mediterranean tangerines, cinnamon, almonds and honey. It has a deep golden colour and a distinctive flavor. In 2022 Glayva launched a new consumer campaign in the UK, driving consumer recruitment by putting the award-winning flavour proposition front and centre.

'Invergordon' is a new brand launched in 2024. It is a single grain whisky produced at Whyte & Mackay's whisky production facility in North Scotland. The brand was designed to be distinctive in the broader whisky/ey category and offered three aged statements: 14, 18 and 21 Year Old. It is currently available exclusively in the USA, where it has secured national distribution.

Vendors may sell the products at higher or lower prices than EDI's suggested retail prices, depending on outlet margin requirements and their operating costs. The Government does not regulate the price of alcoholic beverages in the Philippines. However, manufacturers of alcoholic beverages in the Philippines are required to pay an excise tax on alcohol production based on the percentage of alcohol contained in the beverage and net retail price.



MEG

Megaworld's pioneering "live-work-play-learn" concept for integrated mixed-use communities, or commonly known as townships in the Philippines, has enabled it to launch over 800 residential developments, including condominium buildings, residential and commercial lots, alongside more than 1.5 million square meters of gross leasable office space, over 500,000 square meters of mall retail space, and more than 5,000 hotel room keys across 14 homegrown hotels. "Townships" integrate lifestyle convenience of having high quality residences in close proximity to office, commercial, educational, and leisure and entertainment facilities. The strategy is to lease all commercial and retail properties and sell all residential units. In instances where residential units are not all sold out upon completion of the project, Megaworld rents out these unsold units on a lease-to-own basis or lease with an option to buy.

A description of each of the group's 35 townships follows.

1. **Eastwood City** is Megaworld's first township and the Philippines' first IT cyberpark and the first to be granted special economic zone status by the Philippine Economic Zone Authority (PEZA). It sits on 18.5-hectare land - home to a thriving residential, business, and lifestyle district that features 21 residential towers, 12 BPO office buildings, 4 commercial centres, and one hotel. Key retail establishments such as Eastwood Mall and Citywalk 1 & 2 provide shopping and leisure experiences, reinforcing Eastwood City's position as a premier urban destination.

2. **Forbes Town** is a 5-hectare township in Fort Bonifacio, Taguig City, that offers an upscale residential and commercial environment inspired by resort-style living. It features 12 high-end residential condominiums, complemented by Forbes Town Road and Burgos Circle, which host dining, retail, and entertainment options. The township's strategic location within Fort Bonifacio provides accessibility to key business districts and lifestyle hubs, making it a preferred address for high-end urban living.
3. **McKinley Hill** is Megaworld's largest township in Metro Manila, which spans 50 hectares and is designed with Spanish-Mediterranean and Italian-inspired architecture. The township features an exclusive residential village, premium office towers, and key commercial and lifestyle developments such as the Venice Grand Canal Mall and McKinley Hill Stadium. It is home to foreign embassies, international schools, and business hubs, making it a self-sustaining business district with a well-integrated live-work-play environment.
4. **Newport City** is a 25-hectare integrated tourism estate located across NAIA Terminal 3 in Pasay City. It features **Newport World Resorts**, which is a fully integrated leisure and entertainment complex renowned for its first-class gaming facilities, restaurants, world-class hotels and upscale shopping outlets. It hosts international hotel brands such as: Manila Marriott Hotel, Holiday Inn Express Manila Hotel, Hilton Manila, Sheraton Manila and Hotel Okura Manila under Travellers; and Belmont Luxury Hotel and Savoy Hotel which are condotel projects of Megaworld. It also features Travellers' Marriott Grand Ballroom, the largest events venue in the Philippines. The township also houses residential condominiums, office developments, and lifestyle destinations, including Newport Mall, which offers high-end retail and dining experiences. Runway Manila, a pedestrian bridge linking Newport City to the NAIA Terminal 3 airport, enhances connectivity, positioning the township as a key destination for business and tourism.
5. **Uptown Bonifacio** is a 15.4-hectare master-planned township in Fort Bonifacio, Taguig City, designed to reflect cosmopolitan living. It features high-rise luxury residential condominiums, state-of-the-art office towers, and premier commercial establishments which include Uptown Mall and Uptown Parade. Uptown Bonifacio is one of Megaworld's fastest-growing townships as it is strategically located near international schools, corporate headquarters, and the future Mega Manila Subway.
6. **McKinley West** is a 34.5-hectare upscale township located in Fort Bonifacio, Taguig City, adjacent to McKinley Hill and Forbes Park. It is the home to McKinley West Village, a premier gated community that offers expansive lots and world-class amenities. The township also features residential developments such as The Albany, St. Moritz, and Park McKinley West. It's office district houses modern corporate headquarters and commercial spaces that complement the residential lifestyle with retail establishments, dining options, and recreational facilities. McKinley West provides seamless connectivity to Bonifacio Global City (BGC) and major thoroughfares, making it a prime address for professionals and investors.
7. **The Mactan Newtown** is a 30-hectare integrated township in Lapu-Lapu City, Cebu, designed as a premier business, residential, and tourism hub. The development features 10 residential projects, five office towers, a retail and lifestyle center, and two hotels, including the Savoy Hotel Mactan. The township also houses the Newtown School of Excellence and Mactan Newtown Beach, reinforcing its identity as a self-sustaining live-work-play-learn tourism estate. Future developments include the Mactan Newtown Beach Mall, Mactan Expo, and World Museum, further enhancing the township's retail, events, and cultural offerings.
8. **Iloilo Business Park** is a 72-hectare mixed-use township in Mandurriao, Iloilo City, envisioned as the region's premier business, financial, and lifestyle district. The development includes 10 residential projects, 10 BPO office towers, a full-scale mall, and two hotels. The township is also home to the Iloilo Convention Center, positioning it as a key economic driver in Western Visayas.
9. **ArcoVia City** is a 12.3-hectare mixed-use township along E. Rodriguez Avenue in Pasig City. The township integrates residential, commercial, and office developments within a well-planned urban environment. It features 18 Avenue de Triomphe, ArcoVia Palazzo, and ArcoVia Park Place, as well as the 31-story ArcoVia Hotel. The township also highlights Arco de Emperador, a 19-meter monument symbolizing success and perseverance. Retail and commercial establishments, such as The View Deck and Arco Parade, further enhance the community's dynamic lifestyle.
10. **Davao Park District** is an 11-hectare mixed-use township in Lanang, Davao City, designed as Davao's first central business district. The development includes four residential projects, corporate office towers, and a lifestyle hub, creating a modern urban environment. Notable projects within the township include the Davao Finance Center and One Republic Plaza, which serve as key corporate landmarks. The township also features The Clock Tower, adding to its distinct identity as a prime business and residential address in Davao.
11. **Suntrust Ecotown** is a 350-hectare industrial township in Tanza, Cavite, positioned as an eco-friendly business and logistics hub. It integrates industrial zones, commercial areas, residential

developments, and leisure spaces, creating a self-sustaining economic hub. The township prioritizes sustainable infrastructure, including waste management systems and energy-efficient facilities, making it an ideal location for industrial locators and investors.

12. **Boracay Newcoast** is a 150-hectare master-planned tourism estate on the eastern side of Boracay Island that offers a balance of residential, commercial, and leisure developments. The township houses 11 residential projects, four hotels, and a commercial and entertainment district. It is home to the 18-hole Fairways & Bluewater golf course, a 2.6-kilometer main road, and a kilometer-long coastline with three private coves. Boracay Newcoast is designed as an eco-sustainable community that integrates modern infrastructure, a centralized sewage treatment plant, and underground utilities, which makes it a premier resort and investment destination**.**
13. **Twin Lakes** is a 1,200-hectare master-planned tourism estate in Laurel, Batangas, that offers a distinct European-inspired countryside living experience. Designed as the Philippines' first vineyard resort township, it features residential villages, resort accommodations, commercial hubs, and a vineyard plantation. The development is nestled in a high-altitude location, providing a cooler climate and panoramic views of Taal Lake and Volcano. Twin Lakes integrates nature, leisure, and wellness, making it a premier residential and tourism destination in Southern Luzon.
14. **Southwoods City** is a 561-hectare township spanning Carmona, Cavite, and Biñan, Laguna that was master-planned as a live-work-play community. It features residential villages, office developments, commercial centers, and leisure facilities which includes the Jack Nicklaus-designed Southwoods Golf and Country Club. Strategically located near major highways, Southwoods City is positioned as a business and lifestyle hub in the South.
15. **Alabang West** is a 62-hectare exclusive residential township located in Las Piñas City. Designed as a premier suburban enclave, it features 785 residential lots, complemented by upscale lifestyle amenities such as a clubhouse, fitness center, swimming pools, sports courts, and landscaped parks. The township's commercial hub is envisioned as a lifestyle destination, integrating retail, dining, and entertainment spaces to enhance the live-work-play experience.
16. **The Upper East** is a 34-hectare township in Bacolod City, inspired by New York's Upper East Side, that is set to become the city's new central business district (CBD). It features 10 residential projects, office towers, and a transport hub, with 35% of the township dedicated to open spaces. Key developments include Upper East Mall, Landers Superstore, and McDonald's Upper East which is the largest McDonald's in the region. The township integrates smart city technologies, such as underground cabling, LED streetlights, fiber-optic connectivity, and a flood-free drainage system, reinforcing its identity as a future-ready, sustainable community.
17. **Northill Gateway** is a 50-hectare mixed-use township located along the Bacolod-Silay Airport Access Road that was designed as a business, leisure, and residential hub. The township features four residential projects, a boutique hotel, and a commercial district, blending Bacolod's heritage with modern urban infrastructure. Positioned as a key gateway between Bacolod and Silay, Northill Gateway offers strategic accessibility for businesses and investors.
18. **Sta. Barbara Heights**, is a 173-hectare master-planned township in Sta. Barbara, Iloilo that integrated four residential phases, a commercial district, and leisure amenities. The development features a five-hectare Village Center and Country Club, the first of its kind in Iloilo. It is connected by the six-lane Iloilo International Avenue, providing direct access to Iloilo International Airport. Future developments include a business park and an international school, positioning Sta. Barbara Heights as a prime gateway to Iloilo's commercial expansion.
19. **Capital Town** is a 35.6-hectare mixed-use township located in San Fernando, Pampanga, envisioned as the region's premier central business district. As Megaworld's first township in Central Luzon, it integrates residential, commercial, cultural, and institutional developments while preserving Pampanga's historical significance. The township features a 6.3-hectare Shophouse District, a three-level Capital Mall, and several high-rise residential condominiums, including Chelsea Parkplace, Bryant Parklane, Montrose Parkview, and Saint Marcel Residences. Sustainable and cultural landmarks such as the Pasudeco Sugar Mill Museum, Rainwater Park, and the statue of Gen. Maximino H. Hizon further enhance its identity. The township is strategically located 70 kilometers from Manila and 30 minutes from Clark International Airport, providing excellent connectivity for businesses, investors, and residents. Capital Town will also feature the 16-story Savoy Hotel Capital Town further supporting its position as Pampanga's emerging business and lifestyle hub.
20. **Westside City** is a 31-hectare integrated tourism estate in Parañaque City, strategically located within Entertainment City. Designed as a world-class leisure and gaming hub, it features luxury residential condominiums, local and international hotel brands, and a grand opera house. The township also houses a premier casino and entertainment complex, making it a key contributor to the country's tourism and gaming industries. Comprising distinct districts—Kingsford, Sunset, and

South Beach—Westside City offers a seamless blend of upscale living, business, and entertainment in a dynamic urban environment.

21. **Maple Grove** is a 140-hectare sustainable urban township in General Trias, Cavite, designed with eco-friendly infrastructure and green spaces. The development includes residential and commercial districts, office spaces, and a greenhouse-themed mall. Notable features include a 2-hectare Rainwater Park with a flood detention facility, dedicated bike lanes, and tree-lined roads, reinforcing its position as Cavite's first green Central Business District.
22. **Eastland Heights**, is a 640-hectare integrated lifestyle township in Antipolo City, Rizal, designed around the concept of ecotherapy. The development is 1,000 feet above sea level, offering panoramic views of the Sierra Madre. It features exclusive residential communities, a 36-hole golf course, a retail hub, and a private international school, positioning it as a premier wellness and nature-oriented township.
23. **The Hamptons Caliraya** is a 300-hectare lakefront lifestyle township in Cavinti, Laguna, inspired by the luxurious waterfront communities of The Hamptons, New York. It features private residential estates, a golf course, and marina complex which offers high-end leisure and recreational living. The township provides direct access to Caliraya Lake, making it an ideal location for watersports, golf, and luxury tourism.
24. **Highland City** is a 24-hectare elevated township in Cainta, Rizal, envisioned as a modern "city in the sky". The development integrates residential towers, commercial spaces, and retail hubs within a master-planned urban setting. With wide open spaces, tree-lined roads, and a central park, Highland City is designed as a self-sustaining residential and business hub in the Eastern Metro Manila corridor.
25. **Arden Botanical Estate** is a 251-hectare nature-inspired township spanning Trece Martires and Tanza, Cavite. Developed as an eco-friendly and sustainable community, it features residential villages, a commercial district, an adventure park, and a botanical garden. The township incorporates sustainable infrastructure like stormwater recycling, permeable pavements and electric trams, reinforcing its commitment to environmental conservation.
26. **Lucky Chinatown** is a 5-hectare mixed-use development in Binondo, Manila, serving as a cultural and commercial hub that bridges tradition with modernity. Anchored by Lucky Chinatown Mall, the development offers a diverse retail experience, lifestyle attractions, and entertainment options. It also features residential and office spaces, along with heritage-inspired elements such as the Chinatown Museum, creating a unique and immersive experience in the world's oldest Chinatown.
27. **Paragua Coastown** is a 462-hectare eco-tourism township in San Vicente, Palawan, positioned as a sustainable tourism and lifestyle hub. It features beachfront hotels, private villas, a wellness center, a cultural events space, and a town center, all designed with low-impact, eco-friendly architecture. Located 10-15 minutes from San Vicente Airport, Paragua Coastown is set to become a premier international tourism destination.
28. **Northwin Global City** is an 85-hectare mixed-use township development spanning Marilao and Bocaue, Bulacan, positioned as the province's first global business district. The township will serve as a key economic hub, integrating corporate office towers, a commercial district, residential developments, hotels, malls, and educational institutions. Designed as an iTownship, it will incorporate green infrastructure, wide sidewalks, underground utility cabling, fiber-optic connectivity, and solar-powered streetlights. Northwin Global City is strategically located 20 kilometers from Metro Manila, accessible via the NLEX Marilao Exit, and will host a station for the Manila-Clark Railway Project, providing seamless connectivity to Clark, Metro Manila, and the future New Manila International Airport. Northwin Global City is set to transform Bulacan into a thriving business and lifestyle destination.
29. **Winford Resort Estate** is a 3-hectare integrated urban resort development in Manila, envisioned as a premier lifestyle and entertainment destination. The estate includes high-end residential towers, retail and commercial spaces, and future mixed-use developments. Positioned near Manila's historic districts, Winford Resort Estate combines modern urban living with upscale leisure and entertainment options, redefining the city's luxury lifestyle experience.
30. **Sherwood Hills** is a 340-hectare township in Cavite where the Jack Nicklaus-designed Sherwood Hills Golf Club is located. The development integrates private residences with leisure and recreational facilities, creating a high-end lifestyle community. Its strategic location near Metro Manila and major highways makes it a sought-after address for golf enthusiasts and investors.
31. **Baytown Palawan** is a 5.4-hectare mixed-use township in Puerto Princesa, Palawan, featuring residential condominiums, hotel developments, and commercial spaces. Positioned as Megaworld's second township in Palawan, it is located along Puerto Princesa South Road, just 3.7 kilometers from the international airport. The township offers scenic bay views and is set to become a business and tourism hub in Puerto Princesa.

32. **Ilocandia Coastown** is an 84-hectare tourism and eco-lifestyle township development located in Laoag City, Ilocos Norte that is envisioned as a sustainable beachfront community. As Megaworld's first township in Northern Luzon, it will integrate residential, commercial, and hospitality components that caters to both local and international tourists. The development features a 1.4-kilometer beach line along the West Philippine Sea, with planned upscale residential villages, a shophouse district, a commercial center, and a town center that will include office spaces, hotels, and event venues. Approximately 30% of the township is dedicated to open spaces, ensuring a sustainable and environmentally conscious urban landscape.
33. **Lialto Beach and Golf Estate** is a 150-hectare exclusive beachfront and golf township in Lian, Batangas, that will feature an 18-hole golf course, private estates, a beach clubhouse, and a resort community. It will boasts 900 meters of beachfront along the West Philippine Sea, making it an ideal destination for resort-style living and high-end tourism. Located just three hours from Metro Manila and one hour from Tagaytay, it offers a balance of luxury, nature, and recreation.
34. **San Benito Private Estate** is a 24.4-hectare luxury residential and wellness township in Lipa, Batangas, featuring premium residential estates, a wellness-focused hotel, and commercial spaces. Approximately 50% of the development is dedicated to open spaces, with views of the Malepunyo Mountain Range. Located 30 minutes from Lipa City Hall and two hours from Metro Manila, it is designed to be a tranquil, health-centric retreat for residents and visitors.
35. **The Upper Central** is a 117-hectare township in Cagayan de Oro City, envisioned as a modern, mixed-use urban district. The development integrates multiple residential projects, commercial districts, shophouses, and mixed-use developments with 40% of the township dedicated to open spaces. Strategically located along J.R. Borja Road, the township offers future connections to DPWH bypass roads and is approximately 39 kilometers from Laguindingan International Airport. It also features bike lanes, an adventure park, and pedestrianized commercial strips, reinforcing its sustainable and well-connected urban master plan.

The GERI group has a diversified real estate inventory including residential and commercial lots, residential condominium units, condominium hotel units, and golf club shares. It has eight integrated tourism developments across the country covering more than 3,300 hectares of land. Its property developments include the following:

1. **Boracay Newcoast** is the first and only tourism estate development with world-class resort offerings in the northeast side of Boracay. It sits on 150-hectare of land and will house a private residential village, specialty boutique hotels, shop houses and a massive commercial center called Newcoast Station and international hotel brands. Its Fairways & Bluewater Newcoast, a premier luxury eco-friendly vacation hotel, has over 250 well-appointed guestrooms, each with a spectacular view of an 18-hole par-72 golf course, the only one in the island. Fairways &Bluewater Newcoast features three private white sand beach coves. (See under Townships)
2. **Twin Lakes** is the first and only vineyard resort community in the Philippines, located in the rolling terrains of Tagaytay overlooking the world-famous Taal Lake. The master-planned integrated tourism estate that sits on a 1,200-hectare property will feature real vineyard and chateaus, residential condominiums and villages, hotels, nature park as well as commercial and retail hubs. (See under Townships)
3. **Sta. Barbara Heights** is a vast township rising on a 173-hectare property beside the Sta. Barbara Golf Course, known as Asia's oldest golf course, located in Sta. Barbara, Iloilo. (See under Townships)
4. **Southwoods City** is a 561-hectare mixed-use development with golf course situated on the boundaries of Biñan, Laguna and Carmona, Cavite. (See under Townships).
5. **Alabang West** is a 62-hectare residential and commercial development in Las Piñas City. (See under Townships)
6. **Eastland Heights** is a 640-hectare township development along Marcos Highway with some areas overlooking Metro Manila's panoramic skyline. (See under Townships)
7. **The Hamptons Caliraya** is a 300-hectare sprawling community surrounding Lake Caliraya in Lumban-Cavinti, Laguna. The Hamptons Village is a high-end residential area with 112 lots ranging from 504-1281 sqm.(See under Townships)
8. **Arden Botanical Estate** is a 251-hectare property in Trece and Tanza, Cavite that will be highlighted by flower farms and gardens.
9. **The Lindgren** is a 17-hectare residential village offering lots ranging from 159sqm to 252sqm. (See under Townships)
10. **Mountain Meadows** is 260-hectare residential subdivision in Cagayan de Oro with a 4-hectare commercial area at the entrance of the project.
11. **Newport Hills** is a 127-hectare integrated residential and golf development in Lian, Batangas.

12. **Lialto Beach and Gold Estates** is a sprawling integrated lifestyle community on a 150-hectare beachside property in Lian Batangas.

ELI 's real estate portfolio is composed of multi-cluster mid- to high-rise condominium projects and multi-phase subdivision developments in key locations in Metro Manila and the South. ELI set the trend for transit-oriented developments ("TOD") where condominium communities are directly linked to mass-transit systems for faster and more efficient mobility in the metro. ELI's portfolio also includes ready-for-occupancy ("RFO") units available in its various high-rise development projects in Metro Manila. These include the following:

1. **Laguna BelAir** is ELI's flagship township project located outside of Metro Manila. The 156-hectare horizontal development in Sta. Rosa, Laguna is a complete community setting featuring several residential phases with American-inspired homes, commercial blocks, recreational amenity zones, a science-oriented school and a parish church. The project has spearheaded various residential and commercial developments in Santa Rosa City which is now dubbed as the "New Makati City of the South."
2. **The Sonoma** is the second township project outside Metro Manila. It is a 50-hectare horizontal development in Sta. Rosa City, Laguna. The community is centered by a clubhouse, complete with luxurious swimming pools, open courts, function rooms and other recreational facilities The four residential land development phases, namely, The Enclave, The Country Club, The Pavilion and The Esplanade, have been completed and with a limited number of lots still available.
3. **The Cambridge Village** along East Bank Road in Pasig-Cainta boundary, is an 8-hectare micro-city community development that features resort-style recreational amenities, ground level retail stores, an expansive central park, and a parish church. All 37 towers of 6-10 levels are now sold out and are ready for occupancy.
4. **The Rochester**, a seven-tower, mid-rise urban resort community at Elisco Road, San Joaquin, Pasig City. The low-rise Garden Villas 1 and 2, mid-rise Breeze Tower, Parklane Tower, Palmridge Tower, Hillcrest Tower and the newly-turned over Bridgeview Tower are sold out and ready for occupancy. The residents are currently enjoying resort-style amenities like the community clubhouse with bar area, alfresco lounge, function room, fitness gym, 25-meter lap pool and a kiddie pool, pocket gardens, a children's play area and multi purpose open court. Spacious bi-level suites with floor areas up to 93 square meters are available in some towers.
5. **San Lorenzo Place** is a luxurious 4-tower high-rise development on a 1.33-hectare property along EDSA corner Chino Roces Avenue, Makati City standing on a podium with an upscale shopping mall directly linked to MRT-3 Magallanes station. The project offers an unparalleled accessibility to major business districts such as Makati, Bonifacio Global City and Ortigas with high-end amenities such as swimming pools, tennis court, fitness gym, jogging paths, gardens, function room, daycare center and clubhouse at the sixth level. All four towers were completed and sold out.
6. **Pioneer Woodlands** is a prime 1.27-hectare development and is one of Metro manila's highly coveted TOD addresses that offers a transit-oriented lifestyle to its residents as it is connected directly to MRT-3 Boni station. It is located along EDSA corner Pioneer Street in Mandaluyong City, providing premium mobility and accessibility to the central business districts of Makati, Ortigas and Bonifacio Global City. The project has 6 high-rise towers, recreational amenities at the 5th level. Towers 1 to 5 have been completed and sold out, while Tower 6 with few units left is in full swing construction.
7. **Little Baguio Terraces** is a 4-tower mid-rise condominium community along Aurora Boulevard and N. Domingo Street, San Juan City. This TOD is between Gilmore and J. Ruiz station of LRT-2, that offers easy access to the top academic institutions in Manila's "University Belt" and the Katipunan area in Quezon City. Its four ready-for-occupancy residential towers are now complete and sold out. Residents currently utilize the recreational facilities located at the podium level.
8. **Kasara Urban Resort Residences** is a 1.8-hectare five-star six-tower resort community located between Eagle Avenue and P. E. Antonio Street near C5 Road in Ugong, Pasig City. About 60% of this property features an open-air play area, a fitness facility, jogging paths, a kiddie pool, waterfalls, a koi pond, bubblers, landscaped gardens, a function hall with bar area at the clubhouse and a lake-inspired swimming pool which is the highlight of this development. The project is nearly sold out, with Towers 1, 2 and 3 ready for occupancy, Tower 5 is nearing turnover and construction of Towers 4 and 6 is ongoing.
9. **Mango Tree Residences** is a two-tower high-rise community situated on a 3,000-square meter elevated and hilly terrain property along M. Paterno and J. Ledesma Streets in San Juan City. This development is bordered by decades-old mango trees that will be preserved amid the construction. With only 9 to 12 suites per floor and a perfect mix of executive studio, 1-to-2 bedroom suites and penthouse units, residents are ensured of ultimate privacy and exclusivity. The 38-level West

Residences has been turned over to homebuyers, with only a few units left, while the 34-level East Residences with available units has been topped off and will soon be completed..

10. **Covent Garden** is a two-tower Transit-Oriented Development on a 5,033-sqm property located along Santol Street Extension in Santa Mesa, Manila and is of walking distance to LRT-2 V. Mapa station and the Metro Skyway Stage 3 Extension, was intelligently maximized and gives the occupants access to elevated open spaces and recreation areas. Every level of residential condos has an unhindered view of the Metro Manila skyline. South Residences is fully built and boast a high occupancy rate among homeowners and tenants, while construction of North Residences is nearing completion. All executive studios and 1-bedroom suites have been sold out while limited 2-bedroom suites and bi-level units remain available.
11. **The Paddington Place** is a four-tower Transit-Oriented Development on an 8,816 sqm property along Shaw Boulevard, Mandaluyong City, is conveniently walkable towards the MRT-3 Shaw Boulevard station and the Ortigas CBD across EDSA. Towers 1,2 and 3 are almost sold out. Construction is in full-swing, with the completion of the residential towers expected in 4 to 5 years.
12. **Empire East Highland City,** ELI's largest development in scale to-date, is a 22.8-hectare elevated sustainable township along Felix Avenue at the boundary of Pasig City and Cainta, Rizal. It is accessible to LRT-2 Marikina Station and the upcoming MRT-4 Cainta Junction Station. The project features an 8,000-sqm Highland Park hosting lush greeneries, church and Highland Mall. On the much elevated side is the 37-tower condominium complex called Highland Residences and The Chartered Club which is the center of the neighborhood. The Towers 1 to 4 of Arcadia, the first residential phase, are nearly sold out. (See under Townships)
13. **South Science Park** is a 51-hectare mixed-used development in Gimalas, Balayan, Batangas in Southern Luzon region.

SPI's projects provide affordable homes in well-planned and secured community developments. Its communities feature commercial centers, clubhouses and other amenities, schools and 24-hour security. These include the following:

Cavite

1. **Cybergreens** is a one-of-a-kind community in Cavite that offers a perfect balance of modern convenience and nature. It is a community with broadband-ready garden villa and where residents can go online outdoors via Wi-Fi access. This 123,123 sqm. Community is already sold out.
2. **Cyberville** is **l**ocated inside Sunrise Hills Subdivision in Brgy. Santiago General Trias, Cavite, this 20.06-hectare modern community is equipped with family-friendly amenities like flower, botanical and rock gardens, playgrounds, court and a clubhouse where residents can celebrate their intimate family affairs.
3. **The Gentri Heights** offers modern-Asian homes in a 41.33-hectare property in General Trias, Cavite, neighbored by first-rate schools, business hubs, churches and top industrial zones
4. **Governor's Hills** is a Californian-Mediterranean-style homes with choices such as Jazmine, Sophia, Ysabella, Katrina and Casa Verona that also comes with beautiful amenities. Governor's Hills also offers good education for students through its very own Governor's Hills Science School. This 89-hectare community offers nine villages, situated in Biclatan, General Trias, Cavite.
5. **Rivabella** is a 3-hectare landscape community located in Sherwood Hills beside the golf clubhouse in Trece Martirez, Cavite that makes use of an Italian concept for its spacious, well-designed homes. This is already sold out.
6. **Suntrust Verona** is located in Silang, Cavite which is inspired by its namesake, the Italian City of Verona. It is a 63-hectare enclave that is made up of three residential phases and showcases a variety of single-detached duplex homes-all exquisitely designed and embraced by lush nature spaces.
7. **Washington Place**, a 40-hectare prime property along Aguinaldo Highway in Dasmariñas, Cavite that boasts of modern-themed architectural designs with two basketball courts and serenity garden.
8. **Washington Heights** is Suntrust's first mid-rise condominium project in Cavite, it is set to transform the thriving landscape of the community. Nestled within the iconic Washington Place along Aguinaldo Highway in Dasmariñas, Cavite, this four-tower development spans over 7,300 sqm and enjoy the convenient access via South Luzon Express Way (SLEX) and Cavite-Laguna Expressway (CALAX).

Laguna

9. **Suntrust Sentosa** is a two-phased residence in 21.8-hectare lot in Calamba City, Laguna that is inspired by the popular island resort in Singapore. It boasts not only one but two Merlion replicas in its community façade.
10. **Sta. Rosa Heights** is composed of Spanish –themed homes that also comes with a 20,030-square meter leisure area that includes a clubhouse named Vista del Santa Rosa, Lagoon type pool, basketball court, jogging lanes and children's playground. It is sold out.
11. **Sta. Rosa Hills**, a 7-hectare property, is sold out.
12. **The Mandara** is a 14-hectare Asian-inspired community near Tagaytay that transforms into a gateway leading to the best of Sta. Rosa, Laguna. It is already sold out.
13. **San Francisco Heights**, a 23.46-hectare Mediterranean-inspired community. Its breathtaking amenities inspired by the wonders of San Francisco, California. It is situated in Calamba, Laguna.
14. **Gran Avila** is the latest economic housing project in Calamba, Laguna. It encompasses 16.25 hectares of modern-themed development divided into five phases.

Batangas

15. **Siena Hills** is a 51-hectare Italian-themed community that's peacefully nestled in Lipa City.
16. **Avila Heights** is a townhouse community situated in 7,500 sqm property in Sto. Tomas, Batangas.

Pampanga

17. **The Arcadia** is a 22.6-hectare property located at Porac, Pampanga. Equipped with numerous nearby destinations that cater to your business, educational, or leisure needs, this residential community is ready to be Pampanga's home of the future. Marvel at the luxurious and pristine countryside living through its modern contemporary homes and resort-inspired amenities that will surely suit your lifestyle.

Negros Occ.

18. **The Fountain Grove** is a 24.52- hectare residential enclave located inside Northhill Gateway in Talisay City (see Townships). It is the perfect balance between contemporary design and lush nature.
19. **La Riviera** is a 23.55-hectare property along the Western Nautical Highway in Barangay Tinampa-an, Cadiz City, Negros Occidental. The project is envisioned to be a prime mixed-used residential community.

Tagum

20. **The Palm City** is rising soon a 27.7-hectare property in Tagum. It offers carefree yet sophisticated lifestyle as if you are on a vacation all year round.

Davao City

21. **One Lakeshore Drive** is a condominium in Davao City that brings together the serenity of a lifestyle by the lake and the vitality of Mindanao's first-ever live-work-play-learn township, the Davao Park District (see Townships). Rising soon is **Two Lakeshore Drive** and **The Eastpark Residences** as well.

Baguio City

22. **Suntrust 88 Gibraltar** is Mediterranean inspired condo-homes situated in the heart of the country's Summer Capital, and is already sold out.
23. **The Mist Residence** gifted with multitude of charming and profound beauty with a scenic view on a 2,499.48 sqm lot in Bakakeng Central, Baguio City.
24. **The Sofia Terraces** is elevated in a sloped terrain, that paints a magnificent picture of the City of Pines, with a panoramic view of the city's mesmerizing lights in the nighttime, and an awe-striking pine tree hillside in the daytime. It has a land area of 3,232 sqm specifically designed to blend in with the terrain. Sofia terraces will be your own escape from the bustling city to a picturesque mountainside that puts you at the peak of serenity, and lets you enjoy the weather and misty air of Baguio City, right within your own community.
25. **Le Dominique** is a contemporary French Chateau Inspired Design that shows intricate details of mansard roof, natural stones and softer shades of earthy browns accentuated by pastel colors. It captures the chateauesque style that compliments the natural surroundings of the city of pines. It is located in Dominican Hill, Baguio City with total land area of 4,758sqm and an estimated 303 residential and 6 commercial units.

Metro Manila

26. **Suntrust Treetop Villas**, a 6,122-sqm low-dense community in Madaluyong City, is sold out.
27. SPI condominiums in Manila namely **Suntrust Adriatico Gardens**, **UN Gardens** and **Suntrust Parkview** are already sold out. **Suntrust Solana** which is a two-tower condominium on a 3,214-sqm lot in Ermita, Manila is a modern contemporary inspired community.
28. **Suntrust Kirana**, a four-tower "ecopolis" on 7,083-sqm property is a *beautiful ray of light* in Pasig City.

29. **Suntrust Shanata** is a 33,421-sqm project of 12-cluster towers in Novaliches, Quezon City.
30. **Suntrust Asmara** is a three-tower condominium community with a low-density design located along E. Rodriguez Avenue, Quezon City on an 8,459 sqm lot.
31. **Suntrust Amadea** is a two-tower condominium project in 4,174.35-sqm in Paligsahan, QC.
32. **Suntrust Capitol Plaza**, a 33-storey tower located in the heart of Diliman, Quezon City, is emerging as a landmark and one of the city's tallest residential structures. It is designed in the 1920s Palazzo style with a façade enlivened by cornices and corbelled arches and a lobby with a circular foyer with columns and a grand, sweeping staircase.
33. **Suntrust Ascentia** ascends you to a higher standard of quality urban living, letting you live in the middle of the renowned Sta. Ana Manila. This modern contemporary tower is envisioned to rise as a landmark that represents Sta. Ana's timeless beauty and elegant heritage. Inspired by the Filipino traditional motifs of the 1970s, this 5,210 sqm condominium community showcases state-of-the-art amenities and well-crafted studio, 2-bedroom and 3-bedroom units designed for residents' comfort and convenience.

Palawan

34. **Sonrisa Gardens** is a 34,955 sqm property located at Brgy. San Pedro, Puerto Princesa, that signifies a life adorned with joy, happiness and boundless positivity. The name "Sonrisa" means smile in Spanish that encapsulates the very essence of this prestigious development. It is set against a backdrop of panoramic vistas and captivating views and offers a tapestry of serenity and endless possibilities. This property is distinguished by its lush gardens and open spaces that promote a serene lifestyle while providing easy access to urban conveniences.

Travellers

Newport World Resorts ("NWR", formerly known as Resorts World Manila or RWM), Travellers' first integrated leisure and lifestyle complex, combines hospitality, entertainment, leisure, shopping and gaming into a one-stop, non-stop destination. NWR operates gaming facilities at the Garden Wing, which includes Newport Club (a members-only lifestyle club, with a private gaming area, dining options and other fabulous lifestyle features), and at the Grand Wing and Holiday Inn Express Manila Newport City, with an aggregate area of 63,251 square meters that covers all casino area including BOH, circulation and common areas but excludes food and beverage areas. As of the end of 2023, NWR has 476 casino tables and 2,092 slot machines and 182 electronic gaming machines (EGMs). NWR also features the upscale **Newport Mall** (84 retail stores and food and beverage outlets with a mix of high-end boutiques and mass market option), **Newport Cinemas**, the 1,710-seat **Newport Performing Arts Theater** (a majestic venue for concerts, plays, musicals and exclusive productions), **the Horizon Center** (a commercial and office building leased to tenants) and hotels.

Five hotels are currently in operation at NWR – i) the five-star 570-room **Marriott Hotel Manila** opened in October 2009, ii) the five-star 357-room **Hilton Manila** opened in October 2018, iii) the five-star 386-room **Sheraton Manila Hotel** opened in January 2019, iv) the mid-range 737-room **Holiday Inn Express Manila Newport City** opened in February 2018 and v) the 190-room **Hotel Okura Manila** opened in December 2021. Outside Metro Manila, **Courtyard by Marriott Iloilo** located in Iloilo Business Park, Iloilo City opened in 2018 and provides an additional 326 rooms to the Company's hotel operations.

NWR also boasts of the **Marriott Grand Ballroom**, a MICE venue with a 3,000-square meter pillarless ballroom. It is a versatile luxury space within Metro Manila and has taken center stage as the preferred venue for conventions and social affairs including internationally acclaimed performances, making full use of the impressive high-tech column-free ballrooms. The facility holds 20 individual meeting rooms and its ballroom features 6 VIP multi-use skyboxes, offering a large array of flexibility in hosting multiple events.

RunWay Manila, a 220-meter pedestrian link bridge that connects NAIA Terminal 3 and the Newport City, opened in April 2017. It stands 65 meters above Andrews Avenue at Pasay City, is a fully enclosed, air-conditioned bridge with moving walkways and elevators. It is designed to accommodate up to 2,000 persons at any time, or up to 216,000 individuals per day.

Location map of the two RW sites

GADC

McDonald's is one of the world's most recognized brands. All McDonald's restaurants in the Philippines are operated either by GADC or by independent entrepreneurs or franchisees under a sub-franchise agreement. The McDonald's System in the USA is adopted and used in the domestic restaurant operations, with prescribed standards of quality, service and cleanliness. Compliance with these standards is intended to maintain the value and goodwill of the McDonald's brand worldwide.

McDonald's restaurants offer a range of quality products in all its restaurants at value prices, served fresh, hot and fast across all its channels by its friendly and courteous crew and managers, 24/7. The McDonald's menu includes iconic, global core menu items like **Big Mac, Quarter Pounder with Cheese, Cheeseburger** and **World Famous Fries**, as well as local favorites' that cater to the unique Filipino taste like **Chicken McDo, McSpaghetti,** and **Burger McDo**. The inclusion of local menu items in McDonald's Philippines' menu is designed to appeal to a broad target market across various socio-demographics and age groups. McDonald's also offers McCafe, a range of coffee products which include specialty espresso-based coffee products.

To continue surprising and delighting customers, new menu items are introduced either as permanent or limited time menu offers.

Over the years, McDonald's has been at the forefront of the industry in elevating the customer experience by making customer favorites more accessible and convenient through relevant innovations across its channels- Digital, Delivery and Drive-Thru. These channels have been key in enabling McDonald's brand to connect with customers at various touchpoints, providing optimal convenience through a modernized experience. With deliberate focus and strategic investments on its channels, McDonald's has ensured relevance with customers amidst rapid changes in customer preferences, as well as market and industry conditions. It is this commitment to consumer relevance that has allowed the company to survive and even thrive during the pandemic, while laying the foundation for recovery and growth in the future.

Pik-Nik

Pik-Nik is an all-American fresh-fried potato snack line that includes Shoestring Potatoes, cheese balls and cheese curls, potato chips and French-fried onion salty snacks manufactured and distributed internationally from USA by a wholly-owned subsidiary of AGI. Pik-Nik is the market leader in shoestring potato snack in the USA and is made with no preservatives or artificial ingredients. The products are packed in resealable, "stay-fresh" canisters so they stay fresh and crunchy right to the bottom of the can. These canisters, along with the specialized ingredients and production process, give the products excellent shelf life. Pik-Nik has been in the market for over 80 years since it was first introduced in the USA in the 1930s in San Jose, California, and it continues to be the consumers' favorite shoestring snack in the US. Pik-Nik is being manufactured in the USA and sold both in the USA and internationally, with the Philippine distribution under EDI.

*b.2. **Foreign Sales***

EMI
EDI local products have established international distribution in at least 60 countries outside the Philippines.

Bodegas Fundador operates as a global brandy and sherry company. The global brandy and wine business is further fortified by the Domecq trademarks that fall under Spain and Mexico and have commercial reach to South America, particularly Brazil and Colombia, and USA.. In 2024, Bodegas Fundador and Domecq expanded its combined sales performance in Spain and USA, while remaining strong in Latin America and Europe

Whyte and Mackay's overriding objective is to operate as a global branded drinks company which delivers sustainable rates of growth and returns that increase overall shareholder value. The Group operates in the UK and increasingly in international markets including the Travel Retail sector. Sales in EMEA, Latin America, India and Global Travel Retail continued to rise in 2024. Whyte and Mackay continues to invest across the business for future growth. It maintains a strong level of Strategic Marketing support across its expanding brand portfolio and increased its commercial resources in key disciplines and geographies. Moreover, Whyte and Mackay invested in the assets of the business to improve efficiency and flexibility and has continued to invest in barrels, ensuring its spirit quality remains at the highest levels.

The group attributes its leading position to: (i) strong brand equity gained through brand building; (ii) targeted marketing; and (iii) local distribution network and, now a global reach to 116 countries.
Map showing EMI group's global reach:

MEG
Foreign sales of real estate products contributed approximately 17% and 18% of Megaworld's consolidated sales and revenues for 2024 and 2023. Foreign sales (see b.3. below) came from North America 25% (41% in 2023), Europe 68% (46% in 2023), Asia 4% (6% in 2023) and Middle East 3% (6% in 2023) through various brokers.

GERI has a broad market base that consists of end-users and investors. It targets the A and B markets with special niche products such as the integrated-tourism estates and integrated lifestyle communities with residential, commercial and leisure components. GERI's sales to foreign market accounted for 10% and 6% of GERI's consolidated real estate sales for the years 2024 and 2023, respectively.

ELI has minimal foreign sales.

Travellers
Based on Travellers' rated members (those members with gaming activity), the principal foreign market consistently contributing for 2024 were from East Asia and Southeast Asia. In addition to these, foreign guests in NWR hotels came from United States, China, Korea, Singapore, Thailand, Japan, Canada, Malaysia, Taiwan and Australia.

Pik-Nik
Pik-Nik products are being sold locally in USA and exported to other countries. The domestic volume in the USA depleted 9% due to lost sales from several customer accounts including distributors, wholesalers and private label. International sales outside the USA on the other hand, increased 14%. Midwest is still the strongest market in the US, followed by Southeast, Texas and New England.

*b.3. **Distribution Methods***

EMI
EMI's products are distributed in at least 116 countries globally. Products are sold through general trade, modern trade, on-premise, self-owned stores and online platforms. Promotion strategy depends upon the brand and considers price, communication, and promotional activities.

EDI has a nationwide distribution network operated through sales offices and distribution outlets strategically located in the country that provides it with a distinct competitive advantage. EDI builds its on-premise sales operations to expand its market to hotels and restaurant businesses in the Philippines, given the expansion of its pouring brands and world class brands. EDI continues to adapt to the changes in purchasing behavior by making its products available on various e-commerce channels such as Lazada, Shopee and Panda Mart, among others. 'Emperador' has established international distribution to at least 60 countries outside the Philippines.

Bodegas Fundador has a small team that sells to distributors around the world. It partners with the best players in the distribution market, having long term agreements with country and regional wine and spirit distributors in place. EDI distributes 'Fundador' products in the Philippines, while Whyte and Mackay distributes them in UK and Canada. This combination assures a deep sell-out market presence around the world.

In 2018, the first Fundador Café was created in the Philippines which is located at Venice Grand Canal at McKinley Hill. It offers hot and cold drinks and blended ones infused with Fundador products and sweets with Harvey Bristol Cream variances.

In January 2022, Asia's first-ever brandy museum opened its doors in Iloilo City. It is an immersive museum where visitors will have a unique journey of senses through a faithful recreation of the Fundador bodega in Spain. The tour is capped at the museum I where guests can enjoy the barista's take on popular beverages spiked with Emperador Coffee Brandy

In 2024, the world's largest duty-free store, Hainan- China- created a landmark whisky museum. WMG's The Dalmore is proudly featured alongside examples of its peerless catalogue of rare releases.

In December 2022, the first outdoor liquor park of its kind in Asia opened in McKinley West in Taguig City, near Forbes Park. The 4,000sqm McKinley Whisky Park is bringing a whole new whisky experience to patrons through a curated selection of whisky products and concoctions, along with a wide array of food choices, games, and entertainment that could be enjoyed in an open-air setting.

The Davao Whisky Park was subsequently opened to offer consumers in the South the same excitement and luxurious experience enjoyed by its patrons in Manila.

The WMG business has a strong, international Route to Market. In UK, a dedicated sales team covers all trade channels and customers. It also has a dedicated Global Travel Retail team which manages its brands in a channel where WMG have a strong presence and that is critical for single malt whisky equity building and sales. In other markets Whyte and Mackay has established a network of distribution partners that represent the brands in each territory. The goal is to develop long-term partnership with a strong local distributor in every market, with selection based on strength and commitment in the channels offering the greatest opportunity in each market. In 2016, Whyte and Mackay appointed E&J

Gallo as their exclusive importer into the USA for certain key brands. In 2024, The Dalmore launched a Direct To Consumer channel via www.TheDalmore.com with a specially curated range to drive direct consumer engagement, as an additional channel to the direct Route to Market in the UK.

The Dalmore has subsequently launched flagship stores at the luxurious Rosewood Hotel in Cambodia and at Caleido in Madrid's financial district. These exclusive locations feature a programme of in-store events designed to engage consumers, media and VVIPs.

The Group focused on the different core positioning of each product range that have specific target consumers, using a combination of digital and traditional marketing approaches.

MEG

Megaworld's marketing approach focuses on brand positioning, customer engagement, and digital transformation, utilizing targeted campaigns, social media outreach, and high-impact advertising to highlight the convenience, sustainability, and long-term value of its developments. It also engages experiential marketing through exclusive properties previews, lifestyle events, and virtual showrooms, providing potential buyers and investors with an immersive experience of the Megaworld lifestyle.

It employs a multi-tiered sales approach, leveraging its in-house sales team, accredited brokers, and strategic partnerships to reach a broad customer base. It caters to local buyers, overseas Filipino workers (OFWs), and foreign investors by offering flexible payment terms, investment incentives, and personalized property consultation. To strengthen its global reach, Megaworld actively participates in international roadshows, online property listings, and digital sales platforms, ensuring seamless transactions for buyers worldwide.

Megaworld maintains its position as a leading real estate developer in the Philippines through data-driven marketing, customer-centric sales strategies, and continuous innovation, ensuring sustained demand for its properties while strengthening brand loyalty among its customers.

GERI promotes and markets its real estate products to a wide range of clients by its in-house marketing group and marketing subsidiary, Megaworld Global-Estate, Inc. ("MGEI"). Real estate products in GEPI and GEGDI developments are sold thru third party real estate brokers.

ELI markets its residential inventories, both pre-selling and ready-for-occupancy units, through its in-house sales teams and registered real estate sales persons, licensed real estate brokers and other external sales partners. It operates showrooms and exhibit booths in shopping malls, commercial centers and selected on-site projects.

With the real estate sector embracing digital transformation, ELI continues to enhance its marketing strategies by integrating both traditional and digital sales approaches. The post-pandemic landscape has reinforced the importance of hybrid sales techniques, wherein ELI combines in-person selling—such as leafleting, on-site presentations, and showroom manning—with aggressive online marketing. Supported by the Marketing Department, sales teams generate leads and close deals through targeted social media campaigns and digital advertising.

To streamline the home buying process, ELI has fully digitalized its reservation and documentation systems, offering virtual project presentations and seamless transaction platforms for clients. Its investment in digital marketing extends beyond social media, encompassing corporate and project-specific websites, online ads, and virtual condo tours. These efforts complement traditional out-of-home advertising such as billboards and print media placements, ensuring maximum visibility across various consumer touchpoints.

Travellers

NWR engages in direct relationship-based marketing, which is targeted at specific market segments. The marketing team focuses on market research, surveys, promotions and events that can drive visitations and convert them to returning guests. The sales team is responsible for sales revenues and channel performance. In addition, NWR advertises in various types of media both domestically and overseas, including television, radio, newspapers, magazines, social media and billboards to promote general market awareness.

NWR uses a mix of different channels to reach the specific targets on gaming, lifestyle, and entertainment, such as:

- Direct sales - that comprises of three levels to provide clients with full service: (i) traditional sales, (ii) a business development team and (iii) in-house VIP host services.
- Indirect sales through junkets – to source high-end players in different regions.
- Indirect sales through travel and tour operators – these accredited operators create group travel packages with discounts, to bring in guests in NWR as part of their itineraries, and in return, receive commissions.
- City shuttles - free, convenient, hassle-free shuttle transport for member-players and member-consumers to NWR. The key locations are Quezon City, Batangas, Manila, Taguig, Marikina and Laguna.

NWR uses a comprehensive membership management and customer database system.
NWR uses Dynamic Reporting System ("DRS"), a fully integrated real-time table games and slots monitoring system.

GADC
McDonald's products are sold through McDonald's restaurants nationwide. There are 792 restaurants nationwide as of end-2024, 56% of which are owned by GADC while 44% are franchised. Sixty-five new restaurants opened in 2024 across the country; while thirteen were permanently closed during the year. The highest concentration of McDonald's stores is in NCR, followed by the Southern Tagalog region. In most of its locations, McDonald's products can be ordered and delivered 24 hours a day through the "McDelivery" mobile app or "McDelivery" website "www.mcdelivery.com.ph" and through services from Grab Food, Food Panda and other third-party food aggregator apps. More than 76% of restaurants are open 24/7 (24 hours every day).

*b.4. **New Products Or Services***

The Group continuously pursues innovations to introduce new products or improve existing ones. The Group has supported its business growth through plant and store expansions, new construction projects and retail service amenities.

EMI

'Andy Player Extra Smooth Whisky', was launched in August 2024 which serves as an excellent entry drink to the world of whisky. It is currently making waves in the Visayas and Mindanao regions, targeting Gen Z drinkers who prefer a light and smooth beverage.

'The Dalmore Luminary No.2' was launched which includes a stunning glass sculpture that encapsulates the movement of the spirit within the stills at the Distillery.

'The Dalmore Distillery Select' was launched as a collection of three limited edition whiskies available exclusively via The Dalmore website, and boutiques.

'Fettercairn 200th Anniversary Collection' was created to mark the 200th Anniversary of the Distillery, and features six rare and very rare whiskies. Each whisky was selected to commemorate significant milestones in the distillery's history. The set was presented in a hand-crafted case of Scottish Oak, produced by famed cabinet maker John Galvin. The collection is strictly limited to 10 sets, for the domestic markets.

'Invergordon' is a single grain whisky produced at Whyte & Mackay's whisky production facility in North Scotland. The brand was designed to be distinctive in the broader whisky/ey category and offered three aged statements: 14, 18 and 21 Year Old. It is currently available exclusively in the USA, where it has secured national distribution.

'Tamnavulin Port Cask Edition' was released offering notes of ruby and fruits. This new product innovation was aimed at the chain retail channel.

MEG

Paragua Sands Hotel is a 10-story hotel development and the second hotel development of Megaworld inside its 462-hectare Paragua Coastown ecotourism township in San Vicente, Palawan. Paragua Sands Hotel will offer 313 guest rooms and suites in varied layouts, ideal for tourists and travelers visiting the picturesque town of San Vicente. These rooms will feature varying views of the nearby mountains and the nearby Pagdanan Bay. It will sit right beside Savoy Hotel Palawan and Oceanfront Premier Residences, the first hotel and residential condominium developments rising inside the township. The hotel's façade will showcase gradient-colored balconies and walls with art murals inspired by modern contemporary art, which will further distinguish it from all the other surrounding developments.

ArcoVia Hotel is the second hotel development inside the ArcoVia City township in Pasig City. It is poised to rise as the tallest hotel development to date in Megaworld's portfolio that will feature views of the Metro Manila skyline and the Antipolo mountains. This 31-story hotel development that will offer 339 hotel suites will be located just across the Arco de Emperador and in front of the two-tower ArcoVia Palazzo and the 45-story 18 Avenue de Triomphe. ArcoVia Hotel will also feature a business center with workstations for those who need to squeeze in a bit of 'workcation,' as well as bike racks and charging stations and parking slots for electric vehicles at the basement parking floors in response to growing mobility platforms.

Mactan World Museum is a modern museum inside its 30-hectare
The Mactan Newtown in Lapu-Lapu City, Cebu. It will feature an extensive collection of historic pieces, curated by Dannie Alvarez, president, Alliance of Greater Manila Museums, Inc. (AGMMI) and former head of Committee on Museums of the National Commission for Culture and the Arts (NCCA). The museum will lend a visual retelling of the travel and arrival of Portuguese explorer Ferdinand Magellan and his crew in Mactan, his defeat against fearless tribal leader Lapu-Lapu, and the Hispanic heritage of the Manila Galleon trade. This collection highlights the friendship and rich cultural exchange between the Philippines and Spain during the past centuries.

San Benito Private Estate is a 25-hectare integrated active wellness township in partnership with the group that owns and operates the world-famous, multi-awarded The Farm at San Benito in Lipa, Batangas. It will be a low-density wellness community that offers residential village lots, low-rise residential condominiums, international brand hotel, sports and leisure hub, active adult center, community gardens, commercial shops inside an expansive nature park, as well as nature walk trails.

Ilocandia Coastown is an 84-hectare premium mixed-use beachfront township along the western coastline of Laoag City. It will feature upscale residential developments, a shophouse district, and a commercial district, as well as its own town center that will serve as an iconic focal point of the entire development, and is only around 15 minutes away from Laoag International Airport. It is strategically located just adjacent to the world-famous Fort Ilocandia Hotel and it is also less than 30 minutes away from the historic Paoay Church.

Saint-Marcel Residences is a Parisian-inspired 17-storey residential condominium development inside its 35.6-hectare Capital Town township in the City of San Fernando, Pampanga. Saint-Marcel Residences will offer 361 'smart home' units and will be surrounded by a vibrant commercial strip, a sprawling plaza, and a soon-to-rise transport hub, while also being just about a two-minute walk away from the township's sprawling rainwater park.

The Bellagio Palawan is the first upscale residential condominium development inside its Baytown Palawan township in Puerto Princesa, Palawan. The 12-story The Bellagio Palawan will offer 188 'smart home' condo units, featuring the latest wireless smart home systems that can be accessed remotely using a dedicated phone app.

Travellers

In 2024, the **Gordon Ramsay Bar & Grill**, a Gordon Ramsay brand, opened its first restaurant in the Philippines at Newport World Resorts which further cements Travellers' place as a global gourmet destination. This milestone partnership follows the rapid expansion of both brands in their respective fields.

GADC

The year 2024 focused on regaining guest counts amidst increased competition and tighter consumer spending. As such, McDonald's Philippines zeroed down on Value, particularly on *Sulit Busog* Meals and the McDonald's App. The new Sulit Busog Meals which offered a variety of filling meals at an affordable price of Php99 was launched in quarter 2 and has since then contributed to 12% of the PMIX. The McDonald's App, on the other hand, continued to grow its user base with rotating always-on deals, increasing its contribution to systemwide guest count to 11.8%.

Aligned with the Accelerating the Arches framework, McDonald's Philippines also committed to its core offers. After the product renovation of burgers and chicken in 2023, a bolder and creamier McCafé Iced Coffee was launched in third quarter.

Support for one of the biggest product platforms was sustained – communication for the bigger and better Chicken McDo continued and was endorsed by big names in the entertainment industry like Vice Ganda, Dingdong Dantes, Marian Dantes and SB19. Likewise, we drove flavor excitement with a Chicken McDo line extension (Sweet BBQ Glazed Chicken) paired with McFlurry limited time offers during the Christmas holiday.

Beyond core menu improvements, limited-time offers and promotions continued to drive menu excitement. The year began with the launch of Spicy Wings paired with Sprite PeaChee Fruit Fizz, followed by a variety of McNuggets flavors, including Classic Ranch, Cheesy Smoked Chili, Fiery Garlic Aioli, and Sweet Chili Plum. The McCafé line expanded with the introduction of Cereal and Toasted Coconut variants. To close the year, McDonald's introduced all-new McFlurry treats in the fourth quarter with Tiramisu and Hazelnut McFlurry.

The delivery channel maintained a competitive position in the e-commerce space through always-on programs across McDelivery and third-party aggregators such as foodpanda and GrabFood, resulting in positive guest count comps. Accessibility was further strengthened in the Drive-Thru segment, with the successful opening of 65 new Drive-Thru locations.

Last but not the least, with the goal of building stronger relationships with kids and families, the McDonald's Kiddie Crew Workshop returned during summer and was able to recruit almost 27,000 kids while the 2024 Stripes Run drew a record breaking number of almost 11,000 runners! Proceeds of Stripes Run were donated to the Ronald McDonald House Charities Philippines Read-to-Learn program, a program which aims to teach basic reading skills to public schools across the country.

*b.5. **Competition***

In general, the Group believes that the high quality of all the products it sells/offers can effectively compete with other companies in their respective areas of competition.

EMI

The group competes against established spirits companies. The principal competitive factors with respect to EMI's products include brand equity, product range and quality, price, ability to source raw materials, distribution capabilities and responsiveness to consumer preferences, with varying emphasis on these factors depending on the market and the product. EMI believes it has a track record of proven strength on these areas. Its ability to strengthen the selling power and premium image of EMI brands and to differentiate EMI from its competitors affects sales and profit margins. The Group believes it has a track record of proven strength on these areas.

The Philippine brandy market is dominated by 'Emperador' and 'Fundador', and 'Alfonso Brandy' which is being imported/distributed by Montosco Inc. With respect to gin, rum and other alcohol products, EMI primarily competes with other local gin and rum companies that also produce ready-to-serve alcoholic beverages as well as imported labels. The whisky segment in the Philippines is not well tapped at present, and EMI aims to revive this segment. EMI believes that its products are strongly positioned within their respective markets, as measured by market share and brand recognition. EMI believes its 'Emperador' brand is a status brand in the Philippines, and is associated with a certain level of success and sophistication that its potential customers aspire to. EMI believes that its range of well-established and highly recognized brands present significant barriers to new competitors, and are particularly important to its ability to both attract and maintain consumers.

The Fundador brands face strong competition in the Spanish market and internationally in the brandy and sherry businesses, among which are Osborne and Torres. In response, Fundador is strengthening its focus on international expansion as a strategic leverage to build more global brands. EMI aims to enhance its market presence and position Fundador as a leader in premium beverages worldwide. EMI management remains committed to monitoring market dynamics and competitor strategies to ensure we maintain and expand our competitive edge.

WMG, on the other hand, competes in the UK market and internationally. Competitors use brand strength together with price and product range to compete. The major Scotch whisky brand owners are Diageo, Pernod Ricard, William Grant, Edrington and Bacardi who are all materially larger than WMG. WMG can compete as they have differentiated brands in a fragmented Malt whisky market and their Blended Scotch brands are competitively priced. WMG management monitors market prices on an on-going basis and takes steps to safeguard the overall competitive position.

Pik-Nik

Pik-Nik is still the number one brand of shoestring potatoes in the US. A Philippine local brand, Oishi, has fielded string potato snacks from potato starch in the local market.

MEG

Megaworld operates in a highly competitive real estate industry in the Philippines, where it competes with local and international developers across multiple segments, including township development, residential, commercial, office, and hospitality. Megaworld pioneered the live-work-play township model, transforming urban development and solidifying its position as a leader in integrated, self-sustaining communities.

MEG competes with major property developers in investment, development, leasing and property management across Metro Manila and key provincial growth centers. Location, product quality, pricing, financing schemes, project execution, construction standards, brand reputation and customer service are the primary factors influencing competition in the real estate development business. MEG believes it holds competitive advantages in each of these categories due to its prime locations, innovative projects, high quality designs, flexible financing options, and strong after-sales services.

MEG attributes its strong residential sales to two main factors – (i) the popularity of its integrated townships and (ii) its consistent track record of launching over 800 residential buildings in the past two decades.

With respect to township developments, MEG considers Ayala Land, Inc. ("ALI") to be its primary competitor, with large-scale mixed-use estates such as Global City, Nuvali, and Vermosa. Other competitors include SM Prime Holdings, Inc. ("SMPH"), which develops expansive mixed-use districts like SM Seaside City in Cebu and the Mall of Asia complex in Pasay, as well as Robinsons Land Corporation ("RLC"), which has integrated communities such as Bridgetowne and Montclair Estate. Filinvest Land, Inc. is also a competitor in this space with developments such as Filinvest City in Alabang and City di Mare in Cebu.

Megaworld competes across various residential market segments, ranging from luxury developments to affordable housing. In the luxury and high-end segment, the Company competes with ALI's Ayala Land Premier, RLC's Robinsons Luxuria, and Federal Land's Grand Hyatt Residences. In the upper mid-market segment, competitors include ALI's Alveo Land, RLC's Robinsons Residences, and Rockwell land, while in the middle-income segment, Megaworld faces competition from ALI's Avida Land, SMPH's SMDC, RLC's Robinsons Communities, and DMCI Homes. In the affordable housing market, the Company competes with ALI's Amaia Land, 8990 Holdings' Deca Homes, and PHINMA Properties.

Megaworld is also a leading office space developer and landlord in the Philippines, particularly in the Business Process Outsourcing (BPO) sector, where it competes with ALI's Ayala Land Offices, SMPH's SM Offices, and RLC's Cyberscape buildings. In attracting multinational corporations and BPO firms. The demand for office space is driven by the country's strong outsourcing industry, and the ability to offer high-quality office developments with modern amenities, 24/7 accessibility, and strategic locations is crucial in securing tenants. Megaworld has successfully developed key business districts such as Eastwood City, McKinley Hill, McKinley West, Uptown Bonifacio, and Iloilo Business Park, strengthening its position in this sector. In the retail sector, Megaworld competes with the country's largest mall operators, including SM Supermalls, Ayala Malls, and Robinsons Malls. However, the Company caters to a distinct market by positioning its developments as lifestyle malls rather than a traditional large-scale shopping centers. Megaworld Lifestyle Malls are designed as integrated lifestyle destination that prioritize experience-driven retail, dining and entertainment within its townships. Unlike conventional enclosed shopping complexes, these malls feature open-air, pedestrian-friendly environments that seamlessly blend retail with leisure, creating a vibrant and engaging atmosphere for residents, office workers, and visitors.

In the hospitality and tourism sector, Megaworld faces competition from established hotel operators. Despite the competitive landscape, the Company continues to strengthen its position through its homegrown hospitality brands, including Richmonde Hotel, Belmont Hotel, Savoy Hotel, and Kingsford hotel. These hotels are strategically located within Megaworld townships and cater to a diverse range of travelers, including business professionals, leisure tourists, and event attendees.

One of Megaworld's key competitive advantages lies in its township development model, which it pioneered in the Philippines. Unlike traditional developers that focus solely on residential or commercial projects, Megaworld creates integrated urban communities where residents, workers, and visitors can seamlessly live, work, and enjoy leisure activities within a single development. While Ayala Land, SM Prime, and Robinsons Land have also ventured into township development, Megaworld remains at the forefront with its extensive portfolio of 35 townships and tourism estates covering 5,554 hectares across the country. The Company's ability to acquire large land parcels in strategic locations and transform them into self-sustaining communities has reinforced its leadership in this segment.

Despite the highly competitive landscape, Megaworld maintains its leadership position through several key strengths. It has one of the largest landbanks among Philippine developers, allowing it to sustain long-term growth and expand into new areas. Its township approach provides a holistic and convenient lifestyle experience, differentiating it from traditional real estate developments. With over three decades of experience, Megaworld has built a strong brand reputation for delivering high-quality projects that attract both end-users and investors.

GERI considers Ayala Land Premiere, Alveo, Filinvest Premiere, Landco and SM Prime among its significant competitors in its real estate development business. GERI competes with other developers in the acquisition of land or development rights to land in key growth areas in the country.

It aims to be the leading developer of integrated tourism and leisure estates in the Philippines. Its tourism projects are strategically located in Boracay and Laurel and Lian Batangas and Cavinti, Laguna and feature strategic master-planned communities integrated with resort amenities. GERI believes that its land bank, its real estate development experience, innovative real estate offerings and the solid financial backing of its parent, Megaworld Corporation, are its competitive advantages. Its massive land bank in tourist destinations such as Boracay Island, Laurel, Lian and Nasugbu, Batangas gives it a lead over its competitors and has enabled GERI to be a pioneer in master-planned integrated tourism developments.

ELI. Overall, what remain to be Empire East's competitive advantages are its price and payment terms, strategic locations, and innovative development concepts. These factors keep the ELI a strong player in the dynamic property industry.

Travellers

NWR competes with both Philippine and foreign owned hotels and resorts. With respect to the gaming business, competition comes from casinos operated by government and other private companies.

In particular, there are facilities already built by three developers other than NWR that have been granted licenses by PAGCOR in Entertainment City, all of which are already open to the public. These three other licensees are: Melco Resorts and Entertainment (Philippines) Corporation; Tiger Resorts, Leisure and Entertainment, Inc., Bloomberry Resorts Corporation. In addition, Westside City Integrated Resort is currently being developed in Entertainment City by the Company's co-Licensee, WCI.

While it has the first-mover advantage, NWR continues to develop other leisure and entertainment attractions to complement its gaming business expanding its hotel offerings by partnering with various international hotel brands, making its integrated resort a suitable family destination.

In addition, PAGCOR operates 9 gaming facilities across the Philippines and 33 satellite gaming facilities (which are smaller casinos and slots clubs). The Philippine gaming market also includes many other private casino and gambling operations, including seven licensed private casino operators in special economic zones ("Ecozones"). The Philippine gaming market is also comprised of other gambling competitors specializing in horse racing, cock fighting, lotteries, sweepstakes, online gaming operators and other smaller-scale gaming operators.

GADC
McDonald's restaurants compete with a large and diverse group of restaurant chains and individual restaurants that range from independent local operators to well-capitalized national and international QSRs and convenience stores. GADC considers Jollibee Foods Corporation as its main competitor. 'Jollibee', a home-grown brand with more restaurants nationwide than McDonald's, offers Filipino-influenced dishes of chicken, burgers, spaghetti, and other menu items. Another competitor is 'KFC', a global brand from USA whose most popular product is its Original Recipe fried chicken served with gravy, rice and side dishes. Other competitors include 'Popeye's', 'Mang Inasal', 'Wendy's', 'Kenny Rogers', 'Burger King', 'Shakey's' and 'Pizza Hut'. Since 2005, GADC had opened more than 500 new restaurants and initiated marketing campaigns such as new product launches, promotions, emotive advertising campaigns and value initiatives. It also embarked on digital transformation journey that aims to continuously innovate and provide an elevated omni-channel customer experience (dine-in, take-out, delivery, drive-thru). GADC competes on taste, food quality, price or value for money, safety, cleanliness, accessibility, convenience, and customer service.

b.6. ***Sources And Availability Of Raw Materials***

EMI
The principal raw materials for the manufacture of the alcoholic beverage products are grapes from the group's vineyards and other suppliers, wine, grain and malts, distilled neutral spirit, brandy distillates (made from grapes), and water. It also requires a regular supply of glass bottles and packaging materials. Raw materials are sourced from subsidiaries and third-party suppliers. All of the water for blending in the Philippine operations is sourced from two deep wells located in the Santa Rosa, Laguna manufacturing facility. The facilities in Laguna are located on top of one of the best fresh water supplies in the Philippines. There is also a filtration system for the water it uses at its Laguna facilities.

EDI sources its bottles from AWGI, which produces a majority of the new glass bottles while the rest are imported or sourced using recycled returned bottles. EDI sources final packing materials, such as carton boxes and closures, from at least three different suppliers. AWGI canvasses suppliers once a year to seek the most competitive prices for its raw materials. While terms for different suppliers vary, AWGI generally orders raw materials to meet its projected supply requirements for one year and prices are subject to review on an annual basis. For imported raw materials, new purchase orders for supplies are generally sought two months prior to the expiration of existing purchase orders. For raw materials sourced in the Philippines, orders are finalized one month before existing orders terminate. The number of suppliers for major raw materials varies based on their capabilities and compliance. In addition, major raw material suppliers typically maintain a warehouse in close proximity to the plant to cover possible delays in shipments and to prevent delivery interruptions.

For production facilities in Scotland, the UK is the major source of cereals and dry goods such as bottles, labels, closures and cartons while casks are sourced from the USA (previously used for bourbon maturation) and from Spain (previously used for sherry maturation).

For production facilities in Spain, grapes come from own vineyards and from third parties as needed. For Mexico, grapes are sourced from various suppliers and *aguardientes* from Spain, Chile, Argentina and Australia.

EMI has not experienced and does not anticipate any significant difficulty in obtaining adequate supplies of raw materials and dry goods at satisfactory prices under its supply arrangements. There have been recent disruptions in global supply chains that extended lead times but these do not have material adverse impact on operations. EDI, Whyte and Mackay and Bodegas Fundador have long term relationships with their suppliers to meet the current business requirements.

MEG

Megaworld ensures the steady supply of high-quality raw materials essential for its real estate developments through strategic sourcing and long-term partnerships with reputable local suppliers. It procures construction materials from trusted domestic suppliers to meet project specifications and maintain industry standards.

Megaworld follows a stringent procurement process that emphasizes cost efficiency, quality, and reliability. It implements a competitive bidding system, inviting multiple suppliers to participate in procurement tenders to secure the most cost-effective pricing while maintaining high standards. This process enables MEG to leverage its purchasing power, negotiate favorable terms, and ensure a consistent supply of materials for ongoing and future developments.

To mitigate potential supply chain disruptions, Megaworld maintains relationships with multiple suppliers and adopts strategic procurement practices, including bulk purchasing agreements and forward contracts. These measures help stabilize costs, ensure timely project execution, and optimize operational efficiency. It also conducts rigorous supplier evaluations and quality control assessments to ensure that all materials meet regulatory and industry standards.

In line with its commitment to sustainability, Megaworld prioritizes the use of environmentally friendly and responsibly sourced materials. It actively explores innovative construction methods, such as precast technology and energy-efficient building materials, to enhance sustainability while optimizing costs and construction timelines. Compliance with government regulations and industry standards governing the sourcing, transportation, and utilization of raw materials remains a priority, ensuring adherence to environmental and safety requirements.

The MEG Group has a broad base of suppliers from where it sources its construction materials and is not, and does not plan to be, dependent on any one or a limited number of suppliers. The group has no plans on being dependent on any one or a limited number of suppliers.

Travellers

Travellers has a large base of contractors and suppliers that provide construction, engineering and consulting services, and is not dependent on any one contractor or supplier. In 2024, the ten largest suppliers – Angel Singapore (Asia) Pte. Ltd, Joint Venture Audio Visual Lighting Inc., Royal Country Marketing, Fabtech International Corporation, Arjohn Chicken Enterprises, JC Seafoods Supply, Konsystek Builders, Inc., Pioneer Specialty Building Systems Inc., Conmaster Merchandising, and Excell Contractors & Developers, Inc.,- accounted for 27% of the total purchases for the year.

GADC

Suppliers for McDonald's products are engaged following the McDonald's Corporation’s global supply chain, which allows the purchase of food, beverages and restaurant supplies at competitive prices and quality consistent across all McDonald’s markets worldwide. McDonald's works with third-party quality assurance laboratories around the world to ensure that its standards are consistently updated and upheld. In addition, McDonald's works closely with suppliers not just for assured supply but encouraging innovation, best practices sharing and continuous improvement. GADC also contracts the services of third parties for its other food supplies. GADC procures the services of a supply distribution center that provides purchasing, warehousing, delivery and other logistical support for the requirements of all of the McDonald's restaurants in the Philippines. GADC develops product specifications and continually monitors supplies to ensure compliance with McDonald's standards.

Pik-Nik

Pik-Nik uses only fresh potatoes from California and Oregon, pure vegetable oil, the finest seasonings and never any preservatives. The suppliers of potatoes for Pik-Nik have two to seven-month contracts.

*b.7. **Customer Dependence***

The Group's businesses are not dependent upon a single or a few customers or tenants, the loss of which would not have a material adverse effect on the Company and its subsidiaries taken as a whole. There is also no customer that accounts for, or based upon existing orders will account for, 20% or more of sales.

*b.8. **Transactions With and/or Dependence On Related Parties***

The Company and its subsidiaries, in the ordinary course of business, engage in transactions with affiliates on an arm's length basis through transparent and ethical means. The Group strictly adheres to its policy that related party transactions are entered on terms comparable to those available from unrelated third parties and fair market value, with the goal of ensuring fairness and protecting best interests of the Group's stakeholders as well as preventing potential conflicts of interest. Inter-company transactions between and among the Company and its subsidiaries are eliminated in the consolidation process and thus are no longer reflected in the consolidated financial statements. These primarily consisted of the following:

- Cash advances for financial requirements. Entities within the Group obtain advances from time-to-time from the parent and/or other entities and associates for working capital or investment purposes. There are also certain expenses that are paid in behalf of other entities.
- Lease of manufacturing facilities. AGI leases the glass manufacturing plant property to AWGI.
- Lease of parcels of land.
- Lease of office spaces. MEG and MREIT leases out office and parking spaces to AGI, subsidiaries, and affiliates, while Empire East leases out warehouse facility to EMI subsidiary.
- Purchase and sale of real estate, services and rentals. Real estate properties are bought or sold based on price lists in force with non-related parties. Services are usually on a cost-plus basis allowing a margin ranging 20%-30%. Commissions for marketing services are based on prevailing market rates.
- Purchase and sale of raw materials, finished goods and services. These are done arm's length between subsidiaries in the normal course of business and settled through cash.
- Supply of glass bottles. AWGI supplies the new bottle requirements of EDI.
- Receivables from subsidiaries/franchisees. GADC supplies restaurant equipment, food, paper and promotional items to all franchisees at normal market prices through a third-party service provider.

Major related party transactions have been disclosed in Note 30 to the Audited Consolidated Financial Statements appearing in this report.

*b.9. **Licenses, Trademarks, Franchises***

In the Philippines, certificates of registration of trademarks issued by the Philippine Intellectual Property Office prior to the effective date of the Philippine Intellectual Property Code in 1998 are generally effective for a period of 20 years from the date of the certificate, while those filed after the Philippine Intellectual Property Code became effective are generally effective for a shorter period of 10 years, unless terminated earlier.

EMI

EDI owns registered trademarks which are of material importance to the success of its business since they have the effect of developing brand identification and maintaining consumer loyalty. 'EDI's principal trademark is 'Emperador', which it purchased from Condis in 2007, in addition to associated patents, copyrights and goodwill and bottle designs for its brandy products. Its trademark for 'Emperador' has a fresh period of ten years expiring in 2025 after its renewal in 2015 with the Philippine Intellectual Property Office ("**Philippine IPO**"). It also registered the trademark for 'The BaR' flavored alcoholic beverage products in 2008, while the trademark for 'Emperador Deluxe' was registered with the Philippine IPO in 2015 for a period of ten years. The new Andy Player trademark is registered in 2015 for a period of ten years.

EDI trademarks for its brands, Emperador Brandy, Andy Player, The BaR and Zabana, are also registered in more than 30 countries, including, the European Union, USA, Canada, Australia, Japan, Vietnam, Taiwan, Hong Kong, Indonesia, Singapore, Laos, Cambodia, and Myanmar.

Whyte and Mackay owns approximately 800 trademarks worldwide, which include trademarks for its products: ‘The Dalmore’, ‘Isle of Jura’, ‘Whyte & Mackay’, ‘Shackleton’, ‘Tamnavulin’, ‘Glayva’, ‘Claymore’, ‘John Barr’ and ‘Cluny’ brands.

GES owns 9 registered trademarks in Spain and BFSL around 850 registered trademarks worldwide for its brands ‘Fundador’, ‘Tres Cepas’, ‘Terry Centenario’ and ‘Harveys’.

On January 19, 2017, GES acquired trademarks of well-known brands ‘San Patricio’, a dry Fino Sherry, and ‘Espléndido’ brandy. In 2017, DBLC acquired trademarks in two main geographies, Mexico and Spain. Registered in Mexico are trademarks for brandies ‘Presidente’, ‘Don Pedro’ and ‘Azteca de Oro’, wines and canes in Mexico and brandies in USA; and in Spain are trademarks for brandies ‘Brandy Domecq’ and ‘Don Pedro’ in Brazil and Colombia and sherry wine in Benelux.

Trademarks are typically renewed every 10 to 20 years cycles, depending on the validity term of the particular trademark.

MEG

Megaworld owns the registered trademark over its name and new logo which was registered on 7 November 2019 and is valid until 7 November 2029. Megaworld has 107 registered trademarks over the names of its development projects. GERI has trademark registrations and/or applications for its corporate name and key projects. Although the brand is important, Megaworld and its subsidiaries do not believe that their operations or its subsidiaries' operations depend on any trademarks or any patent, license franchise, concession or royalty agreement.

Travellers

Travellers holds a PAGCOR license to operate casinos and engage in gaming activities in two sites – in Newport City (Site B) where NWR is situated, and in Entertainment City (Site A) where Westside City is being developed. The term of the license is co-terminus with PAGCOR’s franchise which will expire on July 11, 2033 and shall be renewed subject to the terms of the PAGCOR charter.

On March 18, 2013, **Westside City Inc.** (“WCI”) entered into a deed of accession (the Deed of Accession), which was accepted, agreed and consented to by PAGCOR. Pursuant to the Deed of Accession, WCI acceded to the rights, title, interests and obligations of Travellers under the Provisional License and other relevant agreement with PAGCOR. Accordingly, PAGCOR recognized and included WCI as a co-licensee and co-holder of the Provisional License and other relevant agreements.

Further, on June 10, 2013, Travellers and WCI entered into a cooperation agreement (the Cooperation Agreement) which designates the parties’ respective rights, interests and obligations under the Provisional License and other relevant agreements. Specifically, the parties agreed that WCI would have all the rights and obligations under the Provisional License with respect to Site A (Westside City) and that Travellers would have all the rights and obligations with respect to Site B (Newport City).

Accordingly, on June 28, 2013, PAGCOR issued an Amended Certificate of Affiliation and Provisional License certifying Travellers and WCI as co-licensees and co-holders of the Provisional License and other relevant agreements. On 23 September 2014, Travellers subscribed to common and preferred shares in WCI making it the effective owner of ninety five percent (95%) of WCI.

Travellers also has a non-exclusive non-transferable right and license within Metro Manila to the use of Marriott trademarks for hotel services and other related goods and services offered in connection with the hotel.

It has registered trademarks over “Passion,” “Newport Performing Arts Theater,” “Grand Opera House,” “Grand Opera House Manila,” “Ginzadon,” “Newport Performing Arts Theater Bar,” “The Terrace,” “Laugh Laff Fun,” “Musikat Records,” “Oak Tree Inn,” “The Grand Theatre of Manila,” “Chill,” “Grand Fiesta Manila,” “The World of Luck,” “Franks Craft Beers Manila,” “Westford Inn,” “Full House Theater Company,” “Victoria Harbour Cafe,” “Westside City,” “Westside Theatre,” “Herald Theatre,” “Fortissimo Theatre,” ”Galaxy Theatre,” “Excelsior Theatre,” “Diamond Theatre,” “Apollo Theatre,” “Bohemia

Theatre," "Crown Theatre," "OPPA Original Pilipino Performing Arts," "House Manila," "Front Row Theatre Management," "Silogue All Day Pinoy Comfort Food," "The Grand Bar and Lounge," "El Calle," "El Calle Food and Music Hall," "Newport Garden Wing," "Newport Grand Wing," "Silk Road Southeast Asian Cuisine," "Brain Boost Coffee Energy In A Cup," "Port Bar," "Kusina Sea Kitchens," "Freestyle Pool Bar," "Vega Pool Club," "Limitless," "BOLAhan," "Eats-a-wrap," "Horizon Center," "Hua Yuan Brasserie Chinoise," "Madison Lounge & Bar," "Casa Buenas," "Make Each Moment Count," "Delishvery," "The L.O.V.E. Project," "Pinas Muna Tayo," "Frontliners Month," "Garden Wing Café," "Good News Muna," "The Exclusive Store," "Vubble," "Ktalks," "Unabakuna," "Jardin Garden Club," "Newport Parklet," "Thirllmakers Marketplace," "Good Jab," "ILOVEarth," "K-walks," "Newport World Resorts," "Newport Mansion," "Lucky Bites," "Level App," "The Whisky Library," "Grand Slots Club," "Children of Newport World Resorts Foundation," "Newport World Resorts Foundation Inc.," "KTALK," "ILovEarth," "Play On @ NWR," "Play On Online Gaming," "Game On @ NWR," "Grand Club," "Fun Fiesta Jackpot Newport World Resorts," "Newport World Resorts Manila Millions Poker," "GTM Grand Theater Manila," "World Slots Online," "World Table Online," and their related devices which will expire on various dates in 2024-2031, and are renewable thereafter.

GADC
GADC has non-exclusive rights as a franchisee to use and adopt the McDonald's intellectual property in the Philippines, including trademarks, service marks, patents, copyrights, trade secrets and other proprietary information, some of which, including the trademarks for "McDonald's," the golden arches logo, Ronald McDonald and "Big Mac." The multi-unit franchise agreement contains provisions regulating GADC's use of such trademarks in accordance with McDonald's Corporation's franchise system. Following the expiration of the previous franchise term, GADC was granted a new 20-year franchise term with effect from 17 March 2025 under the multi-unit franchise agreement with MCD. It provides for a royalty fee based on a certain percentage of gross sales from the operations of all Company's restaurants, including those operated by the franchisees. Individual license arrangements granted to sub-franchisees generally include a lease and a license to use the McDonald's System with a provision that it is subject to the expiration or early termination of the master franchise agreement.

b.10. ***Government Approval Of Principal Products Or Services***

EMI
Philippine local government legislations require a license to sell alcoholic beverages and prohibit the sale of alcoholic beverages to persons under 18 years of age or within a certain distance from schools and churches.

Advertising and marketing of alcoholic beverages are regulated by the **Ad Standards Council ("ASC"),** the advertising industry body in-charge of screening and regulating content of advertising materials across all medium. EMI strictly follows the alcohol advertisement regulations issued by the ASC, in advertising its products in all platforms. EMI ensures that its communications target only those of legal drinking age and advocates to its consumers that EMI's high-quality products should be enjoyed responsibly.

Approvals from the **Food and Drug Administration** ("**FDA"**) are required before EMI can manufacture a new product. In addition, all new products must be registered with the BIR prior to production.

The recently implemented Ease of Doing Business and Efficient Government Service Delivery Act of 2018 or RA No. 11032, will have a positive impact on the amount of time it takes to acquire Licenses to Operate, Certificates of Product Registration, and any other permits and registrations relevant to the business which it will receive from the FDA. The maximum period set by this law for all government agencies is twenty (20) working days for "applications or requests involving activities which pose danger to public health, public safety, public morals, public policy, and highly technical application" with one extension allowed, if the same is provided for in the citizen's charter of the relevant government agency.

The Group is in compliance, and not aware of any material deviation, with all applicable regulatory, environmental, health and safety regulations. All the products are registered and approved by FDA. EMI monitors compliance of all stages of its production process with pertinent hygiene practices to ensure the high quality of its finished products. The Biñan Laguna production plant has been issued with a Good Manufacturing Practice ("GMP") certificate from the FDA on June 2, 2021(valid until October 3, 2025), while the Santa Rosa Laguna production plant received its GMP certificate on April 19, 2022 (valid until June 6, 2026).

WMG has an environmental policy which commits it to ensure that its activities are conducted in ways which comply with the law and, so far as is reasonably and commercially practicable, do not harm the environment. Its five distilleries and associated warehouses are extensively regulated under Customs and Excise licenses and regulations, Environmental Agency regulations on water abstractions, effluent discharges, air emissions and Health and Safety legislation.

Whyte and Mackay is in compliance, and not aware of any material deviation, with all applicable regulatory, environmental, health and safety regulations.

Bodegas Fundador has a firm commitment to guarantee the transformation and care of our planet based on respect for a sustainable economy, a lasting environment and a fair society. It is aware that its raw materials come from nature and its processes can result in environmental impacts on soil, water and air. Its activities would not be feasible without the support of the environment in which it operates and therefore consider it necessary to preserve the environment for its business to be viable long term. By that, it is its main interest to take care and respect the environment as one of the pillars of its business culture.

Bodegas Fundador builds this business culture in systems of management that constitute the unifying axis from which it articulates a process of continuous improvement in key business aspects: the safety and health of employees, with the standard ISO 45001,, quality of products with the standard ISO9001, and the environment with the standard ISO14001, corporate social responsibility with IQnet SR10, food safety with three of the most demanding standards in the industry, FSSC 22000, IFS and BRC food safety management systems, providing consumers assurance that our products are made under the strictest of quality controls that guarantee safety, accumulating more than 20 years of experience in these standards.

Bodegas Fundador implements its own Lean Management program, a model of management born in Japanese automation industry, whose results have been such that the model has finished transcending the barriers of this industry to other sectors of activity with equally successful outcome. Through the implementation of Lean program, it gets continuous and sustainable improvement in (among others) aspects such as safety and health, quality, the environment, the commitment of employees, team work or the efficiency of the processes, which synergize with other management systems mentioned above.

MEG
Various government approvals need to be secured as part of the normal course of business, such as Environmental Compliance Certificate, development permits, license to sell, among others.

A barangay clearance and development permit from the local government unit ("**LGU**") must be secured before commencing land development works. Before the start of structural construction activities, a building permit must be secured from the LGU. A Certificate of Registration and a License to Sell, both from the **Department of Human Settlements and Urban Development** ("**DHSUD**"), must be secured before launching any selling activities. All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with and approved by the DHSUD and the relevant LGU of the area where the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans, which affect significant areas of the project, such as infrastructure and public facilities, also require prior approval of the relevant government body or agency.

Subdivision or condominium units may be sold or offered for sale only after a License to Sell has been issued by the DHSUD. As a requisite for the issuance of a License to Sell by the DHSUD, developers are required to file with the DHSUD surety bond, real estate mortgage or cash bond to guarantee the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with the applicable laws, rules and regulations. Real estate dealers, brokers and salesmen are also required to register with the DHSUD before they can sell lots or units in a registered subdivision or condominium project. Real estate brokers are required by DHSUD to take licensure examinations and attend continuing professional education programs.

Project permits and Licenses to Sell may be suspended, cancelled or revoked by the DHSUD, by itself or upon a verified complaint from an interested party, for reasons such as non-delivery of title to fully-paid buyers or involvement in fraudulent transactions. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with the DHSUD's rules of procedure and other applicable laws.

The MEG Group routinely applies for regulatory approvals for its projects and some approvals are pending. No existing legislation or governmental regulation, and the group is not aware of any pending legislation or governmental regulation that is expected to materially affect its business.

The MEG Group complies with all regulations applicable to the development and sale of its projects.

Travellers

NWR operates its gaming activities through the license granted by PAGCOR, a government-owned and controlled corporation, which was granted the franchise to operate and license gaming casinos, gaming clubs and other similar recreation or amusement places, gaming pools, whether on land or sea, within the Philippines. The franchise of PAGCOR was extended for another 25 years after July 11, 2008, its original term.

The activities and operations of NWR are closely monitored by PAGCOR Monitoring Team (PMT) which maintains an office inside NWR where officials are stationed 24 hours a day. Travellers is in continuous close coordination with PAGCOR regarding compliance with its gaming concession and all applicable Philippine laws. It is also required to provide periodic reports to PAGCOR.

Shopping malls are regulated by the local government unit of the city or municipality where the shopping mall is located. Retail stores in shopping malls must secure a business permit before operating and must comply with the fire safety provisions and other applicable local ordinances. Operators of restaurants and other food establishments in shopping malls must also obtain a sanitary permit from the same local government unit where the shopping mall is located.

The operation of hotels is regulated by the Department of Tourism. NWR's hotels, Marriott Hotel Manila, Holiday Inn Express Manila Newport City, Sheraton Manila Hotel, Hilton Manila, Hotel Okura Manila and Courtyard by Marriott Iloilo have each been granted a Certificate of Accreditation by the Department of Tourism.

GADC

There are no special government approvals necessary for new food products apart from the standard Department of Trade and Industry permits for customer promotions.

b.11. ***Effect Of Existing Or Probable Government Regulations***

Value Added Tax is a business tax imposed and collected from the seller in the course of trade or business on every sale of properties (real or personal), lease of goods or properties (real or personal) or rendering of services. It is an indirect tax, thus, it can be passed on to the buyer. Current rate is 12% of net retail/sale price or service revenue.

On December 17, 2017, ***Republic Act No. ("RA") 10963***, known as the ***Tax Reform for Acceleration and Inclusion*** **("TRAIN Law")** was approved effective January 1, 2018. One of the amendments introduced is the lowering of threshold amount for VAT on sale of residential lot and sale of house and lot. Sale of residential lots with gross selling price of ₱1.5 million or less, and residential house and lots with gross selling price of ₱2.5 million or less are not subject to VAT; provided that beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers, sale of real property utilized for socialized housing as defined by RA No. 7279, sale of house and lot, and other residential dwellings with selling price of not more than P2 million.

On March 26, 2021, ***Republic Act No. ("RA") 11534***, known as the ***Corporate Recovery and Tax Incentives for Enterprises Act*** **("CREATE Act")** was approved effective April 11, 2021. It introduced reforms to corporate income tax and incentives system, with significant ones retroactive to July 1, 2020. The Group considered this as a non-adjusting event and did not adjust the 2020 financial statements in accordance with the Act's provisions, but the impact was taken up in subsequent periods. The major provisions include, among others:

- Reduction in income tax rate to 25% (from 30%) effective July 1, 2020 for domestic and foreign-resident corporations;
- Reduction in income tax rate to 20% for corporations with net taxable income not exceeding P5million and with total assets not exceeding P100million, excluding land where business office, plant and equipment are situated;
- Reduction in minimum corporate income tax to 1% (from 2%) from July 1, 2020 until June 30, 2023;
- Reduction in interest expense pairing to 20% (from 33%) of interest income subjected to final tax;
- Tax exemption of dividends received from foreign corporation provided that such funds are reinvested in business operations (working capital, capital expenditures, dividend payments, investment in domestic subsidiaries, infrastructure project) of the domestic corporation in the Philippines within the next taxable year, provided further that the domestic corporation directly holds at least 20% of outstanding shares of the foreign corporation for a minimum of two years at time of dividend distribution.
- The amendments to VAT-exempt sales of real properties under Section 109(1)(P) of the NIRC was vetoed by the President of the Philippines. As such, the changes to said provision from Republic Act No. 10963 or the “Tax Reform for Acceleration and Inclusion (TRAIN)” remained. Beginning January 1, 2021, the VAT exemption shall only apply to sale of real properties not primarily held for sale to customers or held for lease in the ordinary course of trade or business; sale of real property utilized for socialized housing as defined by Republic Act No. 7279, and sale of house and lot, and other residential dwellings with selling price, per Rev. Regs. No. 8-2021 issued on June 11, 2021, of not more than Php3,199,200.

EMI

Philippine local government legislations require a license to sell alcoholic beverages and prohibit the sale of alcoholic beverages to person under 18 years of age or within a certain distance from schools and churches. In addition, approvals from the FDA are required before the Company can manufacture a new product. In addition, all new products must be registered with the BIR prior to production.

In addition to VAT, the alcohol products which are manufactured in the Philippines for domestic sales or consumption, including imported items, are subject to excise taxes. The brandy products which are produced from locally processed distilled spirits from the juice, syrup or sugar of the cane are levied an excise tax on per proof liter. [A proof liter is a liter of proof spirits, which are liquors containing one-half of their volume of alcohol with a specific gravity of 0.7939 at 15ºC].

RA No. 11467 was signed into law on January 22, 2020 and takes effect on January 1, 2020. Pursuant to R.A. No. 11467, excise taxes on distilled spirits shall be levied, assessed and collected as follows:

a. Effective on January 1, 2020:

- An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
- In addition to the ad valorem tax, a specific tax of P42.00 per proof li.

b. Effective on January 1, 2021:

- An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
- In addition to the ad valorem tax, a specific tax of P47.00 per proof li.

c. Effective January 1, 2022:

- An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
- In addition to the ad valorem tax, a specific tax of P52.00 per proof li.

d. Effective January 1, 2023

- An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and In addition to the ad valorem tax, a specific tax of P59.00 per proof liter.

e. Effective January 1, 2024

- An ad valorem tax equivalent to 22.0% of the net retail price (excluding the excise tax and VAT) per proof; and
- In addition to the ad valorem tax, a specific tax of P66.00 per proof li.

f. Effective January 1, 2025, the specific tax of P66.00 per proof liter shall be increased by six percent (6%) every year thereafter, while the ad valorem tax shall remain the same.

Medicinal preparations, flavoring extracts, and all other preparations, except toilet preparations, of which, excluding water, distilled spirits form the chief ingredient, are subject to the same tax as the chief ingredient.

The tax shall be proportionally increased for any strength of the spirits taxed over proof spirits, and the tax shall attach to this substance as soon as it is in existence as such, whether it be subsequently separated as pure or impure spirits, or transformed into any other substance either in the process of original production or by any subsequent process..

The net retail price shall mean the price at which the distilled spirits is sold on retail in at least five (5) major supermarkets in Metro Manila, excluding the amount intended to cover the applicable excise tax and the value-added tax. For distilled spirits which are marketed outside Metro Manila, the net retail price shall mean the price at which the distilled spirits is sold in at least five (5) major supermarkets in the region excluding the amount intended to cover the applicable excise tax and the value-added tax. This shall initially be provided by the manufacturer through a sworn statement and shall be validated by the Bureau of Internal Revenue (BIR) through a price survey. The net retail price shall be determined by the BIR through a biannual price survey under oath.

The suggested net retail price means the net retail price (excluding excise tax and value-added tax) at which locally manufactured or imported distilled spirits are intended by the manufacturer or importer to be sold in major supermarkets or retail outlets in Metro Manila for those marketed nationwide, and in other regions, for those with regional markets. At the end of three months from the product launch, the BIR will validate the suggested net retail price of the new brand against the net retail price and determine the correct tax on a newly introduced distilled spirits. After the end of nine months from such validation, the BIR shall revalidate the initially validated net retail price against the net retail price as of the time of revalidation in order to finally determine the correct tax on a newly introduced distilled spirits.

Understatement of the suggested net retail price by as much as 15.0% of the actual net retail price results in the manufacturer's or importer's liability for additional excise tax equivalent to the tax due and the difference between the understated suggested net retail price and the actual net retail price.

Wines are levied, assessed and collected an excise tax of P50 per liter effective January 1, 2020, increasing by 6% every year thereafter. [Previously, specific tax rate increased by 4% every year from January 1, 2014.]

Republic Act 10963 or the ***Tax Reform for Acceleration and Inclusion ("TRAIN") Law***, which amends certain provisions in the Philippine Tax Code, took effect on January 1, 2018. Section 47 of the TRAIN Law, imposes an excise tax on sweetened beverages.

On July 25, 2018, ***Revenue Regulations (RR) No. 20-2018*** provided for the implementing rules and guidelines on the imposition of new taxes on sugar-sweetened beverages. Under RR 20-2018, sweetened beverages are defined as "non-alcoholic beverages of any constitution (liquid, powder, or concentrates) that are pre-packaged and sealed in accordance with the Food and Drug Administration standards that contain caloric and/or non-caloric sweeteners added by the manufacturers." For sweetened beverages that use purely caloric sweeteners, and purely non-caloric sweeteners, or a mix of caloric and non- caloric sweeteners, the tax rate per liter of volume capacity was P6. As for sweetened drinks using purely high fructose corn syrup or in combination with any caloric or non-caloric sweetener, the specific tax was P12 per liter.

The particular products covered by the new excise tax were the following: sweetened juice drinks; sweetened tea; all carbonated beverages; flavored water; energy and sports drinks; other powdered drinks not classified as milk, juice, tea, and coffee; cereal and grain beverages; as well as other non-alcoholic beverages that contain added sugar, while products using purely coconut sap sugar and purely steviol glycosides were exempt from the excise tax, as long as these “comply with the specifications as stated in the Philippine National Standard/Bureau of Agricultural and Fisheries Products Standards 76:2010 ICS 67.180 or latest updated standards.

EMI’s sweetened non-alcoholic products, Club Mix Lime Juice and Club Mix Apple Tea, are covered.

EDI currently substantially passed on to consumers and form part of the sales prices.

Brandy de Jerez Regulations

In Spain, the Andalusian Regional Department of Agriculture, Fisheries and Rural Development approved the Order dated October 26, 2023, which contains the new Terms of Reference for the Geographical Indication “Brandy de Jerez”, amended by the Order of March 26, 2024, replacing the former Order dated June 28, 2018. This regulation contains the technical specifications of the products, compliance with which, must be verified to enable use of the protected name. On the other hand, the new *Operational Regulation of the Regulatory Board of “Brandy de Jerez”* has been approved by an Order dated February 16, 2018 issued by the Andalusian Regional Department of Agriculture, Fisheries and Rural Development, replacing the former Order dated June 13, 2005. The Geographic Indication “Brandy de Jerez” is protected in the European Union, in accordance with its registration as a protected geographical indication, as per regulation *(EU) no. 2019/787* relating to the definition, description, presentation, labelling and protection of the geographic indication of spirit drinks.

The following EU Regulations amending Regulation (EU) 2019/787 have been adopted in 2021:

COMMISSION DELEGATED REGULATION (EU) 2021/1334 of May 27, 2021 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards allusions to legal names of spirit drinks or geographical indications for spirit drinks in the description, presentation and labelling of other spirit drinks

COMMISSION DELEGATED REGULATION (EU) 2021/1335 of May 27, 2021 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards the labelling of spirit drinks resulting from the combination of a spirit drink with one or more foodstuffs.

COMMISSION DELEGATED REGULATION (EU) 2021/1465 of July 6, 2021 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards the definition of allusions to legal names of spirit drinks or geographical indications for spirit drinks and their use in the description, presentation and labelling of spirit drinks other than the spirit drinks to which allusion is made

The following EU Regulations amending Regulation (EU) 2019/787 have been adopted in 2022:

COMMISSION DELEGATED REGULATION (EU) 2022/1303 of 25 April 2022 amending Regulation (EU) 2019/787 of the European Parliament and of the Council as regards the definition of and requirements for ethyl alcohol of agricultural origin.

In order to be considered a Brandy de Jerez, it must be made according to the methods set down by the Regulating Council. The area of production and ageing of Brandy de Jerez must be exclusively within the Sherry triangle, which is defined by the boundaries of Jerez dela Frontera, Sanlucar de Barrameda and El Puerto de Santa Maria, and bottling must be carried out exclusively in the wineries that are registered and authorized by the Regulating Council. Its production process is based on the solera system (seulo or floor) in oak butts previously seasoned with sherry. Different types of sherry give the brandy a different flavor. The traditional ageing system of criaderas (nurseries) and soleras (suelo or floor) must be used.

In Jerez, it is possible to use wine spirits of a higher degree of alcoholic content provided that the distillate or holandas does not exceed a maximum of the 50% of the alcoholic content of the finished product. The holandas must always represent 50% minimum of the final brandy. Brandy de Jerez can be classified into three categories as per its period of ageing:

1. Brandy de Jerez Solera – ageing for more than six months expressed in UBEs (Basic Ageing Unit)
2. Brandy de Jerez Solera Reserva - ageing for more than one year expressed in UBEs.

Brandy de Jerez Gran Reserva - ageing for more than three years expressed in UBEs.

Spanish Royal Decree 164/2014, of March 14, which establishes complementary rules for the production, designation, presentation and labeling of certain spirits.

Sherry Regulations

The Andalusian Regional Department of Agriculture, Fisheries, and Rural Development has approved the Order dated February 20, 2024, which contains the new specifications for the Protected Designation of Origin "Jerez-Xérès-Sherry." This regulation contains the technical specifications of the products, whose compliance must be verified in order to use the protected name.

The Protected Designation of Origin Jerez-Xeres-Sherry is protected in the European Union, in accordance with its registration as a Protected Designation of Origin, as per *regulation (EU) no 1308/2013* relating to establishing a common organization of the markets in agricultural products.

This Regulation (EU) 1308/2013 was amended in 2024 by: Regulation (EU) 2024/1143 of the European Parliament and the Council, dated April 11, 2024, regarding geographical indications for wines, spirits, and agricultural products, as well as guaranteed traditional specialties and optional quality terms for agricultural products, which amends Regulations (EU) No. 1308/2013, (EU) 2019/787, and (EU) 2019/1753, and repeals Regulation (EU) No. 1151/2012.

The *Delegated Regulation (EU) 2019/33* of the Commission, of 17 October 2018, which completes *Regulation (EU) No. 1308/2013* of the European Parliament and the Council, regulates applications for protection of appellations of origin, geographical indications and traditional terms of the wine sector, the opposition procedure, restrictions on use, amendments to the specifications, cancellation of protection, as well as labeling and presentation.

The *Delegated Regulation (UE) 2019/934* of 12 March 2019 compliments Regulation (EU) No 1308/2013 of the European Parliament and of the Council regarding cultivation areas where alcohol content can be increased, authorized oenological practices and restrictions on the production and preservation of vine products, the minimum alcohol percentage for by-products and their disposal, and publication of OIV files.

On December 8, 2023, the new European wine labelling regulation comes into force in accordance with Regulation (EU) 2021/2117 which amends the CMO (Regulation (EU) 1308/2013). It establishes as compulsory mentions the nutritional information on the physical and electronic label (except for the energy value, which must always be on the physical label) and the list of allergens, which must always be on the physical label.

Spanish excise duty

Total duty and excise tax payment made up about 60% of the average price of a bottle of brandy (which are in the range of more than 36º alcoholic degrees). For Spirits (less than 36º alcoholic degrees), taxes represent about 50% of the average price of a bottle. For Sherry Wines, we are in two ranges again, less than 15º alcoholic degrees on 20% of the final prices and higher on 23% of a final price of a bottle of Sherry Wine. These ratios were updated at the end of 2016 by the Spanish Government, at a 5% increase from 2015.

The regulations governing special taxes are *Law 38/1992*, of December 28, on Special Taxes and *Royal Decree 1165/1995*, of July 7, which approves the Regulation on Special Taxes.

By order *HAC / 998/ 2019*, of September 23,2019, the Spanish Ministry of Finance modified the accounting of products subject to Special Manufacturing Taxes, whose entry into force was on January 1, 2020 with extension until 31st December 31, 2020. On December 26, 2024, Order HAC/1505/2024 was published, which amends Order HAC/998/2019, regulating the obligation to keep accounting entries for products subject to Excise Duties. This amendment establishes that, for the first half of 2025, accounting entries may be made in accordance with the regulations in force until December 31, 2024.

On the other hand, Order *HAC/626/2020*, of 6 July 6, 2020, has modified the Order HAC / 1271 of December 9, 2019, has approved the rules of development of the provisions of article 26 of the Regulation of Special Taxes, approved by Royal Decree 1165/1995, of July 7, on the new fiscal seals planned for derived beverages (Brandy and Spirits) , whose entry into force has been on January 1, 2020.

Finally, Royal Decree 399/2021, of June 8 amends in its First Final Provision the Regulation on Excise Duties, approved by Royal Decree 1165/1995, of July 7. The first paragraph of letter a) of section 2 and section 11 are amended, and section 12 and the last paragraph of section 13 of article 26 of the Regulation of Excise Duties, approved by Royal Decree 1165/1995 are repealed: Placement of the seals in any visible place on the container in such a way that they cannot be reused and allowing the reading of the electronic security code that they incorporate, as well as the request for the electronic cancellation of the security codes for the deactivation of tax marks.

Amendment of the Food Chain Law
In 2021, the Spanish Food Chain Law has been amended by Law 16/2021 of December 14, in order to include the provisions of an EU Directive on unfair commercial practices in relations between companies in the agricultural and food supply chain. Among others, it requires from now onwards that the agreed price of the sale of products always covers production costs, to sign written contracts with regard to commercial transactions of more than 2,500 euros, broadens the catalog of prohibited unfair commercial practices and reinforces the sanctioning procedure.

Scotch Whisky Regulations 2009
In UK, the *Scotch Whisky Regulations 2009* (“SWR”) came into force on November 23, 2009, replacing the Scotch Whisky Act 1988 and the Scotch Whisky Order 1990. Whereas the previous legislation had only governed the way in which Scotch Whisky must be produced, the SWR also set out rules on how Scotch Whiskies must be labelled, packaged and advertised, as well as requiring Single Malt Scotch Whisky to be bottled in Scotland, labelled for retail sale, from November 23, 2012. The SWR made clear that Scotch Whisky must be wholly matured in Scotland (i.e., it may not be matured in any country other than Scotland). They also require that all maturation must take place in an excise warehouse or in another permitted place regulated by Her Majesty’s Revenue and Customs (“HMRC”). HMRC is appointed by the SWR as the competent authority for verification of Scotch Whisky.

Permitted place is defined in Regulation 4 of the SWR and includes any place to which spirits in an excise warehouse are moved for:

- Re-warehousing in another excise warehouse;
- Such temporary purposes and periods as HMRC allow;
- Scientific research and testing;
- Storage at other premises where under the Customs and Excise Acts goods of the same class or description may be kept without payment of excise duty; and
- Such other purpose as HMRC may permit.

It is only if all maturation of Scotch Whisky takes place under some form of HMRC control that they will be able to certify that the spirit is Scotch Whisky and, if any age is claimed, that the Scotch Whisky has been matured in the permitted size of oak casks for the period claimed.

The SWR also provide that the only type of whisky that may be manufactured in Scotland is Scotch Whisky. This is to prevent the existence of two “grades” of whisky in S–otland - one “Scotch Whisky” and the other “Whisky – product of Scotland”. This is to ensure protection of “Scotch Whisky” as a distinctive product.

Regulation 3(2) defines five categories of Scotch Whisky which must appear clearly and prominently on every bottle of Scotch Whisky sold:

1. Single Malt Scotch Whisky – a Scotch Whisky distilled at a single distillery (i) from water and malted barley without the addition of any other cereals, and (ii) by batch distillation in pot stills. From 23 November 2012, Single Malt Scotch Whisky must be bottled in Scotland.
2. Single Grain Scotch–Whisky - a Scotch Whisky distilled at a single distillery (i) from water and malted barley with or without whole grains of other malted or unmalted cereals, and (ii) which does not comply with the definition of Single Malt Scotch Whisky.
3. Blended Scotch–Whisky - a blend of one or more Single Malt Scotch Whiskies with one or more Single Grain Scotch Whiskies.
4. Blended Malt Scotch–Whisky - a blend of Single Malt Scotch Whiskies, which have been distilled at more than one distillery.
5. Blended Grain Scotch–Whisky - a blend of Single Grain Scotch Whiskies, which have been distilled at more than one distillery.

Regulation 8 of the SWR makes it compulsory for every Scotch Whisky to bear on the front of the bottle and on any individual packaging the category to which the Scotch Whisky belongs. The category must appear as prominently as other description of the Scotch Whisky.

It an offence to promote a Scotch Whisky as belonging to a category to which it does not belong. Regulation 6 of the SWR makes it illegal to label, package, sell or advertise any drink as “Scotch Whisky” or “Scotch” in such as way to suggest indirectly that the drink is Scotch Whisky when it does not qualify as such.

Regulation 7 of the SWR also makes it illegal to export any type of Scotch Whisky in an oak or other wooden cask. It is permitted to continue to export Scotch Whisky in bulk using inert containers such as appropriate plastic drums or steel containers.

However, Regulation 7 of the SWR also makes it illegal for Single Malt Scotch Whisky to be exported from Scotland other than in a bottle labelled for retail sale.

SWR provided added legal protection for the traditional regional names with Scotch Whisky production, ie ‘Highland’, ‘Lowland’, ‘Speyside’, ‘Campbeltown’, and ‘Islay’. These names can only appear on whiskies wholly distilled in those regions. A distillery name must not be used as a brand name on any Scotch Whisky which has not been wholly distilled in the named distillery. Labelling must not by any other means mislead consumers as to where the Scotch Whisky has been distilled. It is permissible to use other Scottish locality or regional names provided the Scotch Whisky has been entirely distilled in that place.

SWR maintain the long-standing rule on the use of age statements, i.e. the only age which may be stated is the age of the youngest Scotch Whisky in the product. When distillation or vintage year will be used, then only one year may be mentioned together with the year of bottling or age statement which must appear in the same field of vision as the year of distillation or vintage, and all of the whisky in the product must have been distilled in that vintage year.

There are a range of enforcement measures available for breach of the SWR from warning notices to criminal prosecutions. Provisions are also included for civil enforcement by interested parties.

UK excise duty
Prior to August 1, 2023, total duty and excise tax payment made up about 70% of the average price of a bottle of whisky, at a rate of £28.74 per litre of pure alcohol and so the Spirit Duty you paid on a 1 litre bottle of 40% ABV is 40% of £28.74, or £11.50. Effective August 1, 2023, the duty rate on spirits[9] was increased by 10.1%, the biggest hike in more than 40 years, to £31.64 per litre of pure alcohol, meaning that of the £15.22 average price of a bottle of Scotch Whisky, £11.40 is collected in taxation through duty and VAT. The tax burden on the averaged priced bottle of Scotch Whisky has risen from 70% to 75% *(Source: Scotch Whisky Association’s Newsroom articles in its website).*

In the Autumn Budget of October 2024, the Chancellor announced a further increase of 3.65% shall come into effect from February 2025 with duty per litre of alcohol for all products over 22% ABV being £32.79, and the tax burden to consumers at least £12 per bottle.

The Scottish Government has implemented a minimum price per unit of alcohol on product sold in Scotland[10]. In April 2024, the Scottish Parliament voted to keep minimum unit pricing and increase the minimum unit price from 50p to 65p per unit.

USA Tariffs
On October 18, 2019, the U.S. began to impose additional tariffs on certain products imported from the European Union (including the UK). In particular, Single Malt Scotch Whisky imported into the U.S. had to pay an import tariff in addition to the existing ones of 25% ad valorem, that is, 25% of the value of the product declared in customs.

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[9] *On March 3, 2024, Chancellor announced a duty freeze across all four alcohol categories until February 2025. Duty rate on spirits remains at current level of £31.64 per liter of pure alcohol, meaning of £15.63 ave. bottle price of Scotch whisky, £11.40 is collected in taxation through duty and VAT, a tax burden of 73%. Source: Scotch Whisky Association newsroom.*

[10] *On Mary 1, 2018, Scotland became the first country to implement minimum unit pricing for alcoholic drinks aimed to curb alcohol-related harms, and will end on April 30, 2024 unless Parliament votes to keep it. Source: mygov.scot ; gov.scot*

The US suspended tariffs on UK goods, including Scotch whisky, for four months starting March 4, 2021. In June 2021, a UK-U.S. deal on future aerospace subsidies was agreed which suspended the 25% tariff on single malt Scotch Whisky for a further five years.

In 2024, U.S. President Trump, has signaled the intention to introduce a 20% tariff on all imports (and 60% on imports from China). And on April 2,2025, U.S. President Trump, announced two new types of tariffs – a sweeping 10% tariffs on all imports, and the reciprocal tariffs on more than 60 trade partner-countries with USA (based on US trade deficit and their exports). European Union's imports to USA would face a reciprocal tariff of 20% while UK-made products would face a 10% import duty.[12] If imposed, whilst WMG would work with importers and distributors to minimize disruption, it would have an impact on our financial results.[13]

Commercial and Cooperation Agreement between the European Union and the European Atomic Energy Community, on the one side, and the United Kingdom of Great Britain and Northern Ireland, on the other side

The EU and the UK signed a commercial and cooperation agreement on December 24, 2020(the "**Commercial and Cooperation Agreement**"), in force on January1, 2021, in order to regulate their relationships due to the Brexit, with regard to trade of goods and services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fishing, coordination of social security, judicial cooperation and police in criminal matters, thematic cooperation and participation in European Union programs.

As of January 1, 2021, the UK leaves the Single Market and the Customs Union of the EU. As a result, it no longer benefits from the principle of the free movement of goods. Even with the new agreement in place, companies will face new trade barriers, which will lead to increased costs, new controls and will require adjustments to integrate supply chains from the EU and UK.

Both Parties have agreed to create an ambitious free trade area without tariffs or quotas applied to products, with regulatory and customs cooperation mechanisms, as well as provisions to guarantee a level playing field for open and fair competition, as part of a larger partnership economical. The provisions set out in the Agreement do not govern trade of goods between the EU and Northern Ireland, since these will be governed by the Protocol on Ireland and Northern Ireland included in the Exit Agreement of the UK *(Brexit)*.

In particular with regard to Bodegas Fundador pending applications for registered trademarks in the EU, as a result of Brexit, no corresponding UK rights will be automatically created from EU trademark applications, so it will be necessary to file a UK application.

Digital Markets, Competition and Consumers Act 2024

The Digital Markets, Competition and Consumers Act 2024 ("**DMCC Act**") came into force in 2024 to strengthen the enforcement of consumer protection law and introduce new consumer rights.

The DMCC Act will be relevant to WML to the extent it offers products directly to consumers, given its consumer protection focus. The DMCC Act amends and updates the list of commercial practices which are considered unfair in all circumstances, including falsely stating a product will only be available for a limited time and using content to promote a product where it has paid for the promotion without making that clear to the consumer. The DMCC Act includes new regulations related to subscription contracts but since we do not offer subscriptions to any consumers and there is no contemplation of us doing so in the future, many of the provisions are not relevant.

The DMCC Act enhances the CMA's enforcement powers by giving the CMA direct enforcement powers against businesses who do not comply with consumer protection law without requiring a court order including issuing directions and fines. The CMA can now impose penalties of up to 5% of the business's global annual turnover or £150,000 (whichever is higher) for a breach of an undertaking or 1% of a business's global turnover or £30,000 for providing false or misleading information to the CMA.

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[12] *KDKA News, April 8, 2025. www.cbsnews.com/Pittsburgh/news/trump-tariffs-europe-wine-scotch-whisky- Also, Money Watch updated April 3, 2025. www.cbsnews.com/news/which-products-most-affected-tariffs/*

[13] *BBC News, November 18, 2024, https://www.bbc.co.uk/news/articles/cz9x32eeegko.*

Additionally, the DMCC Act increases the threshold for a target's UK turnover from £70 million to £100 million as well as expanding the CMA's merger review powers. There is a new threshold for merger review where one party has (i) an existing 33% (or more) share of supply of goods or services in the UK and (ii) UK turnover exceeding £350 million, and another party has a "UK nexus" (it is registered in or carries on activities in the UK or supplies goods/services to UK customers). Previously, both the buyer and target must have overlapping UK activities or the target must have had substantial UK operations. This change expands the CMA's jurisdiction over transactions between non-competitors.

MEG
Presidential Decree ("PD") 957, RA 4726 and Batas Pambansa ("BP") 220 are the principal statutes which regulate the development and sale of real property as part of a condominium project or subdivision projects for residential, commercial, industrial and recreational purposes.

The Department of Human Settlements and Urban Development ("DHSUD") and the Human Settlements Adjudication Commission ("HSAC"), which were created pursuant to Republic Act No. 11201, are the administrative agencies of the Government which, together with local government units ("LGUs"), enforce the aforesaid laws relating to real estate development and sale, and have jurisdiction to regulate the real estate trade and business and/or adjudicate disputes relating thereto.

All subdivision and condominium plans for residential, commercial, industrial and other development projects are required to be filed with the DHSUD and the pertinent LGU of the area in which the project is situated. Approval of such plans is conditional on, among other things, the developer's financial, technical and administrative capabilities. Alterations of approved plans, which affect significant areas of the project, such as infrastructure and public facilities, also require the prior approval of the relevant government body or agency.

The development of subdivision and condominium projects can commence only after the relevant government body has issued the required development permit.

The issuance of a development permit is dependent on, among other things: (i) compliance with required project standards and technical requirements which may differ depending on the nature of the project and (ii) issuance of the barangay clearance, the DHSUD locational clearance, Department of Environment and Natural Resources ("**DENR**") permits and Department of Agrarian Reform ("**DAR**") conversion or exemption orders, as discussed below. A bond equivalent to 10% of the total project cost is required to the posted by the project developer to ensure commencement of the project within one year from the issuance of the development permit.

Developers who sell lots or units in a subdivision or a condominium project are required to register the project with and obtain a license to sell from the DHSUD. Subdivision or condominium units may be sold or offered for sale only after a license to sell has been issued by the DHSUD. As a prerequisite for the issuance of a license to sell by the DHSUD, developers are required to file with the DHSUD certain securities to guarantee the construction and maintenance of the roads, gutters, drainage, sewerage, water system, lighting systems, and full development of the subdivision or condominium project and compliance with the applicable laws, rules and regulations.

Project permits and licenses to sell may be suspended, cancelled or revoked for grounds such as involvement in fraudulent transactions, misrepresentation about the subdivision project or condominium project in any literature which has been distributed to prospective buyers. A license or permit to sell may only be suspended, cancelled or revoked after a notice to the developer has been served and all parties have been given an opportunity to be heard in compliance with applicable laws, rules and regulations.

On the other hand, the HSAC, which is an attached agency of the DHSUD, is tasked to adjudicate disputes relating to real estate developments, homeowners associations, and local and regional planning and zoning. The HSAC is vested with exclusive and original jurisdiction to hear and decide cases involving subdivisions, condominiums, memorial parks and similar real estate developments and transactions, homeowners associations, the implementation of the balanced housing development provision of Republic Act No. 7279, as amended, and laws and regulations being implemented by the DHSUD.
Further, ***RA No. 7279*** **("Urban Development Housing Act")**, as amended by ***RA No. 10884*** **("Balanced Housing Development Program Amendments")**, requires developers of proposed subdivision projects to develop an area for socialized housing equivalent to at least 15% of the total

subdivision area or total subdivision project cost and at least five (5%) of condominium area or project cost, at the option of the developer; within the same or adjacent regions, whenever feasible, and in accordance with the standards set by the DHSUD. Alternatively, the developer may opt to buy socialized housing bonds issued by various accredited government agencies or enter into joint venture arrangements with either the LGU or any of the housing agencies in socialized housing development.

RA 6552, *or* ***the Maceda Law*****,** was promulgated to protect real estate buyers on installment basis (including residential condominium units but excluding industrial and commercial lots) by giving the buyers a total of at least 60-day grace period within which to pay any unpaid installments without any interest. RA No. 6552 also requires the sellers of real estate to give the buyers a refund of at least 50% of total payments made should the sale be cancelled provided the buyers have paid at least two years of installments. RA No. 6552 covers the business of the Company as it applies to all transactions or contracts involving the sale or financing of real estate through installment payments.

Republic Act No. 9646 or the ***Real Estate Service Act of the Philippines,*** strictly regulates the practice of real estate brokers by requiring licensure examinations and attendance in continuing professional education programs. Real estate dealers, brokers and salesmen are likewise required to register and secure a certificate of registration with the DHSUD before they can sell lots or units in a registered subdivision or condominium project. The certificate of registration is renewed on a yearly basis

Pursuant to the ***Anti-Money Laundering Act of 2001*** ("AMLA"), as recently amended by ***Republic Act No. 11521***, which took effect on January 30, 2021, real estate developers ("REDs") are now covered institutions. Thus, REDs are now required to report covered and suspicious transactions to the AMLC within the period prescribed by the law and its implementing rules and regulations. For REDs, a covered transaction involves a single cash transaction involving an amount in excess of Php7,500,000.00 or its equivalent in any other currency. Suspicious transactions are as defined under the AMLA and under Republic Act No. 10168 or the Terrorism Financing Prevention and Suppression Act of 2012, and their respective implementing rules and regulations. REDs are required to file with the AMLC a Covered Transaction Report ("CTR") within five (5) working days from occurrence thereof, and a Suspicious Transaction Report ("STR") within the next working day from occurrence thereof.

Shopping malls are regulated by the local government unit of the city or municipality where the shopping mall is located. Shopping mall operators must secure a mayor's permit or municipal license before operating. Shopping mall operators must also comply with the provisions of ***RA No. 9514 or the Fire Code***, and other applicable local ordinances. Shopping malls that have restaurants and other food establishments as tenants must obtain a sanitary permit from the Department of Health. Shopping malls that discharge commercial wastewater must apply for a wastewater discharge permit from the DENR. As a tourism-related establishment, shopping malls may obtain accreditation from the Department of Tourism ("DOT"). A shopping mall can only be accredited upon conformity with the minimum physical, staff and service requirements promulgated by the DOT.

Hotels and resorts follow national accreditation standards as promulgated by the DOT under ***Memorandum Circular No. 2012-02*** in May 2012, pursuant to the Tourism Act of 2009. The Memorandum Circular adopts the star grading system, with five levels of accommodation standards which are equivalent to one to five stars. For instance, a one-star rating will be granted to hotels which achieve 251 to 400 points (25% to 40% of the standards) and a five-star rating will be granted to hotels which achieve 851 to 1,000 points (85% to 100%) of the standards. Once an application for accreditation is filed, the DOT sends an inspection team to conduct an audit of the establishment and determine compliance its classification. The Certificate of Accreditation issued by the DOT is valid for two years, unless sooner revoked. The rights over the accreditation are non-transferable.

Certain investment properties are registered with *PEZA*, and this provides significant benefits to tenants. PEZA requirements for registration of an IT park or building differ depending on whether it is located in or outside Metro Manila. These requirements include clearances or certifications issued by the city or municipal legislative council, the DAR, the National Water Resources Board, and the DENR. The PEZA is a government corporation that operates, administers, and manages designated special economic zones ("Ecozones") around the country. Ecozones are selected areas with highly developed or which has the potential to be developed into agro-industrial, commercial, banking, tourist/recreational, investment and financial centers. An Ecozone may contain any or all of the following: industrial estates, export processing zones, free trade zones, and tourist/recreational centers. There are several activities eligible for PEZA registration and incentives including, but not limited to, IT services, Tourism and Retirement activities. PEZA-registered enterprises located in an Ecozone are entitled to fiscal and non-fiscal incentives such as income tax holidays and duty free importation of equipment, machinery and raw materials. Retirement Ecozone developers/ operators and retirement Ecozone facilities enterprises are entitled to fiscal and non-fiscal incentives.

The Group routinely secures the required government approvals for its projects during the planning and construction and marketing stages of project development, including operations of its malls and leased properties. The MEG Group is not aware of any pending government regulation that is expected to materially affect its business. The MEG Group believes it has obtained the required government approvals relevant for each project at its current state of development.

Travellers
Republic Act No. 10927 was passed and became effective in July 2017 designating casinos as covered persons under ***Republic Act No. 9160 ("Anti Money Laundering Act")***, as amended. The Casino Implementing Rules and Regulations was issued by the Anti-Money Laundering Council ("AMLC") and Appropriate Government Agencies ("AGA") in October 2017. Casinos shall report to the AMLC all suspicious transactions as defined by law and single casino cash transaction (i.e., receipt or pay out of cash by and of a casino, paid or received by or on behalf of a customer, or such other cash transactions that may be determined by AMLC and the AGA) involving an amount in excess of Five Million Pesos (Php5,000,000.00) or its equivalent in any other currencies within five (5) working days, unless the AMLC prescribes a different period not exceeding fifteen (15) working days, from the occurrence thereof. In August 2018, casinos were required to submit covered and suspicious transactions to the AMLC following the effectivity of AMLC's Registration and Reporting Guidelines for Casinos. Casinos are likewise required to conduct customer due diligence (CDD) in accordance with **PAGCOR's CDD Guidelines for Land-Based Casinos** effective November 2018.

Travellers is subject to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues, as provided under the Provisional License Agreement with PAGCOR. Although the Bureau of Internal Revenue (BIR) issued *Revenue Memorandum Circular No. 33-2013* declaring that PAGCOR, its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended, the Supreme Court, on August 10, 2016, in *Bloomberry Resorts and Hotel, Inc. vs. BIR,* confirmed the legality of the aforesaid provision of the Provisional License subjecting NWR to 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues, when it affirmed that "exemptions granted for earnings derived from the operations conducted under the franchise specifically from the payment of any tax, income or otherwise, as well as any form of charges, fees or levies, shall inure to the benefit of and extend to corporation(s), association(s), agency(ies), or individual(s) with whom the PAGCOR or operator has any contractual relationship in connection with the operations of the casino(s) authorized to be conducted under this Franchise, so it must be that all contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos." This Decision has been affirmed with finality in the Supreme Court Resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the BIR. Consistent with the decision of the Supreme Court, last June 2018, PAGCOR advices that the Office of the Solicitor General issued a legal opinion stating that the tax exemption and imposition of 5% franchise tax in lieu of all other taxes and fees for gaming operations that was granted to PAGCOR extend to all PAGCOR contractees and licensees.

Travellers is registered with PEZA as a Tourism Economic Zone. Its PEZA-registered activities include the former Maxims Hotel, Newport Entertainment and Commercial Center, Marriott Hotel Manila, Holiday Inn Express Manila Newport City (formerly Remington Hotel), Marriott Grand Ballroom, Marriott West Wing, Hotel Okura Manila (formerly, Maxims II) and the Courtyard by Marriott Iloilo. As such, it is entitled to certain tax incentives. Hilton Manila and Sheraton Manila Hotel, through NWR's subsidiaries, are also included in Travellers' PEZA-registered activities.

GADC
***RA 10963*, known as the *Tax Reform for Acceleration and Inclusion* ("TRAIN")**, the first package of the comprehensive tax reform program ("CTRP") envisioned by Pres. Duterte's administration, seeks to correct a number of deficiencies in the tax system to make it simpler, fairer and more efficient. It took effect on January 1, 2018. Among its provisions is the imposition of excise tax on sugar-sweetened beverages ("SSB"), a measure meant to encourage consumption of healthier products to help promote a healthier Philippines. The products covered by the SSB excise tax under TRAIN are sweetened juice

drinks, sweetened tea, all carbonated or non-alcoholic beverages with added sugar, including those with caloric and non-caloric sweeteners, flavored water, energy drinks, sports drinks, other powdered drinks not classified as milk. This additional per liter cost of volume capacity for soft drinks and juice drinks prompted GADC to reevaluate pricing of certain products. Changes in consumer spending and further pricing re-alignments remain as possibilities going forward. GADC will continue to prioritize its value strategy.

Also , based on RR13-2018, the amortization of the input VAT shall only be allowed until December 31, 2021, after which taxpayers with unutilized input VAT on capital goods purchased or imported shall be allowed to apply the same as scheduled until fully utilized: Provided, that in the case of purchase of services, lease or use of properties, the input tax shall be creditable to the purchaser, lessee or licensee upon payment of the compensation, rental, royalty or fee.

Others

Republic Act No. 10667, otherwise known as the ***Philippine Competition Act*** was passed into law on July 21, 2015 and took effect on August 8, 2015. It is the first antitrust statute in the Philippines, enacted to attain a more equitable distribution of opportunities, income and wealth by enhancing economic efficiency; promoting free and fair competition in trade, industry and all commercial economic activities; preventing economic concentration and penalizing all forms of anti-competitive agreements. The law applies to any person or entity engaged in any trade, industry or commercial economic activity in the Philippines. Moreover, the law applies to international trade activities which have direct, substantial and reasonably foreseeable effects on the trade, industry or commerce in the Philippines. On March 21, 2016, the *Implementing Rules and Regulations* ("IRR") of RA No. 10667 was issued to set forth the guidelines for the implementation of the said law.

The Group takes into account the provisions of RA No. 10667 and ensures that its business decisions and operations are within the parameters set forth by the Philippine Competition Act and that its business objectives are aligned with the constitutional goals for the national economy.

RA No. 10173*, or the* ***Data Privacy Act***, was enacted in 2012 to protect personal information in the information and communications systems in both the government and private sectors. It aims to protect the right to privacy while promoting free flow of information for growth and innovation. This law is intended to provide parameters for the collection, processing, retention and disposal of personal data. The law also provided for the creation of the National Privacy Commission (NPC), the government agency mandated to administer and implement RA No. 10173 and to monitor and ensure the country's compliance with the international standards of data protection. In September 9, 2016, the Implementing Rules and Regulations (IRR) for RA No. 10173 was issued.

The law mandates that processing of personal data should, in all cases, adhere to the general data privacy principles of transparency, legitimate purpose and proportionality. Violation of the provisions of the law is subject to civil and criminal penalties, which may range from P500 thousand to P5.0 million in fines and eighteen months to six years imprisonment term. Personal data refers to both personal information and sensitive personal information. Personal information refers to any information that can identify or ascertain the identity of an individual, including name and image of the individual. Sensitive personal information refers to information which has material impact on the well-being of the individual, including personal information about an individual's race, ethnic origin, marital status, age, color, religious and political affiliations, health, education, genetic, sexual life, information related to any court proceeding involving the individual, information issued by the government agencies peculiar to the individual and other information which may be specifically established by a law to be classified.

On March 1, 2021, the National Privacy Commission (NPC) announced that the validity of existing Data Protection Officer (DPO) registrations of Personal Information Controllers (PICs) and Personal Information Processors (PIPs) is extended to June 30, 2021. The validity of existing registrations was previously extended from March 8, 2020 to August 31, 2020, and thereafter to March 7, 2021.

The Group is already compliant with RA No. 10173. It published its privacy policy and has implemented the necessary security measures to ensure the protection of the personal data that it is collecting and processing from its various stakeholders. Moreover, it is continuously working internally to monitor its compliance with RA 10173 and the rules, regulations and issuances of the NPC.

Republic Act (RA) No. 11595, otherwise known as ***An Act amending Republic Act No. 8762 or the Retail Trade Liberalization Act of 2000*** *or RTLA* which took effect on 21 January 2022. On 9 March 2022, the Department of Trade and Industry (DTI), in coordination with National Economic and Development Authority (NEDA) and the Securities and Exchange Commission (SEC), issued the Implementing Rules and Regulations (IRR) to RA 11595. The new law lowers the required paid-up capital for foreign retail enterprises and eases restrictions on foreign retailers to engage in retail trade in the country. Foreign retailer means a foreign national, partnership, association, or corporation of which more than forty percent (40%) of the capital stock outstanding and entitled to vote is owned and held by such foreign national, engaged in retail trade.

Some of the salient provisions introduced by RA 11595 are:
- It removed the categories under the RTLA and lowered the minimum paid-up capital requirements for foreign retailers. The minimum paid-up capital required of a foreign retailer is Twenty-Five Million Pesos (Php25,000,000.00). Further, the foreign retailer's country of origin must provide reciprocity to Filipinos.
- For foreign retailers having more than one (1) physical store, the new law decreased the minimum investment per store to Ten Million Pesos (Php10,000,000.00)
- Foreign retailers that prequalified prior to the effectivity of the new law whose foreign ownership exceeds eighty percent (80%) are no longer required to publicly offer thirty percent (30%) of their shares of stocks in the Philippines.
- Foreign retailers should determine the nonavailability of a competent, able, and willing Filipino citizen before engaging the services of a foreign national. Foreign retailers are also encouraged to have a stock inventory of products that are made in the Philippines.

Republic Act No. 11058 or the ***Occupational Safety and Health Standards Law*** was signed into law on August 17, 2018. It mandates employers, contractors or subcontractors and any person who manages, controls or supervises the work, to furnish the workers a place of employment free from hazardous conditions that are causing or are likely to cause death, illness or physical harm to the workers. It also requires to give complete job safety instructions or orientation and to inform the workers of all hazards associated with their work, health risks involved or to which they are exposed, preventive measures to eliminate or minimize the risks and steps to be taken in cases of emergency. An employer, contractor or subcontractor who willfully fails or refuses to comply with the Occupational Safety and Health Standards shall be administratively liable for a fine. Further, the liability of the employer, project owner, general contractor, contractor or subcontractor, if any, and any person who manages, controls or supervises the work, shall be solidary.

RA No. 9367, otherwise known as the ***Biofuels Act of 2006***, provides for the mandatory use of biofuels. RA No. 9367 mandates that there shall be a minimum 1% biodiesel blend and 5% bioethanol blend by volume in all diesel and gasoline fuels, being distributed and sold in the country, provided that the biodiesel and bioethanol blends conform to the standards set forth under the Philippine National Standards. In order to encourage investments in the biofuels industry, the government, in addition to applicable incentives and benefits under the existing laws, rules and regulations, provided for an incentive scheme which includes 0% specific tax on local and imported biofuels component per liter of volume, VAT exemption on the sale of raw material used in the production of biofuels, exemption from wastewater charges for water effluents for the production of biofuels and potential financial assistance from government financial institutions.

At present, the government, through the Sugar Regulatory Administration, Department of Energy, Bureau of Internal Revenue and Bureau of Customs, is working hand in hand with the private sector to further develop the biofuels industry, with the vision of producing enough biofuels for local and international distribution.

b.12. ***Research And Development***

While research and development is important to the Group, the amounts spent on regular research and development activities for the past three years have not amounted to a significant percentage of revenues. There are no new products or design being developed that would require a significant amount of the Group's resources.

b.13. ***Compliance With Environmental Laws***

All Philippine development projects, installations and activities located in areas surrounding the Laguna Lake are subject to regulatory and monitoring powers of the Laguna Lake Development Authority ("LLDA"). Since the glass plant and the brandy manufacturing complex are located in this area, permits to operate are being renewed with LLDA on a yearly basis.

Development projects that are classified by Philippine law as environmentally critical or projects within statutorily defined environmentally critical areas are required to obtain an Environmental Compliance Certificate ("ECC") prior to commencement. The DENR through its regional offices or through the Environmental Management Bureau ("EMB"), determines whether a project is environmentally critical or located in an environmentally critical area. As a requisite for the issuance of an ECC, an environmentally critical project is required to submit an Environmental Impact Statement ("EIS") to the EMB while a project in an environmentally critical area is generally required to submit an Initial Environmental Examination ("IEE") to the proper DENR regional office. In case of an environmentally critical project within an environmentally critical area, an EIS is required. The construction of major roads and bridges are considered environmentally critical projects for which EISs and ECCs are mandated.

Republic Act No. 11898 or the Extended Producer Responsibility (EPR) Act of 2022 lapsed into law on July 23, 2022, and amended Republic Act No. 9003 or the Ecological Solid Waste Management Act of 2000. It is an Act institutionalizing the extended producer responsibility on plastic packaging waste. Through EPR, "obliged enterprises," or through their Producer Responsibility Organizations, will have to recover or offset their generated plastic product footprint by 20 percent (20%) in 2023 to 80 percent (80%) by 2028. The EPR Law covers plastic packaging such as single or multi-layered plastics such as sachets, rigid plastic packaging products like food and drink containers, single use plastic bags, and polystyrene. Penalties for the non-compliance of EPR duties range from P5 million to P20 million, or "twice the cost of recovery and diversion of the footprint or its shortfall, whichever is higher".

In Scotland, WMG has an environmental policy which commits it to ensure that its activities are conducted in ways which comply with the law and, so far as is reasonably and commercially practicable, do not harm the environment. In Spain, Grupo Emperador considers it necessary to preserve the environment for its business to be viable long term and it is its main interest to take care and respect the environment as one of the pillars of its business culture.

The Company and its subsidiaries have not incurred material costs to comply with environmental laws.

b.14. ***Number Of Employees***

As of December 31, 2024, the Group has a total workforce of 62,278 personnel categorized by business segment as follows:

	End-2024	Anticipated Hiring in 2025
GADC	45,011	12,800
Travellers	6,445	1,168
Megaworld -including Global One . 5,330	7,642	
GERI 1,084		
Empire East. 698		80
Suntrust 530		77
Emperador	3,168	
Emperador UK………….. .. . . 742 Emperador Spain…. . . . . 257 Domecq Mexico. 131		
Others	12	
Total	62,278	14,125

The Group intends to hire additional employees in accordance with operational requirements.

Except as discussed below, none of the Company's or its other subsidiaries' employees are formally covered by a collective bargaining agreement ("CBA") and represented by a labor union.

AWG has a renewed five-year collective bargaining agreement with its production employees covering the period up to January 15, 2030, while Progreen entered into a five-year CBA with its rank-and-file employees assigned in the Balayan production plant covering the period up to October 31, 2025. In December 2023, Progreen's management and union successfully concluded the re-negotiation of the economic provisions of the CBA. The two-year re-negotiated CBA is effective beginning January 6, 2024 up to January 5, 2026. The employees also agree to follow certain grievance procedures and to refrain from strikes during the term of the agreement**.** WML has a Joint Negotiation Committee with both UNITE and GMB trade unions, This Joint Negotiation Committee covers wages and benefits for all operational/operator employees. The previous agreement ended in December 2023 and after negotiations in 2024, a new two-year agreement was reached. Bodegas Fundador, along with the rest of the companies in Jerez region, has a Collective Labor Agreement with the members of the union board and employees. In October 2022, an agreement was reached for a new Collective Labor Agreement up to 2021-23. Negotiations for another agreement, valid for the coming years, began in early 2024 and will continue throughout 2025. The result of the negotiations is expected to obtain an agreement that provides stability and improvements to the sector.

Megaworld, EDI and WML each maintain a funded, tax-qualified, non-contributory retirement plan that is being administered by a trustee bank covering all regular full-time employees. GADC has a funded, defined benefit contribution retirement plan covering all regular full-time employees, which also allows for voluntary employee contribution. GERI maintains an unfunded, non-contributory defined benefit plan covering all regular employees. Travellers currently in the process of registering its non-contributory retirement plan with the Bureau of Internal Revenue. The remaining entities in the Group have no established corporate retirement plans. (See Note 28.2 to the Consolidated Financial Statements)

Employees of sub-franchisees do not form part of GADC's workforce. Regular employees of GADC are beneficiaries of a bonus program, determined by, among others, the level of profits, performance appraisals and the employee's position and salary level.

The Group has not experienced any disruptive labor disputes, strikes or threats of strikes, and management believes that the Group's relationship with its employees in general is satisfactory. The Group promotes fair and open labor-management relations, ensuring a stable and productive workplace that would provide a stable business continuity, efficiency and employee engagement.

b.15. ***Major Business Risks and Management***

Risks are integral part of business. Opportunity for advancement cannot be achieved without taking risks. This is why the Company and its subsidiaries adopted a policy whereby risks are identified before they cause significant trouble for the business. They carefully prepare structured/strategic plans to anticipate the inherent risks in their activities and set up methods to mitigate the effects of these risks. Risks are prioritized based on their impact to business, and probability of occurrence. There is a monitoring system that keeps track of the indicators and the actions/corrections undertaken. Feedbacks, both internal and external, are important for current and emerging risks.

The Group's risk management is coordinated with the Board of Directors and focuses on actively securing short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Group does not actively engage in the trading of financial assets for speculative purposes.

The major risks that the present business faces include:

1. *Hazards and natural or other catastrophes*. The Group's assets are always exposed to losses or impairment through fire and natural or man-made disasters and accidents that may materially disrupt operations and result in losses. In particular, damage to project structures resulting from such natural catastrophes could also give rise to claims from third parties or for physical injuries or loss of property. EDI, Whyte and Mackay, Bodegas Fundador, Pik-Nik and GADC also run the risk of contamination through tampering of ingredients, bottles or products that could result in product recall or food poisoning which in turn could create negative publicity that could adversely affect sales. Safety precautionary measures have been undertaken and installed within the operating

system. Adequate insurance policies are likewise taken to cover from these risks or mitigate effect of uninsured losses.

2. *Regulatory developments*. The Group operates in highly regulated business environment. For example, in the property development and integrated tourism industries, it is required that a number of permits and approvals be obtained for development plans at both the national and local levels. Travellers is subject to gaming regulations for its casino operations. In the alcohol industry, there are restrictions on advertising, marketing and sales of alcoholic beverages to consumers and restrictions governing the operation of manufacturing facilities. In the QSR industry, GADC is subject to retail trade and other industry specific regulations.

   The Group's results of operations could be affected by the nature and extent of any new legislation, interpretation or regulations, including the relative time and cost involved in procuring approvals for projects. If the group fails to meet safety, health and environmental requirements, it may also be subject to administrative, civil and criminal proceedings initiated by the Government, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the Group, as well as orders that could limit or halt its operations. The Group, thus, keeps abreast of current happenings and immediately institute measures to contain any adverse effect on the group.

3. *Money laundering, win rate and cheating at gaming areas.* The gaming industry is characterized by an element of chance. Win rates for gaming operations depend on a variety of factors. Casino and gaming activities are cash intensive and involve significant amounts of revenue daily. Customers may seek to influence their gaming returns through cheating or other fraudulent methods. Fraudulent activities, could cause Travellers and its customers to experience losses, harm its reputation and ability to attract customers, and materially and adversely affect its business, goodwill, financial condition and results of operations. Travellers takes numerous preventive and security measures for the handling of chips, cash and gaming equipment. It uses special technologies to prevent and detect potential fraudulent and counterfeiting activities as well as high value and suspicious transactions.

   In 2017, casino operators have been included in the coverage of the Anti-Money Laundering Act ("AMLA"). Any violation of the AMLA, as amended, which designated casinos as "covered persons" or the Casino Implementing Rules and Regulations may result to the imposition of penalties and could have an adverse effect on Travellers' reputation. In 2021, real estate developers became covered institutions under the AMLA. They are required to report covered and suspicious transactions to the AMLC within the period prescribed by the law and its implementing rules and regulations. A 'covered' transaction involves a single cash transaction involving an amount in excess of P7.5 million or its equivalent in any other currency. 'Suspicious' transactions are as defined under the AMLA and under Republic Act No. 10168 or the Terrorism Financing Prevention and Suppression Act of 2012, and th
   eir respective implementing rules and regulations.

   Travellers and the Megaworld group have taken appropriate steps to fully comply with the law. Internal control policies and procedures, employee training, and compliance programs are also continuously being implemented

4. *Supply of raw materials and packaging materials*. Materials used in production demand high quality and specialty. The raw materials that GADC and EMP Group use, such as distilled neutral spirit, brandy distillates, chicken, beef and paper, are largely commodities and are subject to price volatility caused by changes in supply and demand, weather conditions, fuel costs for transportation and production, agricultural uncertainty and government controls. Megaworld, GERI and Travellers source construction materials such as lumber, steel and cement for its ongoing projects, and may also experience shortages or increases in prices. Rising price changes will result in unexpected increases in production or construction costs and decreases in gross margins if such increased costs cannot be passed on to consumers or buyers. If these costs are passed on, any increase in prices could materially affect demand for and the relative affordability of such products. Purchasing, therefore, keeps posted about supply sufficiency in the market and always looks out for new potential sources.

5. *Consumer tastes, trends and preferences*. Consumer preferences may shift due to a variety of factors, including changes in demographic and social trends, leisure activity patterns and a downturn in economic conditions, which may reduce customers' willingness to purchase premium branded products or properties. In addition, concerns about health effects due to negative publicity regarding alcohol or fast food consumption, negative dietary effects, project location, regulatory action or any litigation or customer complaint against companies in the industry may have an adverse effect on results of operations. Any significant changes in consumer preferences and failure to anticipate and react to such changes could result in reduced demand for consumer products or projects and erosion of its competitive and financial position. Likewise, the launch and ongoing success of new products is uncertain as is their appeal to customers. Product innovation and responsiveness to changing consumer tastes and trends, therefore, have been important aspects of the Group's ability to sell their products.

6. *Competition.* Each of the Company's primary business operations is subject to intense competition. Some competitors may have substantially greater financial and other resources than EMP, MEG, GERI, Travellers or GADC, which may allow them to undertake more aggressive marketing and to react more quickly and effectively to changes in the markets and in consumer preferences. In addition, the entry of new competitors into any of the Company's primary business segments may reduce the Company's sales and profit margins. Product innovation and premiumization have been the Group's key response to competition.

7. *Interests of joint development partners*. Megaworld and GERI obtain a significant portion of its land bank through joint development agreements with landowners, as part of its overall land acquisition strategy and intends to continue to do so. A joint venture involves special risks where the venture partner may have economic or business interests or goals inconsistent with or different from those of the Group.

8. *Global economic, political, and social environment.* Portion of the Group's revenue comes primarily from foreign countries. Any global economic disruption or contractions could impact the number of foreign customers who visit our property or the amount of which they may be willing to spend. Changes brought about by fears of war and future acts of terrorism may severely disrupt international travel, reduce demand for luxury amenities and leisure activities and may have significant impact in our operational results. Demand for hotel, trade shows, conventions, and other entertainment activities that the Group offers are sensitive to swings in the global economy, which impacts discretionary spending

   The recent COVID-19 pandemic, for instance, had caused economic and social disruptions due to the lockdown measures and safety protocols implemented by the governments to restrict mobility of people, and these affected the conduct of Group's businesses. The Group had conducted its businesses during this time in compliance with the safety protocols and guidelines/regulations issued by the governments. It equipped its employees with the necessary protection (face masks, face shields, protective equipment, alcohol, Vitamin C) and service (transport service). It rolled out a vaccination program for its employees. The higher-than-expected global inflations towards the second semester of 2022, and logistics and supply chain disruptions from that year, have caused increased input costs which called for immediate actions from the Group's affected entities. These did not cause significant impact to the Group as a going concern and the global situation has been improving.

9. *Cyber security*. The Group relies on information technology and other systems to maintain and transmit large volumes of customer information and transactions, employee information and information concerning the Group's operations. The systems and processes that have been implemented to protect this information are subject to the ever changing risk of compromised security. These risks include cyber and physical security breaches, system failure, computer viruses, and negligent or intentional misuse by customers, company employees or employees of third-party vendors. The Group is continuously working towards developing a proactive approach in dealing with potential and emerging security threats to prevent any untoward incidents from happening. This includes strict implementation of, and adherence to, information security policies such as firewall security and data privacy policies, and timely software or system upgrades.

*A further di*scussion on financial risk management objectives and policies is presented in the Notes to the consolidated financial statements.

2. PRINCIPAL PROPERTIES

The following are the principal properties owned or leased by the Group, including those reserved for future developments as of December 31, 2024:

Description	Location	Owned/Limitations on Ownership
Lots & Facilities		
Brandy manufacturing facility	Santa Rosa, Laguna	Owned
Brandy manufacturing facility-Annex	Biñan, Laguna	Owned
Land	Biñan, Laguna	Owned
Land Land Land Land Land	Centro Baybay, Legazpi Davao City Tanza, Cavite Mandaue, Cebu Mandurriao, Iloilo City	Owned Owned Owned Owned Owned
Alcohol distillery plants	Nasugbu and Balayan, Batangas	Owned
Glass manufacturing plant	Canlubang Industrial Estate, Calamba, Laguna	Owned
Warehouse Town – a warehouse complex	Caloocan City	Owned
Vineyard estates	Spain	Owned
Bottling centers, wineries, Complex, distillery, warehouses	Spain	Owned
Industrial facilities	Spain	Owned by Joint venture
Malt distilleries (4), grain distillery (1)	Scotland, UK	Owned
Bottling facility	Scotland, UK	Owned
Maturation facility	Scotland, UK	Owned
Warehouses	Scotland, UK	Owned; leased
Winery	Mexico	Owned
Several parcels for McDonald's use	Various locations	Owned
Lot – Citiwood Heights	EDSA, Quezon City	Owned
Condominium Units and Subdivision Lots Under Development – Megaworld		
8 Sunset Boulevard	Westside City, Parañaque City	Joint Venture
Arcovia Park Place (Arcovia Residential Condo 3)	Arcovia, Pasig City	Owned
Arden Westpark Village	Trece Martires City, Cavite	Joint Venture
Maple Grove Commercial District	General Trias, Cavite	Owned
Vion Tower 1	Pasong Tamo, Makati City	Joint Venture
La Victoria Global Residences	Mactan Newtown, Cebu	Owned
Park McKinley West (Phase 1,2)	McKinley West, Fort Bonifacio	Joint Venture
Uptown Arts	Uptown Bonifacio, Taguig	Joint Venture
18 Avenue de Triomphe	Arcovia City, Pasig City	Owned
Herald Parksuites (Two Regis Tower 2)	The Upper East, Bacolod City	Owned
Arcovia Palazzo-Altea	Arcovia City, Pasig City	Owned
Arcovia Palazzo-Benissa	Arcovia City, Pasig Ctiy	Owned
Arden Botanical Village	Trece Martires City	Joint Venture
Kingsquare Residence	Sta. Cruz, Manila	Owned
La Cassia Residences	General Trias, Cavite	Owned
The Pinnacle	Iloilo City	Owned
The Pearl Global Residences	Mactan Newtown, Cebu	Owned
One Manhattan	The Upper East, Bacolod City	Owned
Bayshore Residential Resort 2 Ph. 2	Westside City, Parañaque City	Joint Venture
Bryant Parklane	Pampanga City	Owned
Firenze Residences	Iloilo Business Park, Iloilo City	Owned
Gentry Manor	Westside City, Parañaque City	Joint Venture
Grand Westside Hotel	Westside City, Parañaque City	Joint Venture
Maple Groove Park Village (lot B)	Maple Groove, Cavite City	Joint Venture
Montrose Parkview	Pampanga City	Owned
Northwin Main Street 1A	Bulacan	Joint Venture
One Crown Suites	Manila	Owned
Porto Hotel District and Mercato Shophouse District	Palawan	Owned
Savoy Hotel Capital Town	Pampanga City	

Description	Location	Owned/Limitations on Ownership
Savoy Hotel Palawan	Palawan	Owned
Sunny Coast Residential Resort	Westside City, Parañaque City	Owned
Two Regis	The Upper East, Bacolod City	Joint Venture
Vion West (Vion Tower 2)	Pasong Tamo, Makati City	Owned
		Joint Venture
Condominium Units in Completed Projects– Megaworld		
One Central	Makati City	
Greenbelt Madison	Makati City	Owned
Greenbelt Chancellor	Makati City	Owned
Greenbelt Radisson	Makati City	Owned
Greenbelt Excelsior	Makati City	Owned
Greenbelt Hamilton 1 & 2	Makati City	Joint Venture
Paseo Parkview Suites 1,2	Makati City	Owned
Two Central	Makati City	Owned
Paseo Heights	Makati City	Owned
Three Central	Makati City	Owned
The Manhattan Square	Makati City	Owned
Viceroy 1-4	McKinley Hill	Joint Venture
115 Upper McKinley	McKinley Hill	Owned
McKinley Hill Garden Villas	McKinley Hill	Joint Venture
Tuscany Private Estate	McKinley Hill	Joint Venture
Stamford Executive Residences	McKinley Hill	Joint Venture
Morgan Suites Executive Residences	McKinley Hill	Owned
The Venice Luxury Residences - Alessandro	McKinley Hill	Owned
The Venice Luxury Residences – Bellini	McKinley Hill	Owned
The Venice Luxury Residences – Carusso	McKinley Hill	Owned
The Venice Luxury Residences – Domenico	McKinley Hill	Owned
The Venice Luxury Residences – Emanuele	McKinley Hill	Owned
The Bellagio 1,2,3	Forbes Town Taguig City	Owned
Forbeswood Heights	Fort Bonifacio	Joint Venture
Forbeswood Parklane 1 & 2	Fort Bonifacio	Joint Venture
8 Forbestown Road	Fort Bonifacio	Joint Venture
One Uptown Residence	Fort Bonifacio	Joint Venture
8 Newtown Boulevard	Mactan Newtown, Cebu City	Joint venture
One Pacific Residence	Mactan Newtown, Cebu City	Owned
150 Newport Boulevard	Newport City	Owned
The Parkside Villas	Newport City	Joint Venture
The Residential Resort at Newport	Newport City	Joint Venture
Palm Tree Villas -1 & 2	Newport City	Joint Venture
Eastwood Le Grand 1 - 3	Eastwood City	Joint Venture
Eastwood Parkview 1 & 2	Eastwood City	Owned
81 Newport Boulevard	Newport, Pasay City	Owned
101 Newport Boulevard	Newport, Pasay City	Joint Venture
One Eastwood Avenue 1 & 2	Eastwood City, Quezon City	Joint Venture
Grand Eastwood Palazzo	Eastwood City	Owned
One Central Park	Eastwood City	Owned
One Orchard Road Tower 1 - 3	Eastwood City	Owned
The Eastwood Excelsior	Eastwood City	Owned
The Eastwood Lafayette 1,2,3	Eastwood City	Owned
One Lafayette Square	Makati City	Owned
Two Lafayette Square	Makati City	Owned
Marina Square Suites	Manila City	Owned
Greenhills Heights	San Juan City	Owned
Golfhill Gardens	Quezon City	Joint Venture
Manhattan Parkway 1-3	Quezon City	Owned
Manhattan Heights– Tower A - D	Quezon City	Joint Venture
Manhattan Parkview 1-3	Quezon City	Joint Venture
Manhattan Parkview Garden	Quezon City	Joint Venture
Golf Hills Terraces	Old Balara, Quezon City	Joint Venture
Kentwood Heights	Cubao, Quezon City	Joint Venture

Description	Location	Owned/Limitations on Ownership
Narra Heights	Cubao, Quezon City	Owned
Mckinley West Subdivision	McKinley West, Taguig City	Owned
Savoy Hotel Mactan Newtown	Mactan Newtown, Cebu City	Joint Venture Owned
El Jardin Del Presidente 1,2	Quezon City	Owned
8 Wack Wack Road	Mandaluyong City	Owned
Wack Wack Heights	Mandaluyong City	Owned
Cityplace Binondo A&B	Manila City	Owned
One Beverly Place	San Juan	Joint Venture
One Madison Place 1-3	Iloilo City	Owned
The Venice Luxury Residences - Fiorenzo	Fort Bonifacio	Owned
Greenbelt Parkplace	Makati City	Owned
Bayshore Residential Resort 1	Westside City, Parañaque City	Joint Venture
Bayshore Residential Resort 2 Ph 1	Westside City, Parañaque City	Joint Venture
Eastwood Park Residences	Eastwood, Quezon City	Owned
Forbeshill Model House 1	Northill Gateway, Bacolod City	Owned
Forbeshill Model House 2	Northill Gateway, Bacolod City	Owned
Kingsford Hotel	Westside City, Parañaque City	Joint Venture
Manhattan Plaza	Pedro Gil Manila	Owned
Olympic Heights (1-3)	Eastwood, Quezon City	Owned
The Salcedo Park (1& 2)	Makati City	Megaworld Globus
The Woodridge 1&2	McKinley Hill, Taguig City	Owned
Savoy Hotel	Newport, Pasay City	Joint Venture
Brentwood Heights	Parañaque City	Owned
Sherwood Heights	Parañaque City	Owned
Uptown Ritz Residence	Fort Bonifacio, Taguig City	Joint Venture
St. Moritz Private Estate 1 &2	McKinley West, Fort Bonifacio	Joint Venture
One Machester Place 1 & 2	Mactan Newtown, Cebu	Owned
Salcedo SkySuites	Makati City	Owned
Noble Place	Binondo, Manila City	Joint Venture
The Florence 1-3	McKinley Hill	Owned
Uptown Parksuites 1 & 2	Fort Bonifacio, Taguig City	Joint Venture
The Albany Luxury Residences-Kingsley	McKinley West, Fort Bonifacio	Joint Venture
Lafayette Park Square	Iloilo City	Owned
The Palladium	Iloilo City	Owned
The Ellis	Makati City	Owned
Eastwood Global Plaza Luxury Residences	Eastwood, Quezon City	Owned
Saint Honore	Iloilo City	Owned
One Regis	The Upper East, Bacolod City	Owned
The Verdin	General Trias, Cavite	Owned
St. Mark Residences (VEN-Giovanni)	McKinley Hill	Owned
The Albany Luxury Residences- Yorkshire	McKinley Hill	Joint Venture
San Antonio Residences	Gil Puyat Ave., Makati City	Owned
Saint Dominique	Iloilo City	Owned
Manhattan Plaza Tower 2	Quezon City	Joint Venture
Chelsea Parkplace	Pampanga City	Owned
Rental Properties - Megaworld[1]		
Paseo Center	Makati City	Owned
The World Centre	Makati City	Owned
California Garden Square Retail	Mandaluyong City	Owned
City Place Retail Mall	Manila City	Owned
Lucky Chinatown Mall	Manila City	Owned
One Beverly Place Retail	San Juan	Owned
Corinthian Hills Retail	Quezon City	Owned
Global One	Eastwood City	Owned
Techno Plaza 1	Eastwood City	Owned
Techno Plaza 2 Units	Eastwood City	Joint Venture
1800 Eastwood Avenue	Eastwood City	Owned
1880 Eastwood Avenue	Eastwood City	Owned
Cyber One Units	Eastwood City	Owned
IBM Plaza	Eastwood City	Owned
ICITE	Eastwood City	Owned
Eastwood Citywalk	Eastwood City	Owned
Eastwood Mall	Eastwood City	Owned
Cyber Mall	Eastwood City	Owned

Description	Location	Owned/Limitations on Ownership
E-Commerce Plaza	Eastwood City	Owned
Eastwood Global Plaza Corporate Center	Eastwood City	Owned
Commerce and Industry Plaza	McKinley Hill	Ground Lease
One Campus Place	McKinley Hill	Ground Lease
8 Campus Place	McKinley Hill	Ground Lease
8 Upper McKinley	McKinley Hill	Owned
Science Hub Towers	McKinley Hill	Ground Lease
The Venice Piazza	McKinley Hill	Ground Lease
Three World Square	McKinley Hill	Owned
Two World Square	McKinley Hill	Owned
One World Square	McKinley Hill	Owned
McKinley Parking building	McKinley Hill	Owned
Venice Corporate Center	McKinley Hill	Ground Lease
The Venice Canal Mall	McKinley Hill	Ground Lease
Woodridge Residences	McKinley Hill	Joint Venture
Tuscany Retail	McKinley Hill	Joint Venture
Southeast Asian Campus	McKinley Hill	Ground Lease
Burgos Circle	Fort Bonifacio, Taguig City	Joint Venture
Uptown Parade	Uptown Bonifacio, Taguig City	Joint Venture
Uptown Place Mall	Uptown Bonifacio, Taguig City	Joint Venture
One World Center	Mactan Newtown,Cebu	Owned
Two World Center	Mactan Newtown, Cebu	Owned
Richmonde Tower	Iloilo Business Park, Iloilo City	Owned
One Global Center	Iloilo Business Park, Iloilo City	Owned
Emperador Steel Parking Building	Fort Bonifacio, Taguig City	Ground Lease
Uptown Place Towers	Uptown Bonifacio, Taguig City	Joint Venture
8 Newtown Boulevard	Mactan Newtown, Cebu	Owned
One Techno Place	Iloilo Business Park, Iloilo City	Owned
Two Global Center	Iloilo Business Park, Iloilo City	Owned
Festive Walk Mall Annex	Iloilo Business Park, Iloilo City	Owned
Festive Walk Office Tower	Iloilo Business Park, Iloilo City	Owned
Festive Walk Mall	Iloilo Business Park, Iloilo City	Owned
Festive Walk Parade 2B	Iloilo Business Park, Iloilo City	Owned
Mactan Alfresco	Mactan Newtown, Cebu	Owned
Tower One Plaza Magellan	Mactan Newtown, Cebu	Owned
McKinley Hill (Phase 3) Lots	McKinley Hill	Ground Lease
One West Campus	McKinley West, Taguig City	Joint Venture
Two West Campus	McKinley West, Taguig City	Joint Venture
Three West Campus	McKinley West, Taguig City	Joint Venture
Five West Campus	McKinley West, Taguig City	Joint Venture
Six West Campus	McKinley West, Taguig City	Joint Venture
Eight West Campus	McKinley West, Taguig City	Joint Venture
Ten West Campus	McKinley West, Taguig City	Joint Venture
McKinley West Steel Deck Parking	McKinley West, Taguig City	Joint venture
331 Building	Makati City	Owned
Three Techno Place	Iloilo Business Park, Iloilo City	Owned
81 Newport Square	Newport City, Pasay City	Joint Venture
Davao Finance Center	Davao Park District, Davao City	Owned
Arcovia Parade Retail 1 & 2	Arcovia City, Pasig City	Owned
Two Techno Place	Iloilo Business Park, Iloilo City	Owned
Pacific World Tower	Mactan Newtown, Cebu	Owned
The Newtown School of Excellence	Mactan Newtown, Cebu	Owned
World Commerce Place (Uptown Eastgate)	Uptown Bonifacio, Taguig City	Joint Venture
One Fintech Place	Iloilo City	Owned
Two Fintech Place	Iloilo City	Owned
One Le Grand Tower	McKinley West, Taguig City	Joint Venture
Enterprise One	Iloilo Business Park, Iloilo City	Joint Venture
Enterprise One	Iloilo Business Park, Iloilo City	Owned
International Corporate Plaza	Iloilo Business Park, Iloilo City	Joint Venture
International Finance Center	Uptown Bonifacio, Taguig City	Joint Venture
No. 1 Upper East Avenue	The Upper East, Bacolod City	Owned
No. 5 Upper East Avenue	The Upper East, Bacolod City	Owned
One Corporate Place	Cavite City	Owned
One Republic Plaza	Davao Park District, Davao City	Owned
Pasudeco Tower 1	Pampanga	Owned

Description	Location	Owned/Limitations on Ownership
Hotels		
The Richmonde Hotel (2)	Mandaluyong City	Owned
Eastwood Richmonde Hotel(2) Belmont Luxury Hotel Richmonde Hotel Iloilo Hotel Lucky Chinatown	Quezon City Newport City, Pasay City Iloilo Business Park, Iloilo City Manila City	Owned Joint Venture Owned Owned
Condotels under development		
Belmont Hotel Mactan Belmont Hotel Iloilo	Mactan Newtown, Cebu Iloilo Business Park, Iloilo City	Owned Owned
Completed Projects – Empire East		
Little Baguio Gardens	San Juan, Metro Manila	Owned
Laguna BelAir 1 and 2	Don Jose, Sta. Rosa, Laguna	Joint Venture
Governors Place	Mandaluyong City	Joint Venture
Gilmore Heights	Gilmore Ave. cor N.Domingo, Quezon City	Joint Venture
Kingswood Tower	Makati City	Joint Venture
San Francisco Gardens	Mandaluyong City	Joint Venture
Greenhills Garden Square	Santolan Road, Quezon City	Owned
Central Business Park	Manggahan, Pasig City	Owned
Xavier Hills	Quezon City	Joint Venture
California Garden Square	DM Guevarra Mandaluyong City	Owned
The Rochester	Pasig City	Owned
Laguna BelAir 3	Biñan, Laguna	Owned
Laguna BelAir 4 San Lorenzo Place The Sonoma The Cambridge Village Little Baguio Terraces	Sta. Rosa Ciy Makati City Sta. Rosa City Cainta, Rizal San Juan, Metro Manila	Owned Joint Venture Joint Venture Owned Joint Venture
Ongoing Projects- Empire East		
Pioneer Woodlands	Mandaluyong City	Joint Venture
The Paddington Place	Mandaluyong City	Owned
Covent Gardens	Sta. Mesa, Manila	Owned
Kasara Urban Resort Residences	Eagle St., Pasig City	Owned
Southpoint Science Park Mango Tree Residences Empire East Highland City	Gimalas, Balayan, Batangas San Juan City Pasig City and Cainta, Rizal	Owned Owned Joint Venture
Subdivisions, condominiums, condotels, townhouses and leisure development projects - GERI:		
8 Sto. Domingo Place	Quezon City	Joint Venture
Caliraya Springs	Cavinti, Laguna	Joint Venture
Cathedral Heights	Quezon City	Joint Venture
Fairways & Bluewater	Boracay, Aklan	Owned
Eastland Heights	Antipolo City	Joint Venture
Goldridge Estate	Guiguinto, Bulacan	Joint Venture
Holiday Homes	Gen. Trias, Cavite	Joint Venture
Magnificat Executive Village	Lipa, Batangas	Joint Venture
Mango Orchard Plantation	Naic, Cavite	Joint Venture
Manila Southwoods	Carmona & GMA Cavite	Joint Venture
Monte Cielo De Naga	Naga City	Joint Venture
Monte Cielo De Peñafrancia	Naga City	Joint Venture
Mountain Meadows	Cagayan De Oro	Joint Venture
Newcoast Village	Malay, Aklan	Owned
Newcoast Shophouse District	Malay, Aklan	Joint Venture
Newcoast Boutique Hotel	Malay, Aklan	Joint Venture
Newport Hills	Lian, Batangas	Joint Venture
Nasugbu Harbour Town	Nasugbu, Batangas	Joint Venture
Pahara at Southwoods	GMA, Cavite	Joint Venture
Palmridge Point	Talisay, Batangas	Joint Venture
Alabang West	Las Piñas City	Joint Venture

Description	Location	Owned/Limitations on Ownership
Plaridel Heights	Plaridel, Bulacan	Joint Venture
Puerto Del Mar	Lucena City	Joint Venture
Residencia Lipa	Lipa, Batangas	Joint Venture
Riverina	San Pablo City	Joint Venture
Savoy Hotel Boracay*	Malay, Aklan	Owned
Sta. Barbara Heights Residential Estate	Sta. Barbara, Iloilo	Joint Venture
Sta. Barbara Heights Shophouse District	Sta. Barbara, Iloilo	Joint Venture
Domaine Le Jardin	Laurel, Batangas	Owned
Windsor Heights	Tagaytay	Joint Venture
Vineyard Residences	Laurel, Batangas	Owned
Holland Park Tulip Gardens	Biñan, Laguna Biñan, Laguna	Joint Venture Joint Venture
Oceanway Residences	Malay, Aklan	Owned
Belmont Hotel Boracay*	Malay, Aklan	Owned
Chancellor Hotel Boracay*	Malay, Aklan	Owned
Ocean Garden Villas	Malay, Aklan	Owned
Lucerne at Domaine Le Jardin	Laurel, Batangas	Owned
The Belvedere	Laurel, Batangas	Owned
Vineyard Manor	Laurel, Batangas	Owned
Twin Lakes Hotel*	Laurel, Batangas	Owned
The Hamptons Caliraya The Fifth	Cavinti, Laguna Pasig City	Joint Venture Joint Venture
The Upland Estates	GMA, Cavite	Joint Venture
Arden Botanical Estate	Trece Martires City, Cavite City	Joint Venture
Sherwood Hills	Trece Martires City, Cavite City	Joint Venture
Countrywoods	Laurel, Batangas	Owned
Capitol Plaza	Quezon City	Co-development
Lialto Beach and Golf Estates	Lian, Batangas	Joint Venture
Rental Properties- GERI		
Southwoods Mall Southwoods Office Towers Twin Lakes Shopping Village Renaissance 1000 (Office Tower) Alabang West Parade D'Olive Newcoast Beachwalk	Biñan, Laguna Biñan, Laguna Laurel, Batangas Pasig City Las Piñas City Antipolo City Malay, Aklan	Owned Owned Owned Owned Owned Owned Owned
Hotels under Travellers		
Marriott Hotel Manila	Newport City	Owned
Holiday Inn Express Manila Newport City Hilton Manila Sheraton Manila Hotel Hotel Okura Manila	Newport City Newport City Newport City Newport City	Owned Owned Owned Owned
Courtyard by Marriott Iloilo	Iloilo City	Owned

Notes:
(1) Lease terms and rental rates vary depending on the property and the lessee.
(2) The Richmonde Hotel and Eastwood Richmonde Hotel are operated by a subsidiary of Megaworld.
* Hotel operations under GERI.

In addition, there are various operating lease agreements for McDonald's restaurant sites, offices and other facilities. These non-cancelable lease agreements are for initial terms of 5-40 years and, in most cases, provide for rental escalations, additional rentals based on certain percentages of sales and renewal options for additional periods of 5-25 years.

The following site map details the principal properties owned or leased by Travellers, including those reserved for future developments as of December 31, 2024.

While the Group has sufficient land for future development, it continuously seeks opportunities to acquire and develop land in prime locations through purchase, joint venture arrangements or otherwise.

3. LEGAL PROCEEDINGS

There are no material litigations or claims pending or, to the best knowledge of the Company, threatened against the Company or any of its subsidiaries or associates or any of their properties that would adversely affect the business or financial position of the Company or any of its subsidiaries or associates.

4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There are no matters submitted to a vote of security holders during the fourth quarter of the fiscal year covered by this report.

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PART II - OPERATIONAL AND FINANCIAL INFORMATION

5. MARKET PRICE AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

a. Market Information

The Company’s common shares are traded on the Philippine Stock Exchange under the symbol of AGI. The closing price of the said shares on March 31, 2025 is P6.08 The trading prices of the said shares for each quarter within the last two years and subsequent interim period are set forth below (Source: PSE Research Dept):

	2023				2024				2025
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
High	13.14	14.28	13.46	12.50	11.78	10.40	9.79	9.90	8.99
Low	11.36	11.82	11.68	9.54	9.46	8.25	8.50	8.58	5.90

b. Shareholders

As of March 31, 2025, the Company has 984 stockholders, including nominees, holding 8,876,763,179 common shares and the Top Twenty Stockholders were as follows:

Rank	*Stockholder*	*No. of Shares Held*	*Per Cent to Total*
1	The Andresons Group, Incorporated	4,768,263,994	53.716
2	PCD Nominee Corporation (Non-Filipino)[i]	1,351,253,980	15.222
3	PCD Nominee Corporation (Filipino)	1,299,096,936	14.635
4	Altavision Resources, Inc.	887,678,334	10.000
5	Yorkshire Holdings, Inc.	255,773,508	2.881
6	California Orchard Growers Investments, Inc.	120,000,000	1.352
7	Eastwood Property Holdings, Inc.	112,600,000	1.268
8	Andrew L. Tan	63,684,349	0.717
9	Andresons Global, Inc.	30,088,596	0.339
10	Megaworld Cebu Properties, Inc.	10,000,000	0.113
11	Lucio W. Yan &/or Clara Y. Yan	1,000,000	0.011
12	First Centro, Inc.	364,200	0.004
13	Jianhua Su	202,500	0.002
14	American Wire & Cable Co., Inc.	200,000	0.002
15	Warlito P. Manlapaz	200,000	0.002
16	Ramon Garcia	100,000	0.001
17	Rupesh S. Narvekar	100,000	0.001
18	Pacifico B. Tacub	88,000	0.000
19	Sang Won Lee	52,500	0.000
20	Victoriano G. Sy, Jr.	32,749	0.000

Please refer to Item 11 on page 88 for stockholders holding 5% or more.

[i]PCD Nominee Corporations (Non-Filipino and Filipino) is comprised of several nominees and the participants with 5% or more are indicated in Security Ownership on p88.

c. Dividends in the Two Most Recent Years And Subsequent Interim Period

It is the Company's policy to periodically declare a portion of its unrestricted retained earnings as dividend usually in the third quarter of each year. The declaration of dividends depends upon the Company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends out of its unrestricted retained earnings only. Unrestricted retained earnings represent the net accumulated earnings of the Company, with its capital unimpaired, which are not appropriated for any other purpose. The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Cash dividends are subject to the approval by the Board of Directors ("BOD"). Stock dividends are subject to the approval by both the BOD and at least two-thirds (2/3) of the outstanding capital stock of the stockholders at a stockholders' meeting called for such purpose.

On December 1, 2023, the Company declared cash dividends of Php0.15 per share payable on January 12, 2024 to all stockholders of record as of December 18, 2023. On December 10, 2024, the Company declared cash dividends of Php0.10 per share payable on January 24, 2025 to all stockholders of record as of December 27, 2024.

d. Recent Sales or Issuance of Unregistered or Exempt Securities, Including Recent Issuance of Securities Constituting an Exempt Transaction, Within the Past Three Years

The Company does not have any recent sales or issuance of unregistered or exempt securities, including issuance of securities constituting an exempt transaction in the past three years.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis must be read in conjunction with the submitted audited consolidated financial statements and the related notes to the consolidated financial statements.

a. Key Performance Indicators – Top Five

In Million Pesos	**2024**	2023	2022	2021	YoY 2024	%	YoY 2023	%	YoY 2022	%
REVENUES AND INCOME	**223,564**	210,814	183,612	152,793	12,750	6.0	27,202	14.8	30,820	20.2
NET PROFIT ["NP"]	**27,919**	30,349	25,189	23,789	(2,431)	(8.0)	5,160	20.5	1,400	5.9
NET PROFIT TO OWNERS ["NPO"]	**17,364**	19,615	16,108	16,944	(2,252)	(11.5)	3,508	21.8	(836)	(4.9)
EBITDA	**60,527**	59,298	51,132	46,395	1,230	2.1	8,166	16.0	4,737	10.2
NP rate ["NPR"]	**12.49%**	14.40%	13.72%	15.57%						
NPO rate ["NPOR"]	**7.77%**	9.30%	8.77%	11.09%						
EBITDA Margin	**27.07%**	28.13%	27.85%	30.36%						
Return on investment/assets [NP/TA]	**3.39%**	3.88%	3.37%	3.38%						
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	YoY 2024	%	YoY 2023	%	YoY 2022	%
TOTAL ASSETS	**824,079**	782,543	748,020	703,960	41,536	5.3	34,523	4.6	44,060	6.3
CURRENT ASSETS	**394,425**	381,854	375,183	352,380	12,571	3.3	6,671	1.8	22,803	6.5
CURRENT LIABILITIES	**150,121**	161,112	158,523	172,459	(10,991)	(6.8)	2,588	1.6	(13,936)	(8.1)
Current ratio	**2.63x**	2.37x	2.37x	2.04x						
Quick ratio	**1.06x**	0.97x	1.09x	0.98x						
	2024	2023	2022	2021	YoY 2024	%	YoY 2023	%	YoY 2022	%
Profit before tax and interest	**48,681**	48,586	39,833	35,316	95	0.2	8,753	22.0	4,517	12.8
Interest expense	**12,927**	10,821	8,517	7,240	2,106	19.5	2,303	27.0	1,278	17.6
Interest coverage rate [EBIT]	**3.77**	4.49	4.68	4.88						
Interest coverage rate [EBITDA]	**4.68**	5.48	6.00	6.41						

- Revenue growth – measures the percentage change in revenues over a designated period of time. Performance is measured both in terms of amount and volume, where applicable.
- Net profit growth – measures the percentage change in net profit over a 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 asset 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 interest expense, tax expense, depreciation and amortization ("EBITDA") divided by interest (expense plus capitalized) – measures the business' ability to meet its interest payments.

b. Discussion and Analysis of Operations

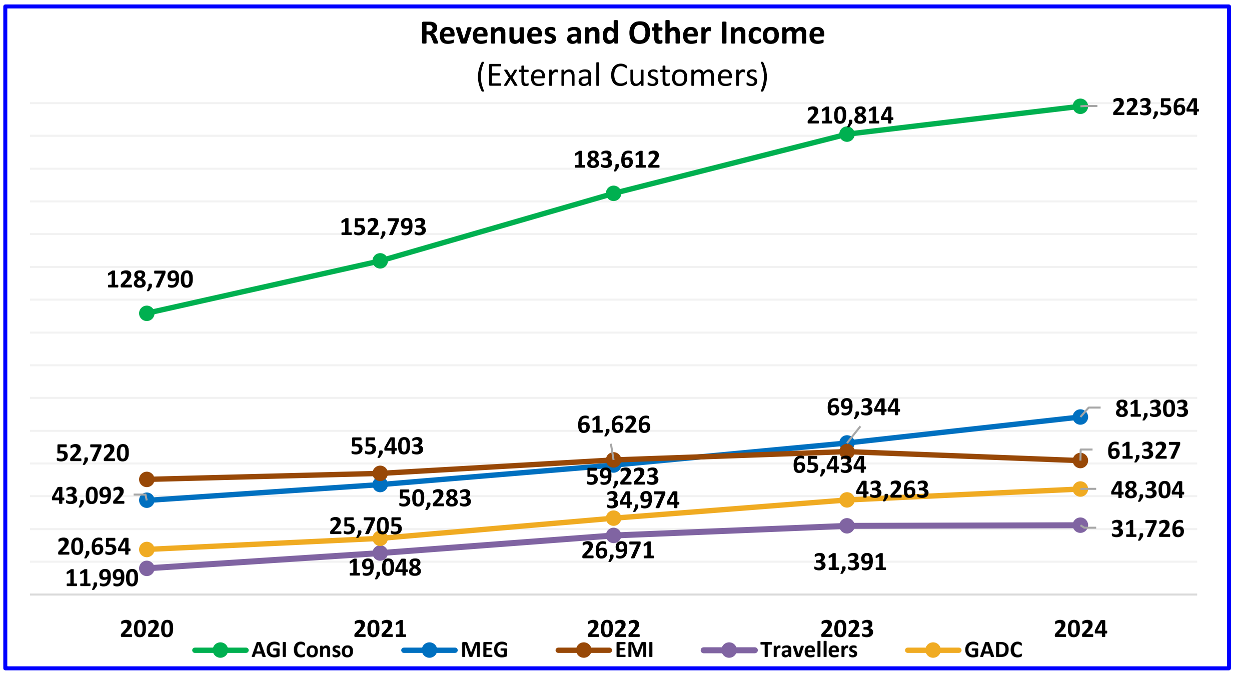
b.1. Results Of Operations for the Last Three Years

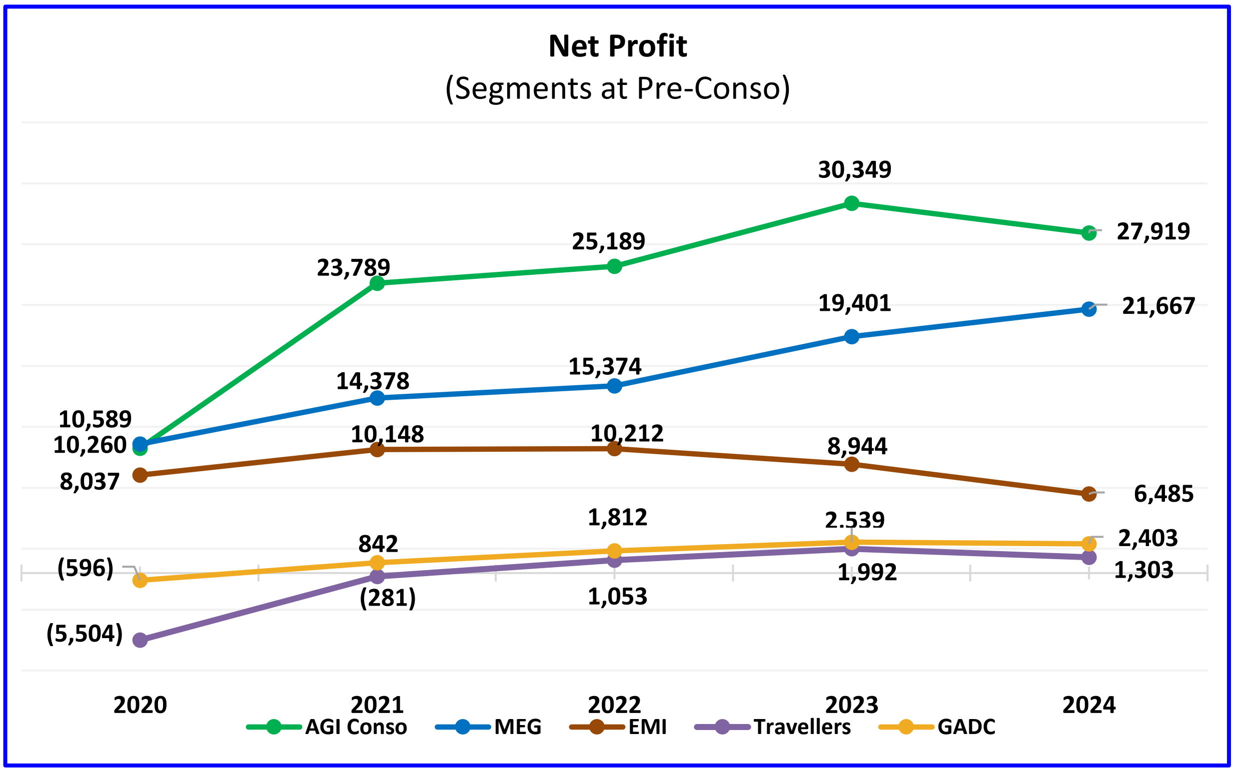
The **global economic environment** has remained volatile over the last three years, shaped by a series of compounding challenges- ranging from inflationary pressures on prices and consumer spending, high interest rates, and supply chain disruptions, not only as aftermath of the COVID-19 pandemic but not least from geopolitical tensions, particularly in Eastern Europe and Middle East. While certain markets showed signs of gradual recovery, the overall pace remained uneven. The external headwinds impacted consumer sentiment, cost structures, and international trade dynamics. The world's full-year GDP growth rates for 2022, 2023 and 2024 were recorded at 3.2%, 2.8% and 3.2%, respectively. Meanwhile, the Philippine economy posted GDP growth rates of 7.6% in 2022, and 5.6% in both 2023 and 2024. While inflation in the Philippines showed notable downward trend in 2024, showing 3.2% average for the year, a significant improvement from 5.8% in 2022 and 6.0% in 2023, consumer prices remained high. Consumer price index reached 126 points for the year 2024 as compared to 122 points for 2023 and 115 points for 2022.

Despite these global and domestic economic challenges, the **AGI Group** consistently demonstrated resilience and adaptability. Through its diverse businesses, solid brand equity, and strategic agility, the Group delivered strong performance in the last three years. Leveraging its established brands and financial discipline, the Group sustained positive consolidated topline results over the last three years. The Group' bottom line was also moving on an upward growth trajectory until it was halted in 2024 by the effects of still-high inflation, high interest rates and weak foreign currency manifest during the year.

The Group is organized into four major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, Travellers or NWR, and GADC or McDonald's. These subsidiaries represent the Group's core business activities: (i) real estate development and leasing (ii) manufacturing and distribution of distilled spirits,(iii) leisure-tourism-entertainment and gaming operations, and (iv) quick-service restaurant operations.

The following discussion presents the consolidated results of operations of the Group by its segments.





In Million Pesos	Contri bution	2024 Pre Conso	2024 Conso	2023 Pre Conso	2023 Conso	2022 Pre Conso	2022 Conso	YoY % 2024 Conso	YoY % 2023 Conso	YoY % 2022 Conso
Revenues and income (external customer)	100%	231,285	**223,564**	217,237	**210,814**	193,868	**183,612**	6.0	14.8	20.2
Megaworld	36%	81,687	**81,303**	69,663	**69,344**	59,527	**59,223**	17.2	17.1	17.8
Emperador	27%	61,419	**61,327**	65,496	**65,434**	61,662	**61,626**	(6.3)	6.2	11.2
Travellers	14%	32,346	**31,727**	31,642	**31,391**	26,974	**26,971**	1.1	16.4	41.6
Golden Arches	22%	48,339	**48,304**	43,227	**43,263**	34,900	**34,974**	11.7	23.7	36.1
Others		7,493	**905**	7,209	**1,382**	10,805	**818**	(34.5)	69.0	(65.2)
Costs and expenses	100%	188,345	**187,810**	174,229	**173,049**	152,643	**152,297**	8.5	13.6	22.1
Megaworld	29%	54,812	**54,792**	45,806	**45,806**	40,385	40,385	19.6	13.4	12.9
Emperador	28%	53,301	**52,604**	54,555	**53,933**	49,952	49,250	(2.5)	9.5	16.2
Travellers	17%	30,927	**31,345**	29,584	**29,534**	25,885	26,179	6.1	12.8	36.2
Golden Arches	24%	45,095	**44,878**	39,860	**39,794**	32,369	32,358	12.8	23.0	35.4
Others	2%	4,209	**4,191**	4,424	**3,982**	4,051	4,125	5.3	(3.5)	20.7
Tax expense	100%	7,836	**7,836**	7,416	**7,416**	6,126	**6,126**	5.7	21.1	42.9
Megaworld	66%	5,208	**5,208**	4,456	**4,456**	3,768	**3,768**	16.9	18.3	566.9
Emperador	21%	1,633	**1,633**	1,997	**1,997**	1,498	**1,498**	(18.2)	33.3	(45.4)
Travellers	1%	116	**116**	66	**66**	35	**35**	74.7	90.0	4.1
Golden Arches	11%	841	**841**	827	**827**	718	**718**	1.7	15.1	(14.5)
Others	0%	37	**37**	70	**70**	107	**107**	(46.4)	(35.0)	4.8
Net profit	100%	35,105	**27,919**	35,592	**30,349**	35,099	**25,189**	(8.0)	20.5	5.9
Megaworld	76%	21,667	**21,303**	19,401	**19,082**	15,374	**15,070**	11.6	26.6	8.2
Emperador	25%	6,485	**7,090**	8,944	**9,504**	10,212	**10,878**	(25.4)	(12.6)	6.0
Travellers	1%	1,303	**266**	1,992	**1,791**	1,053	**757**	(85.2)	136.7	473.0
Golden Arches	9%	2,403	**2,584**	2,539	**2,642**	1,812	**1,898**	(2.2)	39.2	96.6
Others	-12%	3,247	**(3,323)**	2,716	**(2,669)**	6,648	**(3,414)**	24.5	(21.8)	(192.6)
Net profit to owners	100%	31,985	**17,364**	33,311	**19,615**	33,051	**16,108**	(11.5)	21.8	(4.9)
Megaworld	80%	18,749	**13,932**	17,345	**12,357**	13,455	**9,419**	12.7	31.2	3.5
Emperador	33%	6,322	**5,651**	8,706	**7,587**	10,061	**8,787**	(25.5)	(13.7)	1.4
Travellers	-1%	1,314	**(228)**	1,997	**992**	1,057	**334**	(123.0)	196.8	264.5
Golden Arches	8%	2,353	**1,334**	2,546	**1,350**	1,829	**982**	(1.2)	37.5	78.8
Others	-19%	3,247	**(3,325)**	2,716	**(2,671)**	6,648	**(3,414)**	24.5	(21.8)	(192.6)

These are further reflected in the profit and loss accounts, as follows:

In Million Pesos	2024	2023	2022	YoY % 2024	YoY % 2023
REVENUES AND OTHER INCOME					
Sale of goods	**112,405**	**107,859**	**98,235**	4.2	9.8
Consumer goods	**61,417**	**65,138**	**61,385**	(5.7)	6.1
Revenue from real estate (RE) sales	**50,988**	**42,721**	**36,850**	19.4	15.9
Rendering of services	**106,115**	**96,901**	**80,513**	9.5	20.4
Gaming	**31,979**	**34,192**	**31,830**	(6.5)	7.4
Less: Promotional allowance	**(8,589)**	**(9,700)**	**(10,227)**	(11.5)	(5.2)
Net Gaming	**23,390**	**24,492**	**21,603**	(4.5)	13.4
Sales by company-operated quick-service restaurants	**43,924**	**38,962**	**31,305**	12.7	24.5
Franchise revenues	**3,984**	**3,865**	**3,141**	3.1	23.0
Rental Income	**20,027**	**18,189**	**15,946**	10.1	14.1
Others	**14,790**	**11,393**	**8,517**	29.8	33.8
Hotel operations	**11,288**	**9,269**	**6,730**	21.8	37.7
Other services	**3,502**	**2,123**	**1,787**	64.9	18.8
Share in net profits of associated and joint ventures	**-**	**46**	**-**	(100.0)	
Finance and other income	**5,044**	**6,008**	**4,864**	(16.0)	23.5
TOTAL	**223,564**	**210,814**	**183,612**	6.0	14.8
COSTS AND EXPENSES					

In Million Pesos	2024	2023	2022	YoY % 2024	YoY % 2023
Cost of goods sold	67,788	65,348	60,598	3.7	7.8
Consumer goods sold	42,407	43,743	42,043	(3.1)	4.0
RE sales	25,381	21,605	18,555	17.5	16.4
Cost of services	57,665	51,986	42,934	10.9	21.1
Gaming	10,679	10,754	9,432	(0.7)	14.0
Services	46,986	41,231	33,501	14.0	23.1
Other operating expenses	47,345	43,397	37,922	9.1	14.4
Selling and marketing	19,111	17,458	12,723	9.5	37.2
General and administrative	28,233	25,939	25,200	8.8	2.9
Share in net losses of associates and joint ventures	212	-	41	0.0	(100.0)
Finance cost and other charges	14,799	12,318	10,801	20.1	14.0
TOTAL	187,810	173,049	152,297	8.5	13.6
TAX EXPENSE	7,836	7,416	6,126	5.7	21.1
NET PROFIT	27,919	30,349	25,189	(8.0)	20.5
NET PROFIT TO OWNERS	17,364	19,615	16,108	(11.5)	21.8

For the Year Ended December 31, 2024 vs. 2023

The Group, one of the country's largest conglomerates, increased its revenues by 6% year-on-year ("YoY") to P223.6 billion from P210.8 billion. This growth was primarily driven by strong contributions and double-digit performance from the real estate sales, rentals, quick-service restaurants, and hotel operations. The Group posted a net profit ("NP") and net profit to owners ("NPO") of P27.9 billion and P17.4 billion, respectively.

Despite persistent external headwinds, the Group remained focused on operating efficiency, cost discipline and strategic execution to mitigate macroeconomic and industry challenges while preserving financial stability. The Gross profit rate ("GPR") held steady at 43%, reflecting effective cost management while NP rate ("NPR") and NPO rate ("NPOR") stood at 12% and 8%, respectively, compared to 14% and 9%, in the previous year. Operating expenses were maintained at 21% of revenues in both years, although these increased 9% YoY, reflecting the Group's expansion of business activities and its support to brands/projects (advertising and promotions), employees and agents (salaries and benefits, commissions), and to government (taxes and licenses). Meanwhile, finance and other charges increased to 7% of revenues, from 6% in the prior year, due to higher interest expenses and foreign currency losses. These factors contributed to a tempered profitability in 2024.

By business segments, as represented by the major subsidiary groups [based on pre-conso results]:

Megaworld, recognized as the country's biggest office developer and lessor and pioneer in the live-work-play township concept, concluded the year with another exceptional performance with pre-conso revenues, NP and NPO of P81.7 billion, P21.7 billion and P18.7 billion, respectively soaring 17%, 12% and 8% YoY. The strong performance was anchored on double-digit growth in all of its revenue streams, reflecting successful project executions across diversified portfolio. The group's costs and expenses increased by 19% YoY, attributed to continued aggressive expansion, higher interest expense and foreign currency losses incurred during the period. Operating expenses were maintained at 24% of topline, consistent with the previous year. The group's GPR remained stable at 49% for both periods, reflecting sustained cost efficiency in core operations. NPR and NPOR stood at 27% and 23%, respectively, slightly down from 28% and 25% a year ago.

Real estate sales remained a dominant revenue stream, accounting for 67% of Megaworld's consolidated revenues up from 66% in the previous year. Revenues from this segment grew by 19% YoY to P51.0 billion, reflecting strong demand for residential properties in both Metro Manila and key provincial locations. The current brand mix for Megaworld -GERI-Empire East-Suntrust/SLI stood at 72%-12%-6%-10%. About 58% of sales were from Metro Manila projects, 17% from Cavite-Laguna-Batangas-Rizal, and 15% from Visayas Region. Reservation sales for the year reached P131.9 billion, slightly lower than the P139.2 billion recorded in 2023. Megaworld also launched the most number of townships during the year, contributing nearly 400 hectares to its portfolio: the 150ha Lialto Golf and Beach Estate and the 25ha San Benito Private Estate in Batangas; the 84ha Ilocandia Coastown in

Laoag Ctiy; and the 117ha The Upper Central in Cagayan de Oro. With these additions, Megaworld closed 2024 with a total of 35 townships and total land bank of almost 7,000 hectares.

Rental income, which comprised 26% of Megaworld's total revenues (vs 28% a year ago), increased by 10% YoY to P19.7 billion as the company continued to attract high-profile tenants. Megaworld Premier Offices rentals posted a 7% YoY increase to P13.4 billion, registering an average occupancy rate of 86%. The growth was supported by the successful turnover of the International Finance Center in Uptown Bonifacio and the securing of nearly 140,000 sqm of new leases.The office segment continued to highlight its sustainable appeal to multinational companies and top-tier BPO firms. Megaworld Lifestyle Malls rentals reported a 19% YoY surge in rental income to P6.3 billion, mainly driven by nearly 50,000 sqm of new tenant store openings, higher foot traffic and a sustained occupancy rate of 93%.

Megaworld Hotels & Resorts delivered another banner year, registering the highest percentage growth among all revenue streams. Revenues rose by 34% YoY to P5.1 billion, largely buoyed by its expanding MICE capabilities and the continued rebound in both domestic and international travel. Hotels in Metro Manila posted a 71% occupancy, up from 67% a year ago.

These impressive operating results contributed 36%, 76% and 80% to AGI's consolidated revenues and income, NP and NPO, respectively.

Emperador, the world's largest brandy producer and owner of Whyte and Mackay, recognized as the 5th largest Scotch whisky producer globally by production capacity, ended the year 2024 with revenues of P61.6 billion, 6% behind last year's P65.6 billion. The decline was mainly attributed to weakness in consumer demand driven by high living costs resulting in consumers' shift to more affordable product options and moderation. Amid the global rise in prices of input costs and product mix impact, Emperador managed to keep consolidated GPR above 30% of sales. Operating expenses rose 0.7% YoY while interest and other charges jumped 9%YoYdue to higher interest on higher principal base this year, resulting in NP and NPO of P6.5 billion and P6.3 billion, respectively. NPR and NPOR were registered at 11% and 10% respectively. EMI continues to pursue its strategic long-term CPI strategy – Contemporize offering, Premiumize portfolio and Internationalize business while adapting to the current trends, which is made possible by its wide range of aging liquid stockholdings.

The Brandy segment turned over revenues and income from external customers at P36.4 billion, a 9% fall YoY. Persisting high living costs resulted in consumers' discretionary spending towards affordable alternatives and moderation, causing the general softening in the domestic and international markets. GPR reached 21% versus 25% a year ago, or a 22% drop in value YoY, due to high cost of inputs, product-sales mix, and, to a modest extent, the Peso to Euro currency weakness. With increased operating expenses of 5% largely on advertising and promotions, decreased other charges of 10% due to lower interest expense, and reduced tax expense of 42% due to lower taxable base, the segment realized NP and NPO of P2.0 billion and P1.8 billion, respectively, with both NPR and NPOR hitting 5%. EBITDA rate reached 13% this year versus 18% last year.

The Scotch Whisky segment turned over revenues and other income from external customers of P25.3 billion, slightly down by 2% YoY due to the global market slowdown attributed to moderation and downtrading. Sales of single malt whiskies took a dip while bulk sales pushed revenues up during the year. GPR remained at 43.5% for both comparable years as the segment managed its costs. Operating expenses went down 3% YoY, in spite of increased spending on advertising and promotions and salaries and benefits which was tempered by the release of excess onerous lease provision during the year. Interest expense surged 2.6 times YoY due to additional loans drawn during the year and higher interest rates. Tax expense climbed 5% due to higher taxable base and rate. As a result of all these, the segment realized NP and NPO of P4.5 billion during the year, lagging 10% YoY, with NPR and NPOR of 18% versus 19% a year ago. EBITDA rate stayed at 25% for both comparable years, with this year's rate improved by 61bps.

Emperador group contributed 27% to AGI's consolidated revenues and income, 25% 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 the year with P31.3 billion core revenues, reflecting a slight decrease YoY as increase in non-gaming core revenues (+P0.9 billion) was knocked down by the decline in gaming revenues (-P1.1 billion). GPR stood at 43%, slightly lower than the 45% reported in 2023. However, higher finance costs weighed on overall profitability, resulting in NP and NPO of P1.2 billion, compared to P2.0 billion in the previous year.

Net gaming revenues contracted 5% YoY to P23.4 billion as casino volume slightly declined. This was primarily driven by the drop in the VIP segment, despite continued growth in the Mass and Slots segments. Additionally, win rates for both VIP and Mass tables were lower compared to the previous year, while the win rate for Slots improved.

Non-gaming core revenues which include income from hotels, food, beverage and other operating activities climbed 13% YoY to P7.9 billion. This was driven by the rise in occupancy rates in both hotels and mall tenants, increased MICE activities, rise in foot traffic and new retail and restaurant offerings during the year. The hotels segment benefitted from the continued growth in both domestic and international tourism. Occupancy rates at its five hotels in NWR ranged from 80% to 91%, up from 75% to 83% a year earlier. Meanwhile, the 326-room hotel in the province of Iloilo, managed to improve occupancy rate to 38%, from 32% in the previous year.

Travellers group accounted for 14%, 1% and -1% of AGI's consolidated revenues and income, consolidated NP and consolidated NPO, respectively.

GADC, the master franchise holder of McDonald's in the Philippines and a strategic partnership with the George Yang group, showed improvement as its core revenues increased 12% YoY to hit P47.9 billion, attributed to value pricing and well-received limited time officers. Cost of sales grew faster than core revenues as it jumped 14% YoY. Food inflation remains a key concern, further impacting consumer spending behavior thus dragging NP and NPO to P2.4 billion with GPR and NPR standing at 22% and 5% as compared to 24% and 6% in 2023.Drivers of GADC sales includes well received limited time offers, introduction of more value-driven meal bundles and large food orders and holiday group offers.

Systemwide store sales increased 9% YoY, propelled by front-counter channels escalating 10% with dine-in sales climbing 16% YoY. Same-store sales expanded 15% YoY. McDonald's Philippines maintained a strong focus on value, emphasizing Sulit Busog Meals and the McDonald's App while staying committed to its core menu offerings. Building on the 2023 product renovations for burgers and chicken, the brand introduced a richer, creamier McCafé Iced Coffee in the third quarter. Throughout the year, various limited-time offers and promotions added excitement to the menu. The year kicked off with the launch of Spicy Wings paired with Sprite PeaChee Fruit Fizz, followed by an array of McNuggets flavors, including Classic Ranch, Cheesy Smoked Chili, Fiery Garlic Aioli, and Sweet Chili Plum. During the year, GADC opened a total of 65 new stores (46 in Luzon, 13 in Visayas, 6 in Mindanao) and closed 13 stores (12 in Luzon, 1 in Mindanao), bringing total store count to 792 from 740 stores at the beginning of the year. Stores were concentrated 81% in Luzon, including Metro Manila.

These operating results translated into 22% contribution to consolidated revenues and income, 9% to consolidated net profit and 8% to net profit to owners of AGI.

By profit and loss accounts:

Revenues and other income, as a result of the foregoing discussions, increased 6% YoY (+P12.8 billion) to P223.6 billion in 2024, from P210.8 billion a year ago. This growth was driven by both Sale of goods and Rendering of services.

Sale of goods (real estate, alcoholic beverages and snack products) rose 4% YoY (+P4.5 billion) to P112.4 billion. Notably, real estate sales surged19% YoY (+P8.3 billion) to P51.0 billion, while consumer goods sales declined by 6% YoY (-P3.7 billion) to P61.4 billion.
Service revenues (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) grew 10% YoY (+P9.2 billion) to P106.1 billion. Within this steam, quick-service restaurant sales expanded 13% (+P5.0 billion), franchise revenues increased 3% (+P0.1billion) , rental income rose 10% (+P1.8 billion), and hotel operations climbed 22% (+P2.0 billion). Net gaming revenues, on the other hand, contracted by 5% (P-1.1 billion) due to decline in the VIP segment despite growth in the mass and slot markets. ***Share in net profit of associates and joint ventures,*** which came from Megaworld and Emperador, reversed from a profit last year due to a loss share reported by Megaworld this year. ***Finance and other income*** dropped 16% YoY (-P1.0 billion) to P5.0 billion,

mainly due to lower interest income, and foreign currency losses (compared to gains in the previous year).

Costs and expenses climbed 9% YoY (+P14.8 billion) to P187.8 billion. ***Cost of goods sold*** and ***cost of services*** increased 4% YoY (+P2.4 billion) and 11% YoY (+P5.7 billion), respectively, reflecting the uptick in sales, rising input costs and accelerated construction activities. Cost efficiencies were maintained as GPR was sustained at same level as last year. ***Other operating expenses*** went up 9% YoY (+P3.9 billion) to P47.3 billion largely driven by the expansion of business operations, and the resumption of full-scale business activities across the Group's subsidiaries. Despite the increase, Other operating expenses ratio was maintained at 21% of revenues. This stable cost to revenue ratio highlights improved operating leverage and the Group's continued focus on cost discipline amid revenue expansion.

Finance and other charges surged 20% YoY (+P2.5 billion) to P14.8 billion, mainly due to higher interest expenses on additional borrowings as well as foreign currency losses.

Tax expense increased 6% YoY (+P.4 billion) to P7.8 billion, in line with the higher taxable income generated during the period.

As a result of the foregoing, consolidated **NP** declined by 8% YoY (-P2.4 billion) to P27.9 billion from P30.3 billion a year ago, while **NPO** contracted by 11% YoY (-P2.2 billion) to P17.4 billion.

For the Year Ended December 31, 2023 vs. 2022

The Group, one of the country's largest conglomerates, marked another record-breaking year as its topline and bottom lines reached new heights amid high inflationary pressures. Revenues and income surged 15% YoY to P210.8 billion while NP soared 20% YoY to P30.3 billion and net profit to owners ("NPO") climbed 22% YoY to P19.6 billion, on the strength of the Group's diversified revenue streams, strong brand equity, creative offerings and aggressive market positioning. Amid rising costs and expenses, the Group maintained operating efficiencies as GPR improved to 43% as compared to 42% last year while NPR and NPOR remained stable at 14% and 9%, respectively, for the two comparable years.

By business segments, as represented by the major subsidiary groups [based on pre-conso results]:

Megaworld, the county's pioneer township developer, achieved a landmark milestone as it ended the year with pre-conso revenues and income of P69.7 billion, NP of P19.4 billion and NPO of P17.3 billion, respectively soaring 17%, 26% and 29% YoY, which were accredited to the double-digit growths in all of its revenue streams. The group's costs and expenses expanded 14% YoY, mainly due to accelerated activities across all business segments. The group's GPR remained comparatively stable at 49% while NPR and NPOR improved to 28% and 25%, respectively, as compared to 26% and 23% a year ago.

Real estate sales, which comprised 61% of Megaworld's revenue streams, grew 16% YoY to P42.7 billion, attributable to higher project completion rates as construction activities continued to pick up during the year as well as sale of condominium units and commercial lots. The current brand mix for Megaworld-GERI-Empire East-Suntrust/SLI was 67%-15%-9%-8%. About 63% of sales were from Metro Manila projects, 16% Cavite-Laguna-Batangas-Rizal, and 16% Visayas. Reservation sales reached P139 billion, up 17% YoY, surpassing Megaworld's reservation sales target of P130 billion, driven mainly by its attractive projects catering to the mid- to high-end segments of the residential markets. Baytown Palawan in Puerto Princesa City was launched in 2023 as Megaworld's 31st township.

Rental income, which comprised 26% of Megaworld's revenues, increased 14% YoY to P17.8 billion mainly fueled by recovery in retail operations and tenant sales. Megaworld Premier Offices rentals grew 3% YoY to P12.6 billion, registering 88% occupancy rate as compared to 92% in 2022. Megaworld Lifestyle Malls rentals soared 54% YoY to P5.3 billion, mainly driven by higher occupancy (93% this year vs 90% in 2022) as well as recovery in retail operations and tenant sales as it started to remove rent concessions.

Megaworld Hotels & Resorts continued its recovery momentum as hotel revenues took a 46% leap YoY to P3.8 billion, benefitting from the resurgence in local tourism and resumption of MICE activities. Hotels in Metro Manila attained 67% occupancy versus 64% a year ago.

These operating results brought in 33%, 63% and 63% to AGI's consolidated revenues and income, NP and NPO, respectively.

Emperador, the world's largest brandy company and owner of the world's 5th largest Scotch whisky producer in the world by capacity, ended the year 2023 with revenues and income growing 5% YoY to record-high of P65.6 billion, driven by the sustained performance of its international business, owing to strong sales of its single-malt Scotch whisky. GPR improved to 33% from 32% a year ago. Higher spends on advertising and promotions, interest, and income tax weighed down heavily on the bottom lines, resulting in NP and NPO of P8.9 billion and P8.7 billion, respectively, behind 12% and 13% from a year ago. NPR and NPOR were registered at 14% and 13% respectively. EMI continues to pursue its strategic long-term CPI strategy – Contemporize offering, Premiumize portfolio and Internationalize business.

The Brandy segment maintained its revenues and income from external customers at P40.0 billion from its global operations in Philippines, Spain and Mexico, yet lagging 2% behind last year. Consumers' discretionary spending, as a result of inflation, caused general softening in spirits market globally. Nevertheless, GPR was maintained at 25%, same as last year. With increased operating expenses, interest and income tax expense, the segment realized NP and NPO of P4.0 billion and P3.7 billion, respectively, with NPR and NPOR of 10% and 9%, as compared to 14% and 13% a year ago.

The Scotch Whisky segment grew revenues and other income from external customers to P25.7 billion, up 16% YoY, driven by the single malt whiskies which continued to rank among the fastest growing single malts worldwide. Scotch Whisky sold strongly particularly in Asia, North America and travel retail. Supply chain challenges continued to affect the segment's markets yet demand remained high as GPR reached almost 44%. With increased operating expenses, largely on strategic marketing spending, and higher tax expense, the segment realized NP of P5.0 billion for NPR of 19%, as compared to 20% a year ago.

Emperador group contributed 31% to AGI's consolidated revenues and income, 31% to consolidated NP, and 39% to consolidated NPO.

Travellers, the owner and operator of NWR, an integrated leisure and tourism resort in Pasay City, reported core revenues surging 17% YoY to record-high P31.5 billion, exceeding pre-pandemic 2019. This helped surpass the pre-pandemic levels with NP of P2.0 billion, in itself a hefty 89% or P0.9 billion leap YoY. Both gaming and non-gaming segments delivered double-digit growths of 13% and 32%, respectively, while direct costs swelled 14% YoY, yet resulting in GPR of 45%, better than 43% a year ago. Current operations required higher general and administrative expenses and higher interest costs from a year ago, resulting in NPR/NPOR of 6% (4% in 2022).

Gross gaming revenues climbed 7% YoY while promotional allowance depleted 5% YoY reflecting decrease in VIP gaming activity, resulting in net gaming revenues growth of 13% YoY to P24.5 billion at end of the year. The period showed higher drops in the mass segment as it surpassed pre-pandemic 2019 levels. Casino volume rose by 4% driven mainly from the increase on Non-VIP and Slot segments. Blended win rate was at 4.8% as compared to 4.7% from a year ago.

Non-gaming core revenues (from hotels, food, beverage and other operating income) escalated 32% YoY to P7.0 billion, following the increase in number of mall goers, hotel occupancy, corporate events and MICE activities. Hotel occupancy rates of the 5 hotels in NWR ranged 75% to 83% (56% to 82% a year ago), while the hotel in Iloilo registered an occupancy rate of 32% (28% a year ago).

Travellers group accounted for 15%, 6% and 5% of AGI's consolidated revenues and income, consolidated NP and consolidated NPO, respectively.

GADC, the master franchise holder of McDonald's in the Philippines and a strategic partnership with the George Yang group, continued its strong recovery momentum and surpassed sales targets for the year as its core revenues soared 24% YoY to hit P42.8 billion. Cost of sales also grew at the same pace of 24% YoY so that GPR stood at 24% for both years. The group managed to increase NP and NPO by 40% and 39% YoY, respectively, to P2.5 billion from P1.8 billion, reporting NPR/NPOR at 6%, an improvement from 5% of a year ago.

Systemwide store sales rose 22% YoY, propelled by front-counter channels shooting up 36% with dine-in sales climbing 48% YoY. Same-store sales expanded 15% YoY. McDonald's continued to exceed its sales targets, surpassing previous year's performance mainly attributed to its creative product offerings and promotions. The launch of 'Better Chicken McDo' campaign exceeded sales targets with a month-over-month increase. McDonald's launched a strong limited time offer during the holiday season as it also exceeded target sales and the 'Coke Color Changing Cups' completely sold out before the promotion's end date. During the year, GADC opened a total of 50 new stores (43 in Luzon, 3 in Visayas, 4 in Mindanao) and closed 14 stores (13 in Luzon, 1 in Mindanao), bringing total store count to 740 from 704 stores at the beginning of the year. Stores were concentrated 82% in Luzon, including Metro Manila.

These operating results translated into 20% contribution to consolidated revenues and income, 9% to consolidated net profit and 7% to net profit to owners of AGI.

By profit and loss accounts:

Revenues and income, as a result of the foregoing discussions, increased 15% YoY (+P27.2 billion) to P210.8 billion as compared to P183.6 billion a year ago. ***Sale of goods*** (real estate, alcoholic beverages and snack products) escalated 10% YoY (+P9.6 billion) to P107.9 billion as real estate sales jumped 16% YoY (+P5.9 billion) to P42.7 billion and sales of consumer goods climbed 6% YoY (+P3.7 billion) to P65.1 billion. ***Service revenues*** (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) ballooned 20% YoY (+P16.4 billion) to P96.9 billion. Net gaming revenues, sales of quick-service restaurants, franchise revenues, rental revenues and hotel operations climbed 13% (+P2.9 billion), 24% (+P7.6 billion), 23% (+P0.7 billion), 14% (+P2.2 billion) and 38% (+P2.5 billion), respectively. ***Share in net profit of associates and joint ventures*** which is attributable to an associate of Megaworld and Emperador's joint venture, turned around from loss last year to profit this year. ***Finance and other income*** jumped 24% YoY (+P1.1 billion) to P6.0 billion, mainly due to higher interest income and foreign currency gains (loss last year) during the year.

Costs and expenses increased 14% YoY (+P20.8 billion) to P173.0 billion. ***Cost of goods sold*** and ***cost of services*** increased 8% YoY (+P4.8 billion) and 21% YoY (+P9.1 billion), respectively, due to increases in sales/services, rising costs and acceleration of construction activities. ***Other operating expenses*** went up 14% YoY (+P5.5 billion) to P43.4 billion due to resumption of business activities and increased business activities in global markets.

Finance and other charges jumped 14% YoY (+P1.5 billion) to P12.3 billion due mainly to higher interest expense during the period attributable to loans drawn during the year and high interest rates.

Tax expense increased 21% YoY (+P1.3 billion) to P7.4 billion primarily due to higher taxable income of the Group during the period.

As a result of the foregoing, **NP** increased 20% YoY (+P5.2 billion) to P30.3 billion from P25.2 billion a year ago and **NPO** expanded 22% YoY (+P3.5 billion) to P19.6 billion.

Financial Position

December 31, 2024 vs 2023

Consolidated total assets reached P824.1 billion at year-end 2024, up from P782.5 billion at beginning of the year, reflecting a 5% growth (+P41.5 billion) YoY. The Group maintained a strong liquidity position, with **current assets** exceeding **current liabilities** by 2.6 times, an improvement from 2.4 times at the beginning of the year. Current assets amounted to P394.4 billion and current liabilities amounted to P150.1 billion as of December 31, 2024.

The Group's borrowing-to-equity ratio increased to 60% at the end of the year, from 56% at the start of the year. Total liabilities amounted to P408.4 billion, while total equity stood at P415.7 billion, resulting in a liabilities-to-equity ratio of 0.98:1.00.

For detailed breakdowns and disclosures, please refer to the corresponding notes to the audited consolidated financial statements. Below is a summary of selected balance sheet **accounts with at least a +/-5% year-on-year movement.**

Cash and cash equivalents declined by 7% (-P4.4 billion) to P60.6 billion from P65.0 billion, primarily due to cash used in investing activities (capital expenditures and advances) exceeding cash provided by operating and financing activities (proceeds from interest-bearing loans and bonds, net of loan repayments, interest and dividend payments).

Current trade and other receivables increased by 8% (+P6.3 billion), driven by higher real estate sales and rental property occupancy, plus high sales of alcoholic beverage products nearing the Christmas season. N**on-current trade and other receivables** similarly rose by 15% (+P4.5 billion) from increased real estate sales and rental transactions.

Contract assets, increased significantly with **current** contract assets rising by 36% (+P6.1 billion) and **non-current** contract assets rising 41% (+P3.7 billion). These accounts represent reclassified portion of trade and other receivables pertaining to rights to payment that are contingent upon the completion of real estate units sold and represent the excess of progress of work over the corresponding right to an amount of consideration.

Financial assets at fair value through profit or loss rose by 7% (+P1.1 billion) mainly due to mark-to-market valuation gains.

Advances to landowners and joint operators increased by 8% (+P0.7 billion) attributed to additional advances made by Megaworld to landowners and co-venturers for new project developments.

Financial assets at fair value through other comprehensive income grew by 23% (+P0.1 billion) mainly from marked-to-market adjustments.

Property, plant and equipment expanded 6% (+P10.2 billion) to P168.5 billion, driven by ongoing expansion in the Scotch whisky business under Emperador, additional investments in NWR, and the rollout of new GADC stores.

Investment properties increased 9% (+P11.7 billion) to P148.1 billion, mainly due to land acquisitions and ongoing development of office and commercial projects under Megaworld. The increase also reflects asset reclassification consistent with PIC Q&As 2018-11, 2018-15, and 2018-15-A.

Deferred tax assets depleted 59% (-P3.3 billion) mainly due to movements in timing differences.

Other non-current assets rose by 14% (+P0.7 billion) to P5.4 billion, mainly due higher guarantee deposits for construction- related regulatory compliance under Megaworld's real estate developments and additional payments by Travellers to PAGCOR in relation to future investment.

Trade and other payables decreased 5% (-P3.9 billion) mainly due to timing of purchases for production and accruals for expenses, payables to contractors and suppliers of construction materials, liability for unredeemed gaming points and unredeemed gaming chips and gaming license fees.

Current interest-bearing loans increased 7% (+P3.1 billion) and **non-current interest-bearing loans** escalated 24% (+P35.8 billion), for a total increase of P38.9 billion, from new loan drawdowns and refinancing activities partly reduced by principal payments during the period.

Current bonds payable closed its beginning balance of P12.0 billion due to the maturity of peso-denominated bond **while non-current bonds payable** increased 5% (P0.9 billion) due to translation adjustments of a US Dollar-denominated bond, resulting in a net decrease of 36% (-P11.1 billion). All bonds were issued by Megaworld.

Contract liabilities representing Megaworld's excess of collection over the progress of work, declined during the year, with the **current** portion decreasing 5% (-P0.1 billion) and **non-current** portion decreasing by 14% (-P0.8 billion) during the year.

Income tax payable decreased 23% (-P0.6 billion) to P2.2 billion, primarily from lower taxable income of the Group at current year-end as compared to previous year.

Advances from other related parties increased by 23% (P0.2 billion) to P1.0 billion from Megaworld accounts.

Retirement benefit obligations increased 5% (+P0.1 billion) to P1.8 billion, driven by changes in assumptions and benefit payments under the retirement plans of Travellers, GADC, Megaworld and Emperador.

Deferred tax liabilities decreased by 5% (-P1.1 billion) to P21.2 billion, primarily due to movements in timing differences between financial and tax reporting.

Other non-current liabilities declined by 14% (-P1.5 billion) to P9.4 billion, mainly due to NWR patron deposit withdrawals, utilizations and reversal of WMG's provision for leased properties located in Scotland, and the decrease in retention payable, customer deposits, and other liabilities to counterparties of Megaworld.

The **changes in equity components** are presented in detail in the consolidated statements of changes in equity. Equity attributable to owners increased by 13% (+P33.5 billion) mainly from consolidated net profit during the year and Megaworld's consolidation reserves, partially offset by the acquisition of treasury shares and dividends paid. Non-controlling interest decreased 9% to P121.4 billion primarily due to change in percentage of ownership and dividend paid by investee. Treasury shares pertain to the acquisition cost of shares that have been repurchased from the market pursuant to AGI's ongoing share buyback program.

December 31, 2023 vs 2022

Consolidated total assets reached P782.5 billion at end of the year from P748.0 billion at beginning of the year, reflecting a 5% growth (+P34.5 billion) YoY. The Group is liquid with **current assets** exceeding **current liabilities** 2.4 times at both beginning and end of the year. Current assets amounted to P381.8 billion while current liabilities amounted to P167.0 billion at the end of the year. The Group's borrowing-to-equity ratio had gone down to 56% at the end of the year from 58% at the start of the year. Total liabilities amounted to P388.0 billion while total equity totaled P394.6 billion at year-end for a liabilities-to-equity ratio of 0.98:1.00.

For most of the balance sheet accounts, there is a corresponding note found in the audited consolidated financial statements where details, breakdown or composition of the accounts are presented. Please refer to those notes accompanying the consolidated financial statements. In summary, for **accounts with at least +/-5% changes YoY:**

Cash and cash equivalents were depleted by 19% (-P14.9 billion) during the year, ending at P65.0 billion from P79.9 billion at the start of the year, primarily due to cash used in the Group's financing activities (payments of interest, dividends and treasury shares) and investing activities (capital expenditures, advances) exceeded cash provided by operating activities.

Current trade and other receivables decreased 3% (-P2.2 billion) primarily due to collection of trade receivables and application of advances to suppliers and contractors on completed projects while **non-current trade and other receivables** increased 34% (+P7.4 billion) from new real estate sales and rentals during the year.

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, increased 23% (+P3.1 billion) for **currently** maturing assets while the **non-currently** maturing assets also increased 50% (+P3.0 billion).

Inventories increased 10% (+P16.8 billion) mainly from real-estate-related accounts as construction activities pumped up completion, and from continuous laying down of liquids holding for future sales and advanced production to fulfill customer orders without disruption.

Other current assets increased 25% (+P4.9 billion) mainly from timing of prepayments, taxes (input vat and creditable withholding taxes) and deposits.

Non-current assets classified as held for sale as reported under current assets in 2022 was reclassified back to property, plant and equipment in 2023 due to change in business plans in the use of the assets.

Financial assets at fair value through other comprehensive income increased 51% (+P0.2 billion) mainly from marked-to-market valuation during the year.

Property, plant and equipment went up 7% (+P9.8 billion) to P158.3 billion and **investment properties** increased 5% (+P7.0 billion) to P136.3 billion due to higher capital expenditures as from a year ago due to resumption of business and planned expansion projects.

Deferred tax assets jumped 9% (+P0.5 billion) mainly from deferred tax assets of GADC and EMI, attributed to movements of timing differences.

Other non-current assets shrank 28% (-P1.8 billion) to P4.8 billion, mainly due to application against the advances for future investments (made by Travellers to PAGCOR) of parcels of land received in 2023, and a decrease in Megaworld's deferred commissions.

Current interest-bearing loans increased 33% (+P10.8 billion) and **non-current interest-bearing loans** also increased 8% (+P11.5 billion), for a total increase of P22.3 billion, from new loans, drawdowns and refinancing partly reduced by principal payments during the period.

Current bonds payable sank 14% (-P2.0 billion) and **non-current bonds payable** also sank by 39% (-P12.1 billion), for a total decrease of 31% (-P14.1 billion), mainly due to maturity of $250 million bond in 2023. These bonds are all issued by Megaworld.

Current lease liabilities decreased 10% (-P0.1 billion) to P1.2 billion while **non-current lease liabilities** increased 8% (+P1.3 billion) to P17.7 billion mainly due to rental payments.

Contract liabilities represent MEG's excess of collection over the progress of work with **current** portion decreasing 48% (-P1.6 billion) and **non-current** portion increasing 17% (+P0.8 billion) during the year.

Income tax payable jumped 22% (+P0.5 billion) to P2.8 billion primarily from higher income taxes at current year-end which is further attributed to higher taxable profit.

Advances from other related parties fell 50% (-P0.8 billion) to P0.8 billion from payments of Megaworld accounts.

Retirement benefit obligations ballooned 131% (+P1.0 billion) to P1.7 billion from changes in assumptions and benefit payments in retirement plans of Travellers, GADC, Megaworld and Emperador.

Deferred tax liabilities increased 16% (+P3.0 billion) to P22.4 billion due to movements in timing differences.

Other non-current liabilities went down 17% (-P2.3 billion) to P10.9 billion due to withdrawals in deposits from NWR patrons, partly reduced by increase in customer deposits of Megaworld.

The **changes in equity components** are presented in detail in the consolidated statements of changes in equity. The equity attributable to owners increased 12% (+P28.2 billion) mainly from consolidated net profit during the year plus Megaworld's consolidation reserves during the year, reduced by acquisition of treasury shares and dividends paid; while non-controlling interest remained stable at P133.7 billion. Treasury shares pertain to the acquisition cost of the shares that have been brought back from the market pursuant to the AGI's ongoing buyback program

b.2. ***Liquidity and Capital Resources***

The consolidated statements of financial position reflected strong liquidity with, current assets exceeding current liabilities by 2.6 times as of end-2024, compared to 2.4 times at both end-2023 and end-2022. The Group's total-liabilities-to-equity ratios were maintained at 1.0:1.0 at the end of 2024, 2023 and 2022. Interest-bearing-debt-to-total-equity ratios were recorded at 60%, 56% and 58% at the end of 2024,2023, and 2022, respectively. Total assets exceeded total liabilities by 2.0 times and likewise exceeded total equity by 2.0 times at end-2024, 2023 and 2022.

Working capital was primarily sourced internally from operations, with additional funding obtained through bank loans during the year. Looking ahead, the Group maintains a forward-looking approach in managing its funding requirements and expects to support its working capital and investment needs through a combination of operating cash flows and borrowings. The Group continues to actively monitor market conditions and stands ready to access additional sources of financing, as necessary, in line with its financing strategy.

Amounts in Million Pesos	2024	2023	2022
Cash and cash equivalents	**60,603**	**65,020**	79,929
FVTPL/ FVOCI financial assets	**16,692**	**15,497**	15,305
Total Available	**77,295**	**80,517**	95,235
Interest-bearing debt- current	**46,480**	**43,345**	32,504
Interest-bearing debt noncurrent	**183,524**	**147,765**	136,288
Bonds payable- current	**-**	**11,998**	14,026
Bonds payable- noncurrent	**20,050**	**19,117**	31,213
Equity-linked securities*	**-**	**-**	-
Total Debt	**250,053**	**222,225**	214,031
Net debt	**(172,758)**	**(141,708)**	(118,796)
Available [cash and financial assets] to debt	**30.91%**	**36.23%**	44.50%
Total debt to total equity	**60.15%**	**56.32%**	58.48%
Net debt to total equity	**41.56%**	**35.91%**	32.46%

b.3. *Prospects for the future*

The Group remains optimistic in its prospects ahead, drawing strength from its established brand equity, solid market positioning, focused strategic direction, and robust financial standing. While remaining mindful of ongoing global and domestic economic challenges, the Group is well-positioned to navigate uncertainties and sustain its growth momentum.

AGI has a proven track record of long-term value creation and remains confident in its ability to deliver sustainable and profitable growth for its stakeholders, backed by its overall resilience and adaptability. Innovation, particularly in digital technology, will continue to be at the core across its different business operations, as the Group continues to harness technology to drive operational efficiency, enhance customer experience, and maintain a competitive edge.

b.4. *Others*

There are no other known material events subsequent to the end of the year that would have a material impact on the current year.

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 Group’s liquidity increasing or decreasing in any material way. The Group does not have nor anticipate having any cash flow or liquidity problems within the next twelve months. 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 Group, 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 o f operations of the Group.

7. FINANCIAL STATEMENTS

The audited consolidated financial statements, together with Statement of Management's Responsibility and Auditors' Report, and supplementary schedules are attached and filed herewith.

The consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards ("PFRS") Accounting Standards, on the historical cost basis except for the measurement of certain financial assets and liabilities. The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. The estimation and judgments are based upon management's evaluation of relevant facts and circumstances of the financial statements. Actual results may ultimately vary from those estimates.

The consolidated financial statements are presented in Philippine pesos, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

8. INFORMATION ON INDEPENDENT ACCOUNTANT AND OTHER RELATED MATTERS

a. External Audit Fees And Services

a.1. ***Audit and audit-related services***

Punongbayan & Araullo ("P&A") has been appointed as the principal auditors since 2003. In compliance with Revised Securities Regulation Code Rule 68, Part I, 3(B)(ix), *Rotation of External Auditors*, which adopted the provisions on long association of external auditors (including partner rotation) with public-interest-entity audit client as prescribed in the Code of Ethics for Professional Accountants in the Philippines, and as adopted by the Company, the engagement partners are rotated or changed every seven years ('time-on' period). To-date. The engagement partners have been rotated on a shorter time-on period and none had served for seven years. The lead engagement partner for 2024 and 2023 is Mr. Ramilito L. Nañola.

The fees, excluding out-of-pocket expenses and vat, for each of the last two fiscal years totaled P3.23 and P3.10 million for the audits of 2024 and 2023 annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.

a.2. ***Tax fees and all other fees***

In 2024, P&A was engaged to provide in-house training on Corporate Governance, for which P&A billed P0.10 million. Other than this, there were no separate tax fees and no other fees billed by P&A to AGI. There were no separate tax fees billed and no other products and services provided by P&A to AGI for the last two fiscal years.

a.3. ***Audit Committee's approval***

All the above services have been approved by the Audit Committee through the internal policies and procedures of approval. The Audit Committee is composed of Anthony T. Robles as Chairman, and Enrique M. Soriano III and Andrew L. Tan as members.

The appointments were endorsed to and approved by the Board of Directors, and then by the stockholders at the annual stockholders' meetings.

b. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

P&A, as principal auditors, issued an unqualified opinion on the consolidated financial statements. As such, there had been no disagreements with them on any accounting principles or practices, financial disclosures, and auditing scope or procedure.

PART III - CONTROL AND COMPENSATION INFORMATION

9. DIRECTORS AND EXECUTIVE OFFICERS

a. Directors And Executive Officers

Directors are elected annually by the stockholders to serve until the election and qualification of their successors. All of the directors, including the three independent directors[16], Messrs. Jesli A. Lapus, Anthony T. Robles and Enrique M. Soriano III were elected in the last annual stockholders' meeting on July 18, 2024. No independent director has served for a cumulative term of nine years as of date.

The table below sets forth each member of the Company's Board as of March 31, 2025:

Name	Age	Citizenship	Position
Andrew L. Tan	75	Filipino	Chairman
Kevin Andrew L. Tan	45	Filipino	President, Chief Executive Officer and Vice Chairman
Lourdes T. Gutierrez-Alfonso	61	Filipino	Director
Katherine L. Tan	73	Filipino	Director
Jesli A. Lapus	74	Filipino	Independent Director
Anthony T. Robles	70	Filipino	Independent Director
Enrique M. Soriano III	57	Filipino	Independent Director

The table below sets forth the Company's executive officers as of March 31, 2025.

Name	Age	Citizenship	Position
Kevin Andrew L. Tan	45	Filipino	President and Chief Executive Officer
Katherine L. Tan	73	Filipino	Treasurer
Dina D.R. Inting	65	Filipino	Chief Financial Officer and Chief Audit Executive
Alan B. Quintana	56	Filipino	Corporate Secretary
Nelileen S. Baxa	46	Filipino	Assistant Corporate Secretary and Chief Risk Officer

Andrew L. Tan
Chairman of the Board

Dr. Tan has served as Chairman of the Board since September 2006. He has also served as the Chief Executive Officer from September 2006 to June 2018 and as Vice-Chairman of the Board from August 2003 to September 2006. He holds position in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No.of Term/ Years
Emperador Inc.	Chairman	Aug 2013	June 2024	11
Megaworld Corporation	Chairman & President	Aug 1989	May 2024	35
Global-Estate Resorts, Inc. (subsidiary of Megaworld)	Chairman	January 2011	June 2024	13
Empire East Land Holdings, Inc. (subsidiary of Megaworld)	Chairman	July 1994	June 2024	30

He pioneered the live-work-play-learn model in the real estate development through the Megaworld Corporation's integrated township communities, fueling the growth of the business process outsourcing

[16] The tenure of an independent director is set to a cumulative term of nine years. Independent directors who have served for nine years may continue as a non-independent director of the company. Reckoning of the cumulative nine-year term is from 2012, in connection with SEC Memorandum Circular No. 9, Series of 2011.

("BPO") industry, food and beverage, and quick service restaurants industries. Dr. Tan is concurrently the Chairman of the Board and President of Megaworld Globus Asia, Inc., Megaworld Land, Inc., Mactan Oceanview Properties and Holdings, Inc., Richmonde Hotel Group International Limited, Twin Lakes Corporation, The Bar Beverage, Inc., Yorkshire Holdings, Inc. and Manila Bayshore Property Holdings, Inc. He is also Chairman of Megaworld Newport Property Holdings, Inc., Alliance Global Group Cayman Islands, Inc., Alliance Global Brands, Inc., Suntrust Properties, Inc., Adams Properties, Inc., Consolidated Distillers of the Far East, Inc., Townsquare Development Inc., Gilmore Property Marketing Associates, Inc., Megaworld Central Properties, Inc., Raffles & Company, Inc., Southwoods Mall, Inc., Eastwood Cyber One Corporation, and Emperador Distillers, Inc. He is the Chairman and Treasurer of The Andresons Group, Inc. and sits in the boards of Alliance Global-Infracorp Development, Inc., Megaworld Cayman Islands, Inc., Megaworld Cebu Properties, Inc., Travellers International Hotel Group, Inc. He is also the Vice-Chairman and Treasurer of Golden Arches Development Corporation and Golden Arches Realty Corporation and a Director and Treasurer of Andresons Global, Inc. He is the Chairman Emeritus of Megaworld Foundation, Inc., since January 2024. Dr. Tan graduated Magna Cum Laude with a degree of Bachelor of Science in Business Administration and was conferred Doctor of Philosophy in Humanities (Honoris Causa) from the University of the East.

Kevin Andrew L. Tan
President, CEO and Vice-Chairman

Mr. Tan has been elected as Chief Executive Officer since June 2018 and Vice-Chairman since September 2018. He has served as Director since April 20, 2012. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/
Emperador Inc.	Director	Oct 2017	June 2024	7
Empire East Land Holdings, Inc.	Director	June 2015	June 2024	9
Global-Estate Resorts, Inc.	Director	June 2014	June 2024	10
Megaworld Corporation	Executive Vice President and Chief Strategy Officer	Nov 2018	May 2024	6
MREIT, Inc.	President and CEO	Oct 2020	June 2024	4

He is concurrently the Chairman and President of Alliance Global-Infracorp Development, Inc. and Newport World Resorts Properties, Inc., Chairman of Travellers International Hotel Group, Inc. and Megaworld Foundation, Inc., Director and President of Townsquare Development, Inc., Director and Corporate Secretary of Alliance Global Brands, Inc. and Paseo Center Building Administration, Inc., Director and Treasurer of Consolidated Distillers of the Far East, Inc. and Uptown Cinemas, Inc., and Director of Emperador Distillers, Inc., Anglo Watsons Glass, Inc., Yorkshire Holdings, Inc., The Bar Beverage, Inc., Emperador Brandy, Inc., New Town Land Partners, Inc., Eastwood Cyber One Corporation, Twin Lakes Corporation, Alcazar De Bana Holdings Company, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., and The Andresons Group Incorporated. He is also Chairman and CEO of Agile Digital Ventures, Inc., Megaworld Corporation's digital investment arm that is engaged in investing and building technology start-ups. He has over 11 years of experience in retail leasing, marketing and operations. He formerly headed the Commercial Division of Megaworld Corporation, which markets and operates the Megaworld Lifestyle Malls, including Eastwood Mall and The Clubhouse at Corinthian Hills in Quezon City, Venice Piazza at McKinley Hill and Burgos Circle at Forbestown Center, both in Fort Bonifacio, California Garden Square in Mandaluyong City, Newport Mall at Resorts World Manila in Pasay City, Lucky Chinatown Mall in Binondo, Manila, Uptown Mall in Uptown Bonifacio and Southwoods Mall in Laguna. Mr. Tan holds a Bachelor of Arts Major in Humanities with Professional Certificate in Management, from the University of Asia and the Pacific.

Katherine L. Tan
Director and Treasurer

Ms. Tan has served as Director and Treasurer since February 2007. She holds positions in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/Years
Megaworld Corporation	Director	Aug 1989	May 2024	35
	Treasurer	Aug 1989	June 1995	6
MREIT, Inc.	Director	May 2021	June 2024	3
Emperador Inc.	Treasurer	August 2013	June 2024	11

She is the Chairman and President of Andresons Global, Inc. and Choice Gourmet Banquet, Inc. She is also Director/President of Consolidated Distillers of the Far East, Inc., Raffles and Company, Inc., and The Andresons Group, Incorporated. She is the Director/Treasurer of Alliance Global Brands, Inc., Emperador Brandy, Inc., Emperador Distillers, Inc., Progreen Agricorp, Inc., Cocos Vodka Distillers Philippines, Inc., Zabana Rum Company, Inc., and Yorkshire Holdings, Inc. She is also Director and Corporate Secretary of The Bar Beverage, Inc. and Director of Anglo Watsons Glass, Inc., Alcazar De Bana Holdings, Inc., Emperador International Limited, Kenrich Corporation, McKesterPik-Nik International Limited, Megaworld Cayman Islands, Inc., and Venezia Universal Limited. She served as Director of EMI from August 2013 to May 2022. She is the Treasurer of Newtown Land Partners, Inc. Ms. Tan graduated from St. Scholastica's College with a degree in Nutrition.

Lourdes T. Gutierrez-Alfonso
Director/President

Ms. Gutierrez-Alfonso has been elected as Director on June 2024. She holds positions in the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/Years
Megaworld Corporation	President	June 2024	June 2024	1
MREIT, Inc.	Director	September 2021	June 2024	3

She is currently the President and is a member of the Management Executive Committee of Megaworld Corporation, and has been with MEG since 1990. Ms. Gutierrez-Alfonso is Chairman of the property management company, First Oceanic Property Management, Inc. She serves as director in numerous affiliate companies including publicly-listed Global-Estate Resorts, Inc and MREIT, Inc. She is also a director of Suntrust Properties, Inc., Twin Lakes Corporation, Southwoods Mall, Inc., Mactan Oceanview Properties and Holdings, Inc., Megaworld Resort Estates, Inc., Megaworld Cebu Properties, Inc., Megaworld Oceantown Properties, Inc., Megaworld Bacolod Properties, Inc., Eastwood Cyber One Corporation, Davao Park District Holdings, Inc., and Prestige Hotels & Resorts, Inc. She is also currently the Chairman of Belmont Newport Luxury Hotels, Inc., Megaworld Global-Estate, Inc., and Savoy Hotel Manila, Inc. She is also a trustee and a Corporate Secretary of Megaworld Foundation, Inc. She has extensive experience in real estate and a strong background in finance and marketing. Ms. Gutierrez-Alfonso graduated cum laude from the Far Eastern University with the degree of Bachelor of Science major in Accounting in 1984. She is a certified public accountant by profession.

Jesli A. Lapus
Independent Director

Dr. Lapus has served as Independent Director since June 2021. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Emperador Inc.	Independent Director	May 2021	June 2024	3

Dr. Lapus is currently Chairman and Independent Director of STI Education Services Group, Inc. since 2013 and Chairman of LSERV Corporation since 2012. He is Independent Director of Information and Technology Academy (iAcademy) since 2010, Philippine Life Financial Assurance Corporation since 2012, STI Education Systems Holdings, Inc. since 2013, and STI West Negros University, Inc. since 2022. He is a former Chairman of the Board of Investments, Philippine Exports Zone Authority, National Development Corporation, Export Development Council, Export Development Council, Micro, Medium and Small Enterprises Council (MSMED), Summer Institute of Linguistics (SIL) and Manila Tytana Colleges. He is a former Board Member of the Land Bank of the Philippines, Philippine Airlines, Meralco, and Union Bank of the Philippines; former Governor/Trustee of the Asian Institute of Management, Management Association of the Philippines, and Bankers Association of the Philippines; and former Advisor of Philplans First, Inc.

As a top executive in the private sector, he has successfully managed celebrated firms and a universal bank in attaining industry leadership. As the youngest President and CEO of the Landbank of the Philippines at 42 years old, Lapus steered the bank from number 18 to become the 3rd biggest in the banking industry. As the first Filipino and the youngest Managing Director of the German multinational company Triumph International (Phils.), Inc. from 1979-1985, he led it to become the biggest manufacturing operation of its kind in the world making it a top Philippine exporter and employer. At 23, he was the Chief Finance Officer (CFO) of the Ramcar Group where he engineered mergers and acquisitions which established Ramcar as the undisputed market leader in the country. At age 20, he was Auditor-in-Charge and Management Consultant at SGV & Co., CPA’s (1969-1973).

Dr. Lapus has the distinction of having served in the cabinets of three (3) Philippine Presidents in the following capacities: Secretary of the Department of Trade and Industry, Secretary of the Department of Education, President and CEO of The Land Bank of the Philippines, and Undersecretary of the Department of Agrarian Reform. He had been elected member of the Philippine Congress for three consecutive terms in 1998-2007 where he spearheaded many famous legislation such as the 2005 Fiscal Reform Measures (EVAT, Sin Taxes, Tax Amnesty and Attrition Law).

Dr. Lapus has been elected by the 180-country international organization, the United Nations Educational and Scientific Council (UNESCO) in Paris, France as a member of its Executive Board. He also served as the President of the South East Asian Ministers of Education Council (SEAMEO).

Dr. Lapus received his Doctor of Public Administration (Honoris Causa) from the Polytechnic University of the Philippines and his Master in Business Management from the Asian Institute of Management and is a Certified Public Accountant. He also pursued his Post Graduate Studies in Investment Appraisal and Management from Harvard University, USA; Management of Transfer of Technology from INSEAD, France; Project Management from BITS, Sweden; Personal Financial Planning from UCLA, USA; and Cursos Internacionales from the Universidad de Salamanca, Spain.

Anthony T. Robles
Independent Director

Mr. Robles has served as an Independent Director since 16 June 2022. He is concurrently an Independent Director of MREIT Fund Managers, Inc. Mr. Robles is also a Bank Consultant of PBCOM and a Faculty Member (Finance Cluster) of Ateneo de Manila Graduate School of Business. Prior to his roles, Mr. Robles has served several other positions including the EVP Sector Head (Development Lending), Acting CEO / President, and Sector Head, Executive Vice President (Branch Banking) of the

Development Bank of the Philippines, the President and Chief Operating Officer of DRS Global Technologies, Inc., the Executive Vice President (Retail Banking Group) of Chinatrust (Philippines), the Executive Vice President (Account Management Group) of Planters Development Bank, and the Senior Vice President-General Manager (Band 4) (Wealth Management Value Center) of Standard Chartered Bank (Philippines). Mr. Robles earned his B.A. in Commerce degree from University of Santos Tomas and his MBA in Financial Management from Ateneo de Manila University.

Enrique M. Soriano III
Independent Director

Mr. Soriano has served as an Independent Director since 16 June 2022. He holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Term/ Years
Emperador Inc.	Independent Director	May 2016	June 2024	8

He is concurrently an Independent Director of MREIT Fund Managers, Inc., Travellers International Hotel Group, Inc., P.A. Properties, and GGTT Realty Corporation. He is currently the Executive Director of the Wong + Bernstein Group, an Asia Pacific based Strategic Advisory Firm that specializes on Family Governance and Next Generation Leadership. He is also a Senior Advisor at Family in Business Strategic Group, and a Senior Fellow on Governance at the IPMI International Business School in Jakarta and a member of the Singapore Institute of Directors. He also sits as a Director and/or Board advisor to 25 UHNW (ultra-high net worth families) in the ASEAN region. He is also a Columnist and Book Author.

He is a former World Bank/ International Finance Corporation Governance Consultant, Dean of Education at the Manual L. Quezon University, Senior Professor of Service and Global Marketing at the Ateneo Graduate School of Business, and Country President of Electronic Realty Associates (ERA Philippines.). His advocacy related to Real Estate Innovation, Strategic Management and Corporate Governance has made him a sought-after Senior Advisor to family owned businesses in Asia and resource speaker in international conferences in the US, Canada, UK, ASEAN and Africa. Due to his strategic advocacies, he has been recognized and invited to lecture and deliver talks at dozens of universities in Asia and North America, notably Harvard University and University of San Francisco. He writes a business column in several Philippine newspapers, in the US and a couple of business magazines in the EU and the Middle East. He is currently finishing his third book on Family Governance and Succession following his bestselling book entitled “Ensuring the Family Business Legacy: Powerful Insights About Leadership and Succession.”

He holds a B.A. in History, minor in Economics degree from the University of the Philippines, an MBA from De La Salle University, Doctorate Units at the UP National College of Public Administration and has an Executive Diploma in Directorships at the Singapore Management University. He also pursued Post Graduate Education specializing on Behavioral Finance at Harvard Kennedy School of Government and at the National University of Singapore Business School focusing on Asian Family Businesses. He was conferred Certified Professional Marketer by the Marketing Institute of the Philippines in 2016.

Dina D.R. Inting
Chief Financial Officer and Chief Audit Executive

Ms. Inting has served as Chief Financial Officer since January 1995 and at present its Compliance Officer, Corporate Information Officer and Chief Audit Executive . She holds position in the following other listed company:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Terms/ Years
Emperador Inc.	Chief Financial Officer, Compliance Officer and Corporate Information Officer	Aug 2013	June 2024	11

She is currently a director of Progreen Agricorp, Inc. She gained an extensive experience in the fields of audit, comptrollership, treasury, finance, branch operations and personnel management from her previous employments in SGV & Co., Raffles & Company, Inc. and First Oceanic Property Management, Inc. She is a Cum Laude graduate of Bachelor of Science in Commerce major in Accounting, Honors Program, at the Philippine College of Commerce (Polytechnic University of the Philippines), holds a certificate in Organizational Development from the Ateneo de Manila University, and is a Certified Public Accountant.

Alan B. Quintana
Corporate Secretary

Mr. Quintana has served as the Corporate Secretary since April 16, 2019. He is currently First Vice President for Legal – Landbank Management and Titling Department of Global-Estate Resorts, Inc. (“GERI”) since May 2018 and has been with GERI since 2011. He is a Director of Boracay Newcoast Federation, Inc., Sherwood Hills Development, Inc., Global Shelter, Inc., La Compaña de Sta. Barbara, Inc., Pioneer L-5 Realty Corporation, and Golden Sun Airways, Inc. He is the Corporate Secretary of Boracay Newcoast Resorts, Inc. and Alliance Global-Infracorp Development, Inc. Prior to GERI, he worked as Corporate Legal Counsel of Fil-Estate Properties, Inc. from 1995-2011. He has a degree in Bachelor of Science in Commerce Major in Accounting from the University of San Carlos and obtained his Bachelor of Laws degree from the San Beda College of Law.

Nelileen S. Baxa
Assistant Corporate Secretary and Chief Risk Officer

Ms. Baxa has served as Assistant Corporate Secretary since October 08, 2020 and its Chief Risk Officer since July 18, 2024. She holds position on the following other listed companies:

Listed Company	Position	Date First Elected	Date Last Elected	No. of Terms/
Suntrust Resort Holdings, Inc.	Corporate Secretary and Corporate Information Officer	Oct 2020	Oct 2024	4
Megaworld Corporation	Assistant Corporate Secretary	Oct 2020	May 2024	4
Global-Estate Resorts, Inc.	Assistant Corporate Secretary	Oct 2020	June 2024	4

Ms. Baxa is currently a Senior Accounting Manager of Megaworld Corporation. She is a Certified Public Accountant with over eighteen (18) years of experience in the fields of accounting and finance. Ms. Baxa concurrently serves as a Director of Bordeaux Properties, Inc., Langham Properties, Inc., Rowenta International, Inc., and Venetian Properties, Inc. She is also the Corporate Secretary of Era Real Estate Exchange, Inc. and Oceanic Realty Group International, Inc. Ms. Baxa obtained her Bachelor’s Degree in Accountancy from the University of Santo Tomas.

b. Significant Employees

The Company does not have employees who are not executive officers but expected to make significant contribution to the business.

c. Family Relationships

1. Chairman Andrew L. Tan is married to Treasurer/Director Katherine L. Tan;
2. Kevin Andrew L. Tan, their son, is the CEO and Vice Chairman of the Company. He is also the EVP and Chief Strategy Officer of MEG and the President and Chief Executive Officer of MREIT, Inc.;
3. Kendrick Andrew L. Tan, another son, is the Corporate Secretary and Executive Director of EDI, and Director/Executive Director of EMI;
4. Both siblings are currently serving as directors of AWGI, Newtown Land Partners, Inc., and Yorkshire Holdings, Inc.

d. Involvement in Legal Proceedings

The Company has no knowledge of any of the following events that occurred during the past five (5) years up the date of this report that are material to an evaluation of the ability or integrity of any director or executive officer or control person of the Company:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
2. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
3. Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

e. Board Attendance at Board and Committee Meetings Held In 2024

The attendance of the directors at the meetings of the Board of Directors for the year 2024 is as follows:

Name	No. of Meetings Held during the Year	No. of Meetings Attended	Percentage of Attendance
Andrew L. Tan	21	21	100%
Kevin Andrew L. Tan	21	21	100%
Lourdes T. Gutierrez-Alfonso	7	7	100%
Katherine L. Tan	21	21	100%
Jesli A. Lapus	21	21	100%
Anthony T. Robles	21	21	100%
Enrique M. Soriano III	21	21	100%

The attendance of the members of the Audit Committee at Audit Committee meetings for the year 2024 is as follows:

Name	Designation	Meetings Attended	Percentage
Anthony T. Robles	Chairman	8	100%
Enrique M. Soriano III	Member	8	100%
Andrew L. Tan	Member	4	50%

10. EXECUTIVE COMPENSATION

a. Executive Compensation

Name and Principal Position
Andrew L. Tan, Chairman
Kevin Andrew L. Tan, Vice Chairman, CEO
Katherine L. Tan, Treasurer
Dina D.R. Inting, CFO, CIO and Compliance Officer
Alan B. Quintana, Corporate Secretary
Nelileen S. Baxa, Asst. Corporate Secretary

The officers receive fixed salary on a monthly basis from the respective subsidiaries or businesses they principally handle. Hence, for years 2024, 2023, and 2022, no compensation was received from AGI, the holding company, and neither will there be for 2025.

b. Compensation of Directors

In a board resolution passed in November 2007, members of the Company's Board of Directors began to receive per diem allowance for attendance in board meetings. The following table identifies the compensation of each of the incumbent Board of Directors and officers.

Name and Principal Position	**Allowance/ Per Diem 2022 (P) '000**	**Allowance/ Per Diem 2023 (P) '000**	**Allowance/ Per Diem 2024 (P) '000**	**Allowance/ Per Diem 2025 (P) '000** (estimate)
Andrew L. Tan, Chairman	75	75	75	75
Kevin Andrew L. Tan, Vice Chairman and CEO	75	75	75	75
Katherine L. Tan, Director and Treasurer	75	75	term ended	term ended
Kingson U. Sian, President (COO)	1,950	2,025	[retired] 750	retired
Jesli A. Lapus, Independent Director	135	75	615	645
Anthony Robles, Independent Director	165	345	795	645
Enrique Soriano III, Independent Director	135	255	795	645
Winston S. Co, Director	75	n/a	n/a	n/a
Sergio R. Ortiz-Luis Jr., Independent Director	135	n/a	n/a	n/a
Dina D.R. Inting	none	none	none	none
Alan B. Quintana	none	none	none	none
Nelileen S. Baxa	none	none	none	none
Total (of above)	2,820	2,925	3,105	4,110

c. Employment Contracts, Termination of Employment and Change-In-Control Arrangements

There are no employment contract between the Company and a named executive officer; and no compensatory plan or arrangement, including payments to be received from the Company, with respect to a named executive officer, that results or will result from the resignation, retirement or any other termination of such executive's employment with the Company and its subsidiaries or from a change-in-control of the Company or a change in the named executive officer's responsibilities following a change-in-control and amount involved, including all periodic payments or installments, that exceeds P2.5 million.

d. Warrants and Options

The Company has an Executive Stock Option Plan (the "Plan") approved by the Board of Directors of the Company and by stockholders (holding at least 2/3 of the outstanding capital stock) on July 27, 2011 and September 20, 2011, respectively. The purpose of the Plan is to enable the key Company executives and senior officers who are largely responsible for its further growth and development to obtain an ownership interest in the Company, thereby encouraging long-term commitment to the Company. The Plan is being administered by the Corporate Governance Committee (the "Committee") of the Board.

Stock options may be granted within ten (10) years from the adoption of the Plan and may be exercised within seven (7) years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for nine (9) months immediately preceding the date of grant. The options shall vest within three (3) years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three (3) year period. The Company shall receive cash for the stock options.

On April 22, 2013, additional 59.1 million options were granted to certain key executives at an exercise price of P12.9997 with a market price of P21.65 at the date of grant. The exercise period for the 59.1 million options has been extended by the Corporate Governance Committee until March 14, 2025.

As of December 31, 2024, no vested option has been exercised and the number of unexercised stock options is 59,100,000 common shares.

An Option Holder may exercise in whole or in part his vested Option provided, that, an Option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said Option's Life Cycle. As of this time, the Company cannot determine if options can be exercised with less than forty percent (40%) of the total price of the shares so purchased. The Company does not provide or arrange for loans to enable qualified participants to exercise their options.

11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(1) **Security Ownership of Record and Beneficial Owners owning more than 5% of the Company's outstanding common stock as of March 31, 2025:**

(2)

Title of Class	*Name and Address of Record Owner &Relationship w/ Issuer*	*Name of Beneficial Owner & Relationship w/ Record Owner*	*Citizenship*	*No. of Shares*	*Percent Owned*
Common	THE ANDRESONS GROUP, INCORPORATED 7/F 1880 Eastwood Avenue, Eastwood City Bagumbayan, Quezon City,[17]	THE ANDRESONS GROUP, INCORPORATED (TAGI)	Filipino	4,768,263,994	53.72
Common	YORKSHIRE HOLDINGS, INC. 18th Floor Alliance Global Tower 26th Street cor. 11th Avenue, Uptown Bonifacio, Taguig City[7]	YORKSHIRE HOLDINGS, INC. (YHI)	Filipino	1,143,451,842	12.88
Common	PCD NOMINEE CORPORATION (NON-FILIPINO) 29th Floor, BDO Equitable Tower 8751 Paseo de Roxas, Makati City 1226	THE HONGKONG AND SHANGHAI CORP. LTD. – CLIENTS' ACCT. (Non-Filipino)	Non-Filipino	615,663,169	6.94

(2) **Security Ownership of Management as of March 31, 2025:**

Title	*Name of Beneficial Owner*	*Citizenship*	*Amount*	*Percent*
Common	Andrew L. Tan *(Chairman of the Board)*	Filipino	63,684,349	0.720%
Common	Anthony T. Robles (*Independent Director*)	Filipino	1	0.000%
Common	Enrique M. Soriano III (*Independent Director*)	Filipino	1	0.000%
Common	Katherine L. Tan *(Director)*	Filipino	1	0.000%
Common	Jesli A. Lapus *(Independent Director)*.	Filipino	1	0.000%
Common	Kevin Andrew L. Tan *(Director)*	Filipino	1	0.000%
Common	Dina D.R. Inting *(CFO, CIO & Compliance Officer)*	Filipino	2,758	0.000%
Directors and Executive Officers as a Group			63,687,112	0.72%

11.

12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Company's policy with respect to related party transactions is to ensure that these are entered into at arm's length basis, on terms comparable to those available to unrelated third parties. All transactions

[17] *Mr. Andrew L. Tan is the Chairman of the Board of TAGI, is authorized to appoint proxy to vote for the shares.*
[7] *Mr. Andrew L. Tan, Chairman of YHI is authorized to appoint proxy to vote for the shares which includes direct and indirect beneficial ownership through Altavision Resources, Inc.*

involving related parties are conducted in strict adherence to the principle of arm's length dealings to ensure that the same are executed at fair market value, with the goal of ensuring fairness and the best interests of the Company's stakeholders, as well as preventing potential conflicts of interests.

Except for the material related party transactions described in the Notes to the Consolidated Financial Statements of the Company and subsidiaries for the years 2024, 2023, and 2022, (*please see as filed with this report*), there has been no material transaction during the last two years, nor is there any material transaction currently proposed, to which the Company was or is to be a party, in which any director or executive officer, or any nominee for election as director, or any stockholder holding more than ten percent (10%) of the Company's voting shares, and any member of the immediate family (including spouse, parents, children, siblings, and in-laws) of any such director or nominee for election as director, executive officer, or stockholder holding more than ten percent (10%) of the Company's voting shares had or is to have a direct or indirect material interest.

PART IV – CORPORATE GOVERNANCE

13. CORPORATE GOVERNANCE

The Company and its subsidiaries are committed to sustainability and creating value for stakeholders by adhering to the highest standards of corporate governance. Integrity, transparency, and accountability guide our operations, enhancing value for shareholders, investors, employees, and the community.

The Company's corporate governance principles are outlined in its Revised Manual on Corporate Governance ("Revised Manual"), which was approved by our Board of Directors on May 30, 2017, in accordance with SEC Memorandum Circular No. 19, Series of 2016 otherwise known as the Code of Corporate Governance for Publicly-Listed Companies ("Code"). The Revised Manual sets forth corporate governance practices based on internationally recognized standards, systems, and processes to ensure the Company's progress and stability. It ensures an effective system of checks and balances and upholds a high standard of accountability and transparency for all stakeholders.

The Board conducts an annual self-assessment to evaluate its performance as a governing unit, as well as the performance of the Board Committees, individual directors, and Management. This self-assessment involves completing an evaluation and assessment questionnaire, through which the directors provide their ratings and opinions on areas such as Board Composition, Board Responsibilities, Board Committees, Individual Board Members, and Management Relationship.

The Company fully complies with the Code and the Revised Manual. There has been no material deviation from the Revised Manual, neither has there been any director or executive officer of the Company who has violated any material provision of the same. The same is true for each entity in AGI Group.

The Company's Integrated Annual Corporate Governance Report (I-ACGR), which sets forth the Company's compliance with good corporate governance, will be filed separately.

Enterprise Risk Management

The Company's risk management focuses on safeguarding shareholder value to manage unpredictability of risks and minimize potential adverse impact on its operating performance and financial condition.

The Company's Board of Directors is directly responsible for risk management and the Management carries our risk management policies approved by the Board. After the Management identifies, evaluates reports and monitors significant risks, and submits appropriate recommendations, the Board approves formal policies for overall risk management, as well as written policies covering specific areas, such as foreign exchange risks, credit risk, and liquidity risk.

The Board Risk Oversight Committee annually reviews the Company's approaches to risk management and recommends to the Board the changes or improvements to key elements of its processes and procedures. After submission of the Committee's recommendation, the Board then reviews the risk management system. Risks are also managed through internal controls, see discussion under ***Major Business Risks and Management***.of this Report.

Sustainability Report

Sustainability is deeply embedded in the Group's operations, shaping its growth, innovation, and long-term vision. As the Group expands, it continuously strengthens efforts to integrate sustainability across its diverse businesses.

A copy of the Company's 2024 Sustainability Report is attached to this Report.

PART V - EXHIBITS AND SCHEDULES

13. EXHIBITS AND REPORTS ON SEC FORM 17-C

(b) Reports on SEC Form 17-C Filed During the Last Six Months of The Report Period

(June 1 to December 31, 2024)	Disclosures
June 3, 2024	Change in Directors and/or Officers (Resignation, Removal or Appointment, Election and/or Promotion)
June 3, 2024	Postponement of Annual Stockholders' Meeting
June 4, 2024	[Amend-1]Notice of Annual or Special Stockholders' Meeting
June 10, 2024	Clarification of News Reports - Clarification of the Bilyonaryo.com News Article
June 11, 13, and 18	Share Buy-Back Transactions
June 20, 2024	Material Information/Transactions - Approval of the Amended Definitive Information Statement by the Securities and Exchange Commission - Markets and Securities Regulation pursuant to Department Order No, 56, Series of 2024
June 21, 2024	Share Buy-Back Transactions
July 11, 2024	Share Buy-Back Transactions
July 18, 2024	Results of Annual or Special Stockholders' Meeting
July 18, 2024	Results of Organizational Meeting of Board of Directors
July 18, 2024	Material Information/Transactions - AGI TO SPEND P75 BILLION THIS YEAR TO SUSTAIN GROWTH PLANS
July 18, 2024	Press Release – "AGI TO SPEND P75B THIS YEAR TO SUSTAIN GROWTH PLANS"
July 22, 2024	Clarification of News Reports - Clarification of the 21 July 2024 Bilyonaryo.com News Article
August 8, 2024	Notice of Analysts'/Investors' Briefing
August 9, 2024	Share Buy-Back Transactions
August 14, 2024	Press Release – "AGI RECOVERS STRONGLY ACROSS THE BUSINESS IN 2Q; BRINGS 1H TOPLINE TO P107.5B, NET PROFIT TO P13.8B"
August 14, 2024	Material Information/Transactions - AGI RECOVERS STRONGLY ACROSS THE BUSINESS IN 2Q; BRINGS 1H TOPLINE TO P107.5B, NET PROFIT TO P13.8B
September 24-27, 2024	Share Buy-Back Transactions
October 14 and 15, 2024	Share Buy-Back Transactions
October 11,14-18, 2024	Share buy-back transactions
October 21-25, 2024	Share buy-back transactions
October 21, 2024	Clarification of News Reports - Clarification of the InsiderPH (Online Edition) News Article on October 19, 2024
October 28-31, 2024	Share buy-back transactions
November 4-8 and 11, 2024	Share buy-back transactions
November 11, 2024	Notice of Analysts'/Investors' Briefing
November 13, 2024	Amended Notice of Analysts'/Investors' Briefing
November 15, 2024	Material Information/Transactions - AGI nets P20B from Jan-Sept 2024
November 15, 2024	Press Release - "AGI nets P20B from Jan-Sept 2024"
November 19-22 and 25-29, 2024	Share buy-back transactions
December 2-6, 2024	Share buy-back transaction
December 9, 2024	Share buy-back transactions
December 10, 2024	Declaration of Cash Dividends
December 13,16-19, 2024	Share buy-back transactions
December 26-27, 2024	Share buy-back transactions

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized.

Alliance Global Group, Inc.
Issuer

By:

KEVIN ANDREW L. TAN
President
(Principal Executive Officer)
(Principal Operating Officer)

DINA D.R. INTING
Chief Financial Officer
(Principal Financial Officer and
as Principal Accounting Officer
and Comptroller)

ALAN B. QUINTANA
Corporate Secretary

SUBSCRIBED AND SWORN to before me this APR 29 2025, 2025 affiants exhibiting to me their Passports/ SSS No., as follows:

NAMES	PASSPORT/DRIVERS LICENSE NO./ SSS NO.	DATE OF ISSUE	PLACE OF ISSUE
Kevin Andrew L. Tan	P8166916A	August 1, 2018 to July 31, 2028	Manila
Alan B. Quintana	P5524620A	January 5, 2018 to January 4, 2028	NCR East
Dina D.R. Inting	SSS 03-5204775-3		

ATTY. MA. JESSICA A. GUEVARRA
NOTARY PUBLIC
ROLL NO. 85934
QUEZON CITY, PHILIPPINES

Notary Public

Doc No. 246
Page No. 52
Book No. 2
Series of 2025.

ATTY. MA. JESSICA AMURAO GUEVARRA
Notary Public for Quezon City
Until December 31, 2025
Adm Matter No. NP. 201 I Roll No.: 85934
IBP No.: 496810, 01/03/2025, Quezon City
PTR No.: 6782632, 01/03/2025, Quezon City
MCLE Compliance No. VIII-0019088, valid until 14 April 2028

ALLIANCE GLOBAL

Alliance Global Group, Inc.
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark
188 E. Rodriguez Jr. Avenue, Bagumbayan, 1110 Quezon City
Tel. Nos. 87092038-41 Fax Nos. 87091966

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of ***Alliance Global Group, Inc. and Subsidiaries*** (the "Group") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended December 31, 2024, 2023 and 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, have audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audits.

ANDREW L. TAN
Chairman of the Board

KEVIN ANDREW L. TAN
President/Chief Executive Officer

DINA D.R. INTING
Chief Financial Officer

Signed this 28th day of April 2025

SUBSCRIBED AND SWORN to before me this APR 29 2025, affiants exhibiting to me their Passport/ SSS No., as follows:

Names	PassportNo./ SSS No.	Date	Place of Issue
Andrew L. Tan	P9281984A	Oct. 24, 2018 to Oct. 23,2028	Manila
Kevin Andrew L. Tan	P8166916A	Aug. 1, 2018 to July 31, 2028	Manila
Dina D.R. Inting	SSS 03-5204775-3		

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P&A Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and
Independent Auditors' Report

Alliance Global Group, Inc. and Subsidiaries

December 31, 2024, 2023, and 2022

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

The Board of Directors and the Stockholders
Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

Opinion

We have audited the consolidated financial statements of Alliance Global Group, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group, and its consolidated financial performance and its consolidated cash flows as at and for the year ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS Accounting Standards). The consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2023, are presented in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements, which discusses the adoption and impact of the previously deferred provisions of PFRS 15, *Revenue from Contracts with Customers*, and the related financial reporting interpretations affecting the real estate industry using modified retrospective approach. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) Revenue Recognition for Sale of Consumer Goods and Sales from Group-operated Quick-service Restaurants

Description of the Matter

Sale of consumer goods amounting to P61.4 billion, which is mainly from its Emperador business segment, represents 27.5% of the Group's total revenues and income. Revenue from sale of goods is recognized when control over the goods has been transferred at a point in time to the customer, i.e., generally when the customer has acknowledged receipt of the goods.

Sale from group-operated quick-service restaurants amounting to P43.9 billion, which is mainly from its GADC business segment, represents 19.6% of the Group's total revenues and income. The Group recognizes revenue from restaurant sales at a point in time when services are rendered, that is, when food and beverage products or promotional items purchased by customers have been delivered and accepted by the customers.

We considered revenue recognition from both sources as a key audit matter since it involves significant volume of transactions, requires proper observation of cut-off procedures, and directly impacts the Group's profitability.

The Group's disclosures on its revenue recognition policy and details of total revenues are presented in Notes 2 and 24, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition included, among others, the following:

On sale of consumer goods:

- Tested the design and operating effectiveness of the Group's processes and controls over revenue recognition, approval and documentation, including the implemented information technology general and application controls over automated systems that process and record the revenue transaction with assistance from our IT specialists;

- Evaluated the appropriateness of the Group's revenue recognition policy in accordance with the requirements of PFRS 15;

- Tested sales transactions on a sample basis, including sales invoices, delivery receipts and cash receipts throughout the reporting period to verify the occurrence of sales;

- Confirmed trade receivables using positive confirmation, on a sample basis, and performed alternative procedures for non-responding customers, such as, examination of evidence of subsequent collections, or corresponding sales invoices and proof of deliveries;

- Tested sales invoices and delivery receipts immediately before and after the reporting period to determine whether the related sales transactions are recognized in the correct period;

- Performed substantive analytical review procedures over revenues, including yearly and monthly analyses of sales per product/brand and location, and sales mix composition based on our expectations and following up variances from our expectations and verified that the underlying data used in the analyses are valid; and,

- Evaluated the completeness and appropriateness of the disclosures in the consolidated financial statements against the requirements of relevant reporting standards.

On sales from group-operated quick-service restaurants:

- Obtained an understanding of the revenue recognition policy regarding quick-service restaurants and the related significant business processes of the Group;

- Tested the design and operating effectiveness of the Group’s internal controls including IT general and application controls over the recognition and accuracy of revenues from sales from group-operated quick-service restaurants;

- Performed test of details to ascertain accuracy and occurrence of revenue from sales through examination of daily sales report and comparison with recorded revenues;

- Performed test of completeness and cut-off testing by obtaining store reports, on a sample basis, and matching with system-wide sales report;

- Performed substantive analytical review procedures over revenues, including, yearly and monthly analyses of sales per product or brand and location, and sales mix composition based on our expectations and following up variances from our expectations and verifying that the underlying data used in the analyses are valid; and,

- Evaluated the completeness and appropriateness of the disclosures to the consolidated financial statements against the requirements of relevant reporting standards.

(b) Revenue Recognition on Real Estate Sales and Determination of Related Costs

Description of the Matter

The Group's revenue recognition process, policies and procedures on real estate sales are significant to our audit because of the volume of transactions, complexity of the application of PFRS 15 and the related financial reporting interpretations, and involvement of significant judgment and estimation. In addition, real estate sales and costs of real estate sales amounted to P51.0 billion or 22.8% of the consolidated revenues and income and P25.4 billion or 13.5% of the consolidated costs and expenses, respectively, for the year ended December 31, 2024. The areas affected by revenue recognition and determination of related costs, which require significant judgment and estimate, include determining when a contract will qualify for revenue recognition, measuring the progress of the development of real estate projects that defines the amount of revenue to be recognized, and determining the amount of actual costs incurred as cost of real estate sales.

In addition, the Group adopted in 2024 the previously deferred provisions of PFRS 15 and the related financial reporting interpretations using modified retrospective approach. These areas were significant to our audit as an error in the application of such complex accounting framework, which also requires significant judgment and estimate, could cause a material misstatement in the consolidated financial statements

The Group's policy for revenue recognition on real estate sales and the application of the modified retrospective approach are more fully described in Note 2 to the consolidated financial statements. The significant judgments applied and estimates used by management related to revenue recognition are more fully described in Note 3 to the consolidated financial statements. The breakdown of real estate sales and costs of real estate sales are disclosed in Notes 24 and 25, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatements relating to the recognition of revenue from real estate sales and related costs include, among others, the following:

- Updated the understanding of the revenue recognition policy regarding real estate sales transactions and the related significant business processes of the Group;

- Performed test of design and operating effectiveness on controls regarding real estate revenues and costs recognition, including test of IT general and application controls;

- Performed test of details to ascertain accuracy and occurrence of revenue from real estate sales through examination of a sample of real estate sales contracts and other relevant supporting documents and performed overall analytical review of actual results;

- Tested the reasonableness of management's judgment in determining the probability of collection of the consideration in a contract which involves a historical analysis of customer payment pattern and behavior;

- Tested the progress reported for the year in reference to the actual costs incurred relative to the total budgeted project development costs, which included testing of controls over the recognition and allocation of costs per project and direct examination of supporting documents. In testing the reasonableness of budgetary estimates, we have ascertained the qualifications of project engineers who prepared the budgets and reviewed the actual performance of completed projects with reference to their budgeted costs;

- Performed physical inspection of selected projects under development to assess if the completion based on costs is consistent with the physical completion of the project;

- In relation to the adoption of the previously deferred provisions of PFRS 15 and the related financial reporting interpretations:

  - Obtained an understanding of the relevant changes in the Group's revenue recognition policy and related business processes,

  - Evaluated the Group's application of the adopted provisions mentioned above and compliance thereto,

  - Performed tests of mathematical accuracy of the Group's analysis and schedule of significant financing component and completeness of the relevant supporting contract summary and calculations,

  - Reviewed reasonableness of applicable prior period adjustments accounted for under modified retrospective approach,

  - Examined supporting documents of a sample of agreements; and

  - Performed overall analytical review of actual results;

- In relation to cost of real estate sales:

  - Obtained an understanding of the Group's cost accumulation process,

  - On a sampling basis, traced costs accumulated to supporting documents such as invoices and accomplishment reports from the contractors and official receipts; and,

- Evaluated the completeness and appropriateness of the disclosures to the consolidated financial statements against the requirements of relevant reporting standards.

(c) Revenue Recognition on Gaming Operations

Description of the Matter

The Group, through its Travellers business segment, is the operator of integrated gaming resorts and tourist destination, Newport World Resorts. The total net revenue from gaming operations amounted to P23.4 billion in 2024, representing 10.5% of the Group's total revenues and income. Gaming transactions of the Group with fixed-odds wagers known at the time of bet are considered derivative transactions wherein the Group takes a position against a patron and the resulting unsettled position becomes a derivative instrument under PFRS 9, *Financial Instruments*. In our view, gaming transaction is significant to our audit because the amount is material and it involves voluminous transactions at any given period of time, which undergo complex automated and manual gaming processes and controls under the Group's principal gaming and gaming-related systems.

The Group's disclosures on its revenue recognition policy and details of total revenues are presented in Notes 2 and 24, respectively, to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to revenue recognition on gaming operations, which was considered to be a significant risk, included the following:

- Updated our understanding of the Group's gaming revenue processes and controls over the recognition and measurement of gaming revenues;

- Tested and evaluated the design and operating effectiveness of controls over major casino processes namely: buy-in and pay-out, float maintenance, end-of-day recording, casino credit billing and collection and month-end reconciliation procedures including IT general and application controls;

- Performed substantive analytical review procedures on gaming revenues, drops and win rates from both gaming tables and slot machines based on our expectations, and resolved variances from our expectations through discussion with the management and corroboration of their responses whether plausible under such circumstances;

- Tested the recognition and measurement of gaming revenues by tracing a sample of transactions throughout the current period to source data to verify the accuracy of reported gaming revenues; and,

- Performed detailed observation of cash count procedures at the end of the reporting period to verify the appropriateness of the Group's cut-off procedures on gaming revenues.

(d) Impairment of Goodwill and Trademarks with Indefinite Useful Life

Description of the Matter

Under Philippine Accounting Standard 36, *Impairment of Assets*, the Group is required to annually test the carrying amounts of its goodwill and trademarks with indefinite useful lives for impairment. As of December 31, 2024, goodwill amounted to P21.0 billion, while the trademarks with indefinite useful lives amounted to P21.5 billion. We considered the impairment of these assets as a key audit matter because the amounts of goodwill and trademarks with indefinite useful life are material to the consolidated financial statements. Additionally, management's impairment assessment process involved significant judgments and high estimation uncertainty based on the assumptions used. The significant assumptions include the determination of the discount rate, growth rate and cash flow projections used in calculating the value-in-use of the trademarks and goodwill, as well as the cash-generating units to which the goodwill was allocated. Management's assumptions are generally influenced by expected future market and economic conditions.

The Group's policy on impairment assessment of goodwill and trademarks with indefinite useful lives is more fully described in Note 2 to the consolidated financial statements; the estimation uncertainty on impairment of non-financial assets, including goodwill and trademarks with indefinite useful lives, is presented in Note 3 to the consolidated financial statements; and the corresponding carrying amounts are presented in Note 15 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Our audit procedures to address the risk of material misstatement relating to the goodwill and trademarks with indefinite useful lives included, among others, the following:

- Evaluated the appropriateness and reasonableness of methodology and assumptions used in determining the value-in-use of cash-generating units attributable to the trademarks and goodwill, which include the discount rate, growth rate and the cash flow projections, by comparing them to external and historical data, with assistance from our Firm's valuation specialists;

- Tested the calculation of valuation model for mathematical accuracy and validating the appropriateness and reliability of inputs and amounts used;

- Performed independent sensitivity analysis of the projections and discount rate using the valuation model used to determine whether a reasonably possible change in assumptions could cause the carrying amount of cash generating units to exceed the recoverable amount; and,

- Evaluated the adequacy of the financial statement disclosures relating to goodwill, trademarks and impairment, including disclosure of key assumptions and judgments.

(e) Consolidation Process

Description of the Matter

The Group's consolidated financial statements comprise the financial statements of Alliance Global Group, Inc. and its subsidiaries, as enumerated in Note 1 to the consolidated financial statements, after the elimination of material intercompany transactions. The Group's consolidation process is significant to our audit because of the complexity of the process. It involves several layers of consolidation, identification and elimination of voluminous intercompany transactions to properly reflect realization of profits and measurement of controlling and non-controlling interests.

The Group's policy on consolidation process is more fully described in Note 2 to the consolidated financial statements.

How the Matter was Addressed in the Audit

Among others, our audit procedures to address the risk associated with the Group's consolidation process are as follows:

- Updated our understanding of the Group's structure and its consolidation policy, process and controls, including the procedures for identifying intercompany transactions and reconciling intercompany balances;

- Tested the mathematical accuracy of the consolidation done by management, verified financial information used in the consolidation based on the audited financial statements of the components of the Group, and evaluated the consistency of the accounting policies applied by the entities within the Group;

- Tested the accuracy, completeness and appropriateness of intercompany elimination entries, the translation of the financial statements of foreign subsidiaries of the Group, and other significant consolidation adjustments;

- Performed analytical procedures at the consolidated level; and,

- Evaluated the sufficiency and adequacy of disclosures in the Group's consolidated financial statements in accordance with PFRS Accounting Standards.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the relevant accounting frameworks as discussed in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Ramilito L. Nañola.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

April 28, 2025

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

	Notes	2024	2023
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents	5	**P 60,602,840,049**	P 65,020,293,464
Trade and other receivables - net	6	**82,472,560,868**	76,137,327,017
Contract assets	24	**22,818,989,860**	16,725,717,102
Financial assets at fair value through profit or loss	7	**16,054,284,922**	14,979,877,496
Inventories - net	8	**188,885,475,796**	184,971,533,515
Other current assets	9	**23,591,248,080**	24,019,299,755
Total Current Assets		**394,425,399,575**	381,854,048,349
NON-CURRENT ASSETS			
Trade and other receivables - net	6	**33,934,105,742**	29,464,201,523
Contract assets	24	**12,696,802,261**	8,995,733,228
Advances to landowners and joint operators	10	**8,830,352,156**	8,160,417,609
Financial assets at fair value through other comprehensive income	11	**638,188,728**	516,804,124
Investments in associates and joint ventures	12	**6,601,858,154**	6,597,586,489
Property, plant and equipment - net	13	**168,493,285,797**	158,306,841,259
Investment properties - net	14	**148,084,535,098**	136,346,654,133
Intangible assets - net	15	**42,686,703,083**	42,012,224,412
Deferred tax assets - net	29	**2,251,334,369**	5,532,181,062
Other non-current assets	9	**5,436,351,471**	4,756,358,650
Total Non-current Assets		**429,653,516,859**	400,689,002,489
TOTAL ASSETS		**P 824,078,916,434**	P 782,543,050,838

	Notes	2024	2023
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	17	**P 77,069,078,841**	P 80,924,053,058
Interest-bearing loans	18	**46,479,695,155**	43,345,155,280
Bonds payable	19	**-**	11,997,992,546
Lease liabilities	13	**1,246,685,477**	1,223,819,878
Contract liabilities	24	**1,669,576,401**	1,763,382,934
Income tax payable		**2,169,071,129**	2,806,533,744
Advances from other related parties	30	**1,004,242,464**	813,376,420
Redeemable preferred shares	20	**1,574,159,348**	-
Other current liabilities	21	**18,908,554,230**	18,237,251,890
Total Current Liabilities		**150,121,063,045**	161,111,565,750
NON-CURRENT LIABILITIES			
Interest-bearing loans	18	**183,524,224,160**	147,765,467,616
Bonds payable	19	**20,049,554,649**	19,116,598,705
Lease liabilities	13	**17,248,683,855**	17,716,166,635
Contract liabilities	24	**4,914,917,981**	5,693,360,461
Retirement benefit obligation	28	**1,838,949,459**	1,744,230,935
Redeemable preferred shares	20	**-**	1,574,159,348
Deferred tax liabilities - net	29	**21,239,236,055**	22,359,550,189
Other non-current liabilities	21	**9,417,022,689**	10,894,439,768
Total Non-current Liabilities		**258,232,588,848**	226,863,973,657
Total Liabilities		**408,353,651,893**	387,975,539,407
EQUITY	22		
Equity attributable to owners of the parent company		**294,373,193,126**	260,893,094,852
Non-controlling interest		**121,352,071,415**	133,674,416,579
Total Equity		**415,725,264,541**	394,567,511,431
TOTAL LIABILITIES AND EQUITY		**P 824,078,916,434**	P 782,543,050,838

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
REVENUES AND INCOME				
Sale of goods	24	**P 112,405,005,950**	P 107,859,417,513	P 98,235,209,238
Rendering of services	24	**106,115,015,106**	96,900,516,812	80,512,683,661
Share in net profits of associates and joint ventures - net	12	**-**	46,212,055	-
Finance and other income	27	**5,044,478,043**	6,007,956,593	4,864,336,528
		223,564,499,099	210,814,102,973	183,612,229,427
COSTS AND EXPENSES				
Cost of goods sold	25	**67,788,282,633**	65,347,824,318	60,598,041,604
Cost of services	25	**57,665,265,438**	51,985,509,337	42,933,749,824
Other operating expenses	26	**47,344,752,415**	43,397,062,648	37,922,896,998
Share in net losses of associates and joint ventures - net	12	**212,497,485**	-	41,478,932
Finance costs and other charges	27	**14,799,084,476**	12,318,287,823	10,800,898,629
		187,809,882,447	173,048,684,126	152,297,065,987
PROFIT BEFORE TAX		**35,754,616,652**	37,765,418,847	31,315,163,440
TAX EXPENSE	29	**7,835,791,293**	7,415,988,492	6,126,220,887
NET PROFIT		**27,918,825,359**	30,349,430,355	25,188,942,553
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains (losses) on remeasurement of retirement benefit obligation	28	**67,403,759**	(858,938,376)	415,908,397
Net unrealized fair value gain (loss) on financial assets at fair value through other comprehensive income	11	**57,977,672**	85,342,706	(77,741,121)
Deferred tax income (expense) relating to components of other comprehensive income	28, 29	**(45,137,519)**	169,138,340	(70,320,718)
		80,243,912	(604,457,330)	267,846,558
Items that will be reclassified subsequently to profit or loss				
Translation adjustments	2	**1,069,332,210**	2,488,466,638	(2,133,567,217)
Net unrealized fair value gain (loss) on cash flow hedge	7	**(55,952,053)**	(34,246,151)	91,147,190
Share in other comprehensive income (loss) of associates	12	**34,148,095**	(3,348,877)	6,138,277
Deferred tax expense relating to components of other comprehensive income	29	**(30,503,365)**	(20,892,102)	(34,939,076)
		1,017,024,887	2,429,979,508	(2,071,220,826)
TOTAL COMPREHENSIVE INCOME		**P 29,016,094,158**	P 32,174,952,533	P 23,385,568,285
Net profit attributable to:				
Owners of the parent company		**P 17,363,945,049**	P 19,615,471,565	P 16,107,842,209
Non-controlling interest		**10,554,880,310**	10,733,958,790	9,081,100,344
		P 27,918,825,359	P 30,349,430,355	P 25,188,942,553
Total comprehensive income attributable to:				
Owners of the parent company		**P 18,390,265,756**	P 21,001,172,555	P 14,152,371,053
Non-controlling interest		**10,625,828,402**	11,173,779,978	9,233,197,232
		P 29,016,094,158	P 32,174,952,533	P 23,385,568,285
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company – Basic and Diluted	23	**P 1.9773**	P 2.2178	P 1.7960

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(Amounts in Philippine Pesos)

	Attributable to Owners of the Parent Company														
	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**	**Retained Earnings**			**Total**	**Non-controlling Interest**	**Total Equity**
										Appropriated	**Unappropriated**	**Total**			
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
Effect of adoption of deferred PFRS 15 and other related interpretations (see Note 2)	-	-	-	-	-	-	-	-	-	-	(2,187,957,940)	(2,187,957,940)	(2,187,957,940)	(577,973,532)	(2,765,931,472)
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	184,804,365,135	189,863,205,135	258,705,136,912	133,096,443,047	391,801,579,959
Transactions with owners:															
Change in percentage of ownership	-	-	-	-	-	-	-	-	18,442,967,048	-	-	-	18,442,967,048	(18,989,952,348)	(546,985,300)
Acquisition of treasury shares	-	-	(644,182,044)	-	-	-	-	-	-	-	-	-	(644,182,044)	-	(644,182,044)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,512,835,892)	(3,512,835,892)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	(992,350,598)	(992,350,598)	(992,350,598)	-	(992,350,598)
Acquisition and incorporation of new subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	54,800,000	54,800,000
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	97,299,207	97,299,207
Effect of deconsolidation	-	-	-	-	-	-	-	-	6,226,287	-	(16,381,543)	(16,381,543)	(10,155,256)	(19,511,001)	(29,666,257)
	-	-	(644,182,044)	-	-	-	-	-	18,449,193,335	-	(1,008,732,141)	(1,008,732,141)	16,796,279,150	(22,370,200,034)	(5,573,920,884)
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	505,903,472	-	(24,392,164)	(24,392,164)	481,511,308	-	481,511,308
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	4,517,000,000	(4,517,000,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,773,000,000)	3,773,000,000	-	-	-	-
Total comprehensive income (loss)	-	-	-	124,937,680	208,759,531	734,022,420	(41,398,924)	-	-	-	17,363,945,049	17,363,945,049	18,390,265,756	10,625,828,402	29,016,094,158
Balance at December 31, 2024	**P 10,269,827,979**	**P 34,518,916,029**	**(P 16,554,828,907)**	**(P 155,156,070)**	**P 397,109,832**	**(P 3,661,386,830)**	**(P 37,127,353)**	**P 620,625,162**	**P 62,781,187,405**	**P 5,802,840,000**	**P 200,391,185,879**	**P 206,194,025,879**	**P 294,373,193,126**	**P 121,352,071,415**	**P 415,725,264,541**
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	-	-	-	-	-	-	-	-	9,691,356,380	-	-	-	9,691,356,380	(7,712,632,539)	1,978,723,841
Acquisition of treasury shares	-	-	(1,498,905,527)	-	-	-	-	-	-	-	-	-	(1,498,905,527)	-	(1,498,905,527)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,084,878,757)	(3,084,878,757)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	(1,468,617,407)	(1,468,617,407)	(1,468,617,407)	-	(1,468,617,407)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	62,108,633	62,108,633
	-	-	(1,498,905,527)	-	-	-	-	-	9,691,356,380	-	(1,468,617,407)	(1,468,617,407)	6,723,833,446	(10,735,402,663)	(4,011,569,217)
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	688,368,005	-	(252,352,226)	(252,352,226)	436,015,779	-	436,015,779
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	3,773,000,000	(3,773,000,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,479,000,000)	3,479,000,000	-	-	-	-
Total comprehensive income (loss)	-	-	-	(474,054,415)	28,947,114	1,855,355,932	(24,547,641)	-	-	-	19,615,471,565	19,615,471,565	21,001,172,555	11,173,779,978	32,174,952,533
Balance at December 31, 2023	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
Balance at January 1, 2022	P 10,269,827,979	P 34,518,916,029	(P 10,516,348,052)	P 85,011,950	P 72,946,670	(P 4,036,461,315)	(P 34,608,267)	P 620,625,162	P 19,778,512,767	P 4,454,180,000	P 154,691,094,112	P 159,145,274,112	P 209,903,697,035	P 125,318,941,755	P 335,222,638,790
Transactions with owners:															
Change in percentage of ownership	-	-	-	-	-	-	-	-	13,670,302,866	-	-	-	13,670,302,866	485,498,589	14,155,801,455
Acquisition of treasury shares	-	-	(3,895,393,284)	-	-	-	-	-	-	-	-	-	(3,895,393,284)	-	(3,895,393,284)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,894,389,145)	(1,894,389,145)
Cash dividends declared	-	-	-	-	-	-	-	-	-	-	(1,103,832,146)	(1,103,832,146)	(1,103,832,146)	-	(1,103,832,146)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	92,790,833	92,790,833
	-	-	(3,895,393,284)	-	-	-	-	-	13,670,302,866	-	(1,103,832,146)	(1,103,832,146)	8,671,077,436	(1,316,099,723)	7,354,977,713
Changes in legal reserves during the year	-	-	-	-	-	-	-	-	(2,449,420)	-	7,376,968	7,376,968	4,927,548	-	4,927,548
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	3,479,000,000	(3,479,000,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,168,340,000)	3,168,340,000	-	-	-	-
Total comprehensive income (loss)	-	-	-	108,948,715	86,456,517	(2,214,303,867)	63,427,479	-	-	-	16,107,842,209	16,107,842,209	14,152,371,053	9,233,197,232	23,385,568,285
Balance at December 31, 2022	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

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023, AND 2022
(Amounts in Philippine Pesos)

	Notes	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		**P 35,754,616,652**	P 37,765,418,847	P 31,315,163,440
Adjustments for:				
Interest expense	27	**12,926,596,809**	10,820,585,377	8,517,493,283
Depreciation and amortization	25, 26	**11,846,077,289**	10,711,722,826	11,299,521,390
Interest income	27	**(4,008,474,746)**	(4,797,687,835)	(3,202,355,753)
Unrealized foreign currency loss (gain) - net		**767,712,376**	(90,855,610)	2,191,644,269
Impairment loss on inventories	8	**245,775,956**	85,473,767	244,758,199
Share in net losses (profits) of associates and joint ventures	12	**212,497,485**	(46,212,055)	41,478,932
Loss from deconsolidation of subsidiaries	27	**193,974,187**	-	-
Dividend income	27	**(97,571,890)**	(26,083,388)	(1,631,280)
Stock option benefit expense	28	**97,299,207**	62,108,633	92,790,833
Impairment on goodwill	15, 26	**77,347,633**	-	-
Provision	13, 21	**36,707,116**	34,159,365	41,117,103
Impairment losses (reversal) - net	26, 27	**(24,184,777)**	166,072,819	(72,582,971)
Gain from derecognition of right-of-use assets and lease liabilities	13, 27	**(22,562,023)**	(13,092,751)	(6,920,584)
Net loss on disposal of assets	27	**20,088,408**	43,765,970	65,065,014
Gain from COVID-19-related rent concessions	27	**-**	-	(239,692,435)
Operating profit before working capital changes		**58,025,899,682**	54,715,375,965	50,285,849,440
Decrease (increase) in trade and other receivables		**(8,922,538,199)**	2,143,125,035	5,102,997,247
Decrease (increase) in contract assets		**(11,362,234,817)**	(10,431,752,509)	302,323,589
Decrease (increase) in financial assets at fair value through profit or loss		**(225,489,263)**	261,718,204	(73,806,404)
Increase in inventories		**(3,437,576,892)**	(13,573,136,959)	(14,264,327,698)
Increase in advances to landowners and joint ventures		**(669,934,547)**	(264,003,801)	(737,837,585)
Decrease (increase) in other current assets		**1,184,455,859**	(5,752,196,549)	(2,094,657,538)
Increase (decrease) in trade and other payables		**(3,468,435,871)**	(3,063,808,782)	21,987,744,326
Increase (decrease) in contract liabilities		**(627,840,277)**	(789,678,135)	842,725,722
Increase in retirement benefit obligation		**149,676,801**	891,040,849	118,459,282
Increase (decrease) in other current liabilities		**671,302,340**	662,234,833	(315,441,156)
Decrease in other non-current liabilities		**(1,162,584,801)**	(2,259,351,038)	(7,031,199,090)
Cash generated from operations		**30,154,700,015**	22,539,567,113	54,122,830,135
Cash paid for taxes		**(6,483,653,749)**	(3,584,878,774)	(4,554,550,464)
Net Cash From Operating Activities		**23,671,046,266**	18,954,688,339	49,568,279,671
Balance carried forward		**P 23,671,046,266**	P 18,954,688,339	P 49,568,279,671

	Notes	2024	2023	2022
Balance forwarded		**P 23,671,046,266**	P 18,954,688,339	P 49,568,279,671
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property, plant and equipment	13	**(16,337,592,197)**	(13,089,458,474)	(12,713,725,444)
Investment properties	14	**(14,299,145,364)**	(8,435,618,145)	(12,115,399,232)
Intangible assets	15	**(92,792,288)**	(39,259,402)	(28,365,606)
Interest received		**2,557,687,869**	3,082,520,546	2,352,361,201
Additional advances granted to associates and other related parties	30	**(1,247,577,802)**	(1,307,080,330)	(2,766,629,151)
Collection of advances to associates and other related parties	30	**931,391,148**	1,573,190,035	546,138,474
Decrease (increase) in other non-current assets		**(641,810,601)**	1,820,395,350	173,458,941
Proceeds from:				
Disposal of property, plant and equipment	13	**387,083,421**	674,904,404	784,315,633
Disposal of subsidiary	1	**129,285,000**	-	-
Collection of notes and loans receivables		**6,521,739**	26,032,422	28,446,184
Disposal of investment property	14	**-**	-	832,805
Cash dividends received		**97,571,890**	26,083,388	291,632,530
Payment of subscription payable		**-**	(1,114,665,008)	-
Net Cash Used in Investing Activities		**(28,509,377,185)**	(16,782,955,214)	(23,446,933,665)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loans and bonds	18, 19, 36	**70,643,991,802**	53,999,985,162	21,473,670,017
Payment of interest-bearing loans and bonds	18, 19, 36	**(46,914,069,337)**	(46,526,938,375)	(29,902,560,084)
Interest paid		**(16,204,077,102)**	(16,439,154,464)	(9,352,933,407)
Dividends paid	22	**(4,505,186,490)**	(3,283,068,559)	(2,998,221,291)
Payment of lease liabilities	13	**(2,146,465,369)**	(1,849,802,898)	(1,785,136,226)
Acquisition of treasury shares	22	**(644,182,044)**	(1,498,905,527)	(3,895,393,284)
Advances collected and received from related parties	30	**397,665,776**	510,576,037	1,592,209,958
Advances paid to related parties	30	**(206,799,732)**	(1,324,956,145)	(2,433,986,742)
Buyback of shares from non-controlling interest	22	**-**	(668,595,880)	(916,099,229)
Redemption of preferred shares	36	**-**	-	(251,597,580)
Net Cash From (Used in) Financing Activities		**420,877,504**	(17,080,860,649)	(28,470,047,868)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(4,417,453,415)**	(14,909,127,524)	(2,348,701,862)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**65,020,293,464**	79,929,420,988	82,278,122,850
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**P 60,602,840,049**	P 65,020,293,464	P 79,929,420,988

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024, 2023 AND 2022
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 General Information

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

As of December 31, the Parent Company holds beneficial ownership interests in the following subsidiaries, associates and joint ventures:

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2024	2023	2022
Subsidiaries					
Megaworld and subsidiaries					
Megaworld Corporation	Megaworld	(a)	**74%**	72%	70%
Megaworld Resort Estates, Inc.		(b)	**87%**	86%	84%
Townsquare Development, Inc.			**52%**	51%	51%
Golden Panda-ATI Realty Corporation			**52%**	51%	51%
Arcovia Properties, Inc.	API		**74%**	72%	70%
Belmont Newport Luxury Hotels, Inc.			**74%**	72%	70%
Davao Park District Holdings Inc.			**74%**	72%	70%
Eastwood Cyber One Corporation	ECOC		**74%**	72%	70%
Global One Hotel Group, Inc.			**74%**	72%	70%
Global One Integrated Business Services, Inc.			**74%**	72%	70%
Hotel Lucky Chinatown, Inc.			**74%**	72%	70%
Landmark Seaside Properties, Inc.			**74%**	72%	70%
Luxury Global Hotels and Leisures, Inc.			**74%**	72%	70%
Luxury Global Malls, Inc.			**74%**	72%	70%
Mactan Oceanview Properties and Holdings, Inc.			**74%**	72%	70%
Megaworld Cayman Islands, Inc.		(c)	**74%**	72%	70%
Megaworld Cebu Properties, Inc.			**74%**	72%	70%
Megaworld Land, Inc.			**74%**	72%	70%
Citywalk Building Administration, Inc.			**74%**	72%	70%
Forbestown Commercial Center Administration, Inc.			**74%**	72%	70%
Iloilo Center Mall Administration, Inc.			**74%**	72%	70%
Newtown Commercial Center Administration, Inc.			**74%**	72%	70%
Paseo Center Building Administration, Inc.			**74%**	72%	70%
San Lorenzo Place Commercial Center Administration, Inc.			**74%**	72%	70%
Southwoods Lifestyle Mall Management, Inc.			**74%**	72%	70%
Cityfront Commercial Center Administration, Inc.			**74%**	72%	70%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **2024**	2023	2022
Subsidiaries					
Megaworld and subsidiaries (continued)					
Uptown Commercial Center Administration, Inc.			**74%**	72%	70%
Valley Peaks Property Management, Inc.			**74%**	72%	70%
Westside Commercial Center Administration, Inc.	WCCAI	(p)	**74%**	-	-
Megaworld Newport Property Holdings, Inc.			**74%**	72%	70%
Megaworld Oceantown Properties, Inc.	MOPI		**74%**	72%	70%
Piedmont Property Ventures, Inc.			**74%**	72%	70%
Prestige Hotels and Resorts, Inc.	PHRI		**74%**	72%	70%
Richmonde Hotel Group International Ltd.	RHGI	(d)	**74%**	72%	70%
Megaworld San Vicente Coast, Inc.	MSVCI		**74%**	72%	70%
Savoy Hotel Manila, Inc.			**74%**	72%	70%
Savoy Hotel Mactan, Inc.			**74%**	72%	70%
Kingsford Hotel Manila, Inc.			**74%**	72%	70%
Agile Digital Ventures, Inc.			**74%**	72%	70%
MREIT Fund Managers, Inc.	MFMI	(n)	**74%**	72%	70%
MREIT Property Managers, Inc.	MPMI	(n)	**74%**	72%	70%
MREIT, Inc.	MREIT	(n)	**48%**	41%	44%
Belmont Hotel Mactan, Inc.			**74%**	72%	70%
Grand Westside Hotel, Inc.		(o)	**74%**	72%	-
Stonehaven Land, Inc.			**74%**	72%	70%
Streamwood Property, Inc.			**74%**	72%	70%
Megaworld Bacolod Properties, Inc.	MBPI		**68%**	66%	64%
Manila Bayshore Property Holdings, Inc.	MBPHI		**70%**	68%	66%
Megaworld Capital Town, Inc.	MCTI		**56%**	55%	53%
Megaworld Central Properties, Inc.			**57%**	55%	53%
Soho Cafe and Restaurant Group, Inc.			**55%**	54%	52%
La Fuerza, Inc.	LFI		**49%**	48%	46%
Megaworld-Daewoo Corporation			**44%**	43%	42%
Northwin Properties, Inc.			**44%**	43%	42%
Gilmore Property Marketing Associates Inc.			**39%**	37%	36%
Integrated Town Management Corporation			**37%**	36%	35%
Maple Grove Land, Inc.			**37%**	36%	35%
Megaworld Globus Asia, Inc.	MGAI		**37%**	36%	35%
Suntrust Properties, Inc.	SPI		**74%**	72%	70%
Governor's Hills Science School, Inc.			**74%**	72%	70%
Sunrays Property Management, Inc.			**74%**	72%	70%
Suntrust Ecotown Developers, Inc.	SEDI		**74%**	72%	70%
Suntrust One Shanata, Inc.			**74%**	72%	70%
Suntrust Two Shanata, Inc.			**74%**	72%	70%
Stateland, Inc.	STLI		**73%**	71%	68%
Global-Estate Resorts, Inc.	GERI	(e)	**61%**	59%	57%
Southwoods Mall Inc.			**67%**	65%	63%
Elite Club & Leisure Inc.	ECLI	(o)	**61%**	59%	-
Integrated Resorts Property Management, Inc.	IRPMI	(o)	**61%**	59%	-
Chancellor Hotel Boracay, Inc.		(p)	**61%**	-	-
Twin Lakes Corp.	TLC		**67%**	65%	63%
Twin Lakes Hotel, Inc.			**67%**	65%	63%
Megaworld Global-Estate, Inc.			**66%**	64%	62%
Global-Estate Golf and Development, Inc.	GEGDI		**61%**	59%	57%
Golforce, Inc.			**61%**	59%	57%
Southwoods Ecocentrum Corp.			**37%**	35%	34%
Philippine Aquatic Leisure Corp.			**37%**	35%	34%
Global-Estate Properties, Inc.			**61%**	59%	57%
Aklan Holdings Inc.			**61%**	59%	57%
Blu Sky Airways, Inc.			**61%**	59%	57%
Fil-Estate Subic Development Corp.			**61%**	59%	57%
Fil-Power Concrete Blocks Corp.			**61%**	59%	57%
Fil-Power Construction Equipment Leasing Corp.			**61%**	59%	57%
Golden Sun Airways, Inc.			**61%**	59%	57%
La Compaña De Sta. Barbara, Inc.			**61%**	59%	57%
MCX Corporation			**61%**	59%	57%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2024	2023	2022
Subsidiaries					
Megaworld and Subsidiaries (continued)					
Pioneer L-5 Realty Corp.			**61%**	59%	57%
Prime Airways, Inc.			**61%**	59%	57%
Sto. Domingo Place Development Corp.			**61%**	59%	57%
Fil-Estate Industrial Park, Inc.			**48%**	47%	45%
Sherwood Hills Development Inc.			**34%**	32%	32%
Fil-Estate Urban Development Corp.			**61%**	59%	57%
Global Homes and Communities, Inc.			**61%**	59%	57%
Savoy Hotel Boracay, Inc.			**61%**	59%	57%
Belmont Hotel Boracay, Inc.			**61%**	59%	57%
Novo Sierra Holdings Corp.			**61%**	59%	57%
Elite Communities Property Services, Inc.			**61%**	59%	57%
Oceanfront Properties, Inc.			**31%**	29%	29%
Empire East Land Holdings, Inc.	EELHI		**61%**	59%	57%
Sonoma Premiere Land, Inc.		(f)	**76%**	75%	74%
Pacific Coast Mega City, Inc.	PCMI		**78%**	76%	75%
Valle Verde Properties, Inc.			**60%**	59%	57%
Laguna BelAir Science School, Inc.	LBASSI		**44%**	43%	42%
20th Century Nylon Shirt, Inc.			**60%**	59%	57%
Eastwood Property Holdings, Inc.			**60%**	59%	57%
Empire East Communities, Inc.			**60%**	59%	57%
Sherman Oak Holdings, Inc.			**60%**	59%	57%
Emperador and subsidiaries					
Emperador Inc.	EMI or Emperador		**80%**	81%	81%
Emperador Distillers, Inc.	EDI		**80%**	81%	81%
Alcazar de Bana Holdings Company, Inc.			**80%**	81%	81%
ProGreen AgriCorp, Inc.	PAI		**80%**	81%	81%
South Point Science Park, Inc.			**80%**	81%	81%
Ocean One Transport Inc.		(o)	**80%**	81%	-
Anglo Watsons Glass, Inc.	AWGI		**80%**	81%	81%
Cocos Vodka Distillers Philippines, Inc.			**80%**	81%	81%
The Bar Beverage, Inc.			**80%**	81%	81%
Tradewind Estates, Inc.	TEI		**80%**	81%	81%
BoozyLife, Inc.			**69%**	56%	50%
Zabana Rum Company Inc.			**80%**	81%	81%
The World's Finest Liquor Inc.	World's Finest		**80%**	81%	81%
Emperador International Ltd.	EIL	(d)	**80%**	81%	81%
Emperador Asia Pte Ltd.	EA	(h)	**80%**	81%	81%
Grupo Emperador Spain, S.A.	GES	(h)	**80%**	81%	81%
Bodega San Bruno, S.L.	BSB	(h)	**80%**	81%	81%
Bodegas Fundador, S.L.U.	BFS	(h)	**80%**	81%	81%
Harvey's Cellars S.L.U	HCS	(h)	**80%**	81%	81%
Grupo Emperador Gestion S.L.	GEG	(h)	**80%**	81%	81%
Domecq Bodega Las Copas, S.L.	DBLC	(g, h)	**40%**	40%	40%
Stillman Spirits, S.L.	SSSL	(h)	**80%**	81%	81%
Pedro Domecq S.A. de C.V.	PDSC	(g, h)	**40%**	40%	40%
Emperador Europe SARL	EES	(h)	**80%**	81%	81%
Emperador Holdings (GB) Limited	EGB	(h)	**80%**	81%	81%
Emperador UK Limited	EUK	(h)	**80%**	81%	81%
Whyte and Mackay Global Limited	WMGL	(h)	**80%**	81%	81%
Whyte and Mackay Group Limited	WMG	(h)	**80%**	81%	81%
Whyte and Mackay Limited	WML	(h)	**80%**	81%	81%
Whyte and Mackay Warehousing Ltd.	WMWL	(h)	**80%**	81%	81%
GADC and subsidiaries					
Golden Arches Development Corporation	GADC		**49%**	49%	49%
Golden Arches Realty Corporation			**49%**	49%	49%
Clark Mac Enterprises, Inc.			**49%**	49%	49%
Golden Laoag Foods Corporation			**38%**	38%	38%
Davao City Food Industries, Inc.			**37%**	37%	37%
First Golden Laoag Ventures, Inc.			**34%**	34%	34%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2024	2023	2022
Subsidiaries					
GADC and subsidiaries (continued)					
McDonald's Anonas City Center – Joint Venture			**34%**	34%	34%
Golden City Food Industries, Inc.			**29%**	29%	29%
McDonald's Bonifacio Global City – Joint Venture			**27%**	27%	27%
Advance Food Concepts Manufacturing, Inc.	AFCMI	(q)	**-**	49%	49%
Red Asian Food Solutions, Inc.	RAFSI	(q)	**-**	37%	37%
Molino First Golden Foods Inc.	MFGFI	(q)	**-**	26%	26%
GY Alliance Concepts, Inc.	GACI	(q)	**-**	19%	19%
McDonald's Puregold Taguig – Joint Venture	MPT	(q)	**-**	29%	29%
Travellers and subsidiaries					
Travellers International Hotel Group Inc.	Travellers	(i)	**60%**	60%	60%
Agile Fox Amusement and Leisure Corporation			**60%**	60%	60%
APEC Assets Limited			**60%**	60%	60%
Aquamarine Delphinium Leisure and Recreation Corporation			**60%**	60%	60%
Bright Pelican Leisure and Recreation, Inc.			**60%**	60%	60%
Brightleisure Management, Inc.			**60%**	60%	60%
Brilliant Apex Hotels and Leisure Corporation			**60%**	60%	60%
Coral Primrose Leisure and Recreation Corporation			**60%**	60%	60%
Deluxe Hotels and Recreation, Inc.	DHRI		**60%**	60%	60%
Entertainment City Integrated Resorts & Leisure, Inc.			**60%**	60%	60%
FHTC Entertainment & Productions, Inc.	FHTC		**60%**	60%	60%
Golden Peak Leisure and Recreation, Inc.			**60%**	60%	60%
Grand Integrated Hotels and Recreation, Inc.			**60%**	60%	60%
Grandservices, Inc.			**60%**	60%	60%
Grandventure Management Services, Inc.			**60%**	60%	60%
Lucky Star Hotels and Recreation, Inc.	LSHRI		**60%**	60%	60%
Lucky Panther Amusement and Leisure Corporation			**60%**	60%	60%
Luminescent Vertex Hotels and Leisure Corporation			**60%**	60%	60%
Magenta Centaurus Amusement and Leisure Corporation			**60%**	60%	60%
Manhattan Resorts Inc.		(p)	**60%**	-	-
Majestic Sunrise Leisure & Recreation, Inc.			**60%**	60%	60%
Netdeals, Inc.			**60%**	60%	60%
Newport Star Lifestyle, Inc.			**60%**	60%	60%
Royal Bayshore Hotels & Amusement, Inc.			**60%**	60%	60%
Sapphire Carnation Leisure and Recreation Corporation			**34%**	60%	60%
Scarlet Milky Way Amusement and Leisure Corporation			**60%**	60%	60%
Sparkling Summit Hotels and Leisure Corporation			**60%**	60%	60%
Valiant Leopard Amusement and Leisure Corporation			**60%**	60%	60%
Vermillion Triangulum Amusement and Leisure Corporation			**60%**	60%	60%
Westside City, Inc.	WCI	(j)	**59%**	59%	59%
Purple Flamingos Amusement and Leisure Corporation	PFALC		**59%**	59%	59%
Red Falcon Amusement and Leisure Corporation	RFALC		**59%**	59%	59%
Captain View Group Limited	Captain View		**59%**	59%	59%
Westside Theatre Inc.			**60%**	60%	60%

Subsidiaries/Associates/ Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI 2024	2023	2022
Subsidiaries					
Corporate and Others					
Alliance Global Brands, Inc.			**100%**	100%	100%
McKester Pik-nik International Limited	MPIL	(d)	**100%**	100%	100%
Great American Foods, Inc.		(k)	**100%**	100%	100%
New Town Land Partners, Inc.	NTLPI		**100%**	100%	100%
Alliance Global Group Cayman Islands, Inc.	AG Cayman	(c)	**100%**	100%	100%
Boracay Newcoast Resorts, Inc.			**100%**	100%	100%
Dew Dreams International, Inc.			**100%**	100%	100%
First Centro, Inc.	FCI		**100%**	100%	100%
ERA Real Estate Exchange, Inc.			**100%**	100%	100%
Oceanic Realty Group International, Inc.			**100%**	100%	100%
Greenspring Investment Holdings Properties Ltd.		(d)	**100%**	100%	100%
Alliance Global-Infracorp Development, Inc.	Infracorp		**100%**	100%	100%
Shiok Success International, Inc.			**100%**	100%	100%
Travellers Group Ltd.		(d)	**100%**	100%	100%
Venezia Universal Ltd.		(d)	**100%**	100%	100%
Dew Dreams International, Ltd.		(d)	**100%**	100%	100%
Shiok Success International, Ltd.		(d)	**100%**	100%	100%
Adams Properties, Inc.	Adams		**60%**	60%	60%
Newport World Resort Properties, Inc.	NWRPI	(o)	**100%**	100%	-
Associates					
First Premiere Arches Restaurant Inc.	FPARI		**49%**	49%	49%
Bonifacio West Development Corporation	BWDC		**34%**	33%	32%
Suntrust Resorts Holdings, Inc.	SUN		**25%**	24%	24%
Palm Tree Holdings and Development Corporation	PTHDC		**30%**	29%	28%
SWC Project Management Limited	SPML		**25%**	24%	24%
WC Project Management Limited	WPML		**25%**	24%	24%
Suntrust WC Hotel Inc.	Suntrust WC		**25%**	24%	24%
Fil-Estate Network, Inc.	FENI		**12%**	12%	11%
Fil-Estate Sales, Inc.	FESI		**12%**	12%	11%
Fil-Estate Realty and Sales Associates, Inc.	FERSAI		**12%**	12%	11%
Fil-Estate Realty Corp.	FERC		**12%**	12%	11%
Nasugbu Properties, Inc.	NPI		**9%**	8%	8%
Advance Food Concepts Manufacturing, Inc.	AFCMI	(q)	**49%**	-	-
Joint Ventures					
Bodegas Las Copas, S.L.	BLC	(l)	**40%**	40%	40%
Front Row Theatre Management, Inc.	FRTMI	(m)	**30%**	30%	30%

Explanatory notes:

(a) AGI's effective ownership interest is calculated based on its direct ownership, as well as its direct holdings in FCI and NTLPI. In 2024, these interests were 54%, 3%, and 17%, respectively. In 2023, they were 49%, 3%, and 18%, respectively. In 2022, the interests were 47%, 3%, and 18%, respectively.

(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% of GERI as of December 31, 2024 and 82% as of December 31, 2023 and 2022.

(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.
(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) In 2024, GADC disposed of its entire interest in AFCMI (including its subsidiaries, RAFSI, MFGFI and GACI). Total proceeds from the disposal amounted to P253.5 million, of which P124.2 million relates to the investment made by FCI in AFCMI. Thus, the Group retained significant influence over AFCMI through FCI and reclassified the investment as an investment in an associate. Also in 2024, GADC deconsolidated MPT following the cessation of its business operations. GADC recognized loss in deconsolidation of subsidiaries amounting to P194.0 million presented under Finance Costs and Other Charges in the 2024 consolidated statement of comprehensive income (see Note 27).

The Company, its subsidiaries, associates and joint ventures were 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 and l 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 December 31, 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.

1.2 Approval of the Consolidated Financial Statements

The Board of Directors ("BOD") approved on April 28, 2025 the issuance of the consolidated financial statements of the Group as of and for the year ended December 31, 2024 (including the comparative consolidated financial statements as of December 31, 2023 and for the years ended December 31, 2023 and 2022).

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards ("PFRS") Accounting Standards which include the availment of financial reporting reliefs issued and approved by the SEC discussed in the succeeding pages. PFRS Accounting Standards are adopted by the Financial and Sustainability Reporting Standards Council ("FSRSC") from the pronouncements issued by the International Accounting Standards Board and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) SEC Financial Reporting Reliefs Availed by the Group

In 2023, and prior years, 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 2024, the Group adopted the previously deferred provisions of PFRS 15 and the related issuances of the Philippine Interpretations Committee, and IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) using modified retrospective approach as allowed by SEC 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 adoption of these standards and interpretations has resulted to adjustments to the amounts recognized in the consolidated financial statements as at January 1, 2024, with the cumulative effect recognized in equity as an adjustment to the opening balance of Retained Earnings for the current period.

Discussed in the succeeding page are the relevant information about these standards and interpretations, and the resulting adjustments to the relevant consolidated financial statements accounts as at January 1, 2024.

(i) IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23) for Real Estate Industry

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.

As a result of the adoption of the IFRIC Agenda Decision, Inventories decreased by P1,950.6 million and Deferred Tax Liabilities – net decreased by P487.6 million as at January 1, 2024.

(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*

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 a result of the adoption of this interpretation, Trade and Other Receivables – net as at January 1, 2024 increased by P20.5 million while Contract Assets and Contract Liabilities decreased by P1,567.9 million and P244.4 million, respectively.

The following table shows the summary of the impact of the adoption of IFRIC Agenda (PAS 23) and PIC Q&A No. 2018-12D on the Group's retained earnings as at January 1, 2024.

	Notes	As Previously Reported	Restatement	As Restated
Total assets:				
Trade and other receivables – net	2.1b(ii)	P 105,601,528,540	P 20,475,839	P 105,622,004,379
Contract assets	2.1b(ii)	25,721,450,330	(1,567,893,026)	24,153,557,304
Inventories	2.1b(i)	184,971,533,515	(1,950,564,028)	183,020,969,487
			(3,497,981,215)	
Total liabilities:				
Contract liabilities	2.1b(ii)	(7,456,743,395)	244,408,736	(7,212,334,659)
Deferred tax liabilities – net	2.1b(i)	(22,359,550,189)	487,641,007	(21,871,909,182)
			732,049,743	
Impact on net assets			**(P 2,765,931,472)**	
Total equity:				
Attributable to the:				
Company's shareholders		P 260,893,094,852	(P 2,187,957,940)	P 258,705,136,912
Non-controlling interests		133,674,416,579	(577,973,532)	133,096,443,047
			(P 2,765,931,472)	

(c) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard ("PAS") 1, *Presentation of Financial Statements*. The Group presents all items of income, expenses and other comprehensive income or loss in a single consolidated statement of comprehensive income.

The Group presents a third consolidated statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to such third consolidated statement of financial position are not required to be disclosed. The Group presented only one comparative period as none of these situations are applicable.

In 2024, an adjustment was taken up in the 2023 consolidated statement of financial position due to classification of certain non-current loans amounting to P5.9 billion presented as part of current portion of interest-bearing loans account in the 2023 consolidated statement of financial position. This resulted in retrospective restatements of the current and non-current liabilities in 2023 consolidated statement of financial position (see Note 18).

The effect of this prior year reclassification of accounts had no impact on the consolidated total assets, total liabilities and equity as at December 31, 2023 and had no impact on the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended December 31, 2023.

The reclassification also had no impact on the consolidated statement of financial position as at January 1, 2023; hence, a third consolidated statement of financial position as at January 1, 2023 is not required and is no longer presented.

(d) *Functional and Presentation Currency*

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

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

2.2 Basis of Consolidation

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries, as enumerated in Note 1.1, after the elimination of material intercompany transactions.

Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

In addition, shares of stock of the Parent Company acquired by any of its subsidiaries are recognized as treasury shares at cost and these are presented as deduction in the consolidated statement 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 ("APIC").

The financial statements of subsidiaries are prepared for the same reporting period as that of the Parent Company, using consistent accounting principles. Adjustments are also made to bring into line any dissimilar accounting policies that may exist.

The acquisition method is applied to account for acquired subsidiaries.

Investments in associates are initially recognized at cost and subsequently accounted for using the equity method from the date on which the entity becomes an associate.

Investments in joint arrangements are classified either as joint operations or joint ventures, depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

The Parent Company holds beneficial interests in various subsidiaries, associates and joint ventures as presented in Notes 1.1 and 12.

2.3 Adoption of Amended PFRS Accounting Standards

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

The Group adopted for the first time the following amendments to PFRS Accounting Standards, 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 Flows, and Financial Instruments: Disclosures – Supplier Finance Arrangements
PFRS 16 (Amendments)	:	Leases – Lease Liability in a Sale and Leaseback

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current.* The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants.* The amendments specify that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures – Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no impact on the Group's consolidated financial statements.

(iv) PAS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback*. The amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. In addition, the new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(b) Effective Subsequent to 2024 but not Adopted Early

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the FSRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

(ii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)

(iii) PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity* (effective from January 1, 2026)

(iv) PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of profit or loss (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The standard, however, does not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.

(v) PFRS 19, *Subsidiaries without Public Accountability*: *Disclosures* (effective from January 1, 2027)

(vi) PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

2.4 Financial Assets

(a) Classification and Measurement of Financial Assets

The Group's financial assets include financial assets at amortized cost, at fair value through profit or loss ("FVTPL") and fair value through other comprehensive income ("FVOCI").

(i) Financial Assets at Amortized Cost

The Group's financial assets at amortized cost are presented as Cash and Cash Equivalents (see Note 5), Trade and Other Receivables (except Advances to contractors and suppliers) (see Note 6), Restricted short-term placements, Time deposits, and Refundable deposits [included under Other Current Assets and Other Non-current Assets accounts (see Note 9)].

(ii) Financial Assets at Fair Value Through Other Comprehensive Income

Equity instruments that are not held for trading may be irrevocably designated at FVOCI at initial recognition on an instrument-by-instrument basis; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL or it is a contingent consideration recognized arising from a business combination.

(iii) Financial Assets at Fair Value Through Profit or Loss

Financial assets at FVTPL are held to realize changes in fair values through the sale of the assets. These include financial assets that are acquired for the purpose of selling or repurchasing in the near term; designated upon initial recognition as FVTPL; or mandatorily required to be measured at fair value.

The Group can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Group is required to reclassify financial assets: (i) from amortized cost to FVTPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and, (ii) from FVTPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Group's business model will take effect only at the beginning of the next reporting period following the change in the business model.

(b) Impairment of Financial Assets

The Group assesses impairment using expected credit loss (“ECL”) model on a forward-looking basis for financial assets carried at amortized cost and debt instruments measured at FVOCI. The carrying amount of the financial asset at amortized cost are adjusted for impairment through a loss allowance account. The loss allowance for financial assets at FVOCI; however, is carried in OCI and does not reduce the carrying amount of the financial assets.

The Group considers a broad range of information in assessing credit risk and measuring ECL, including past events, current conditions, and reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets. The Group considers all reasonable and supportable information that is available without undue cost or effort, as well as observable market information about the credit risk of the particular financial instrument or similar financial instruments.

The Group applies the simplified approach in measuring ECL, which uses a lifetime ECL allowance, for all trade and other receivables and contract assets using provision matrix approach and loss rates approach, as the case may be. The lifetime ECL is estimated based on the expected cash shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. To calculate the ECL, the Group uses its historical experience, external indicators and forward-looking information. The Group also assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, and have been grouped based on the days past due [see Notes 3.2(c) and 32.2].

For the other financial assets measured at amortized cost, the Group applies the low credit risk simplification and measures the ECL on the financial assets based on the credit losses expected to result from default events that are possible within the next 12 months (12-month ECL) until there is a significant increase in credit risk since origination, at which point, the loss allowance will be based on lifetime ECL. When there has been a significant increase in credit risk on a financial asset since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECL).

(c) Put Option Accounted for as a Financial Guarantee Contract

The put option meets the definition of financial guarantee contract, wherein it provides the holder of the instrument with protection against an adverse event (put option event).

The Group considers the related risk transferred on the financial guarantee as significant. Accordingly, it is accounted by the Group under PFRS 9.

In measuring the put option under ECL model, the Group applies the general approach of ECL measurement, wherein the Group recognizes lifetime ECL when there has been a significant increase in credit risk on a financial asset since initial recognition.

2.5 Derivative Financial Instruments and Hedge Accounting

Gaming transactions of the Group with fixed-odds wagers known at the time of bet are considered derivative transactions wherein the Group takes a position against a patron and the resulting unsettled position becomes a derivative instrument under PFRS 9 that is settled by the Group to or collected from the patron when the outcome of the wager has been determined. See Note 2.13 for the accounting policy regarding gaming transactions covered under PFRS 9.

The derivative liability arising from outstanding or unwon slot machine jackpot is recognized as Slot jackpot liability included under Trade and Other Payables account in the consolidated statement of financial position. (see Note 17).

The Group designates specific derivatives as hedging instruments to hedge against foreign currency risk and interest rate risk, the Group applies PFRS 9 hedge accounting for these specific derivatives.

2.6 Inventories

Cost is determined using weighted average method, except for food, paper, and promotional materials and supplies, which use the first-in, first-out method. Finished goods and work-in-process include the cost of raw materials, direct labor and a proportion of manufacturing overhead (including an element of depreciation) based on normal operating capacity. The cost of raw materials includes all costs directly attributable to acquisitions, such as the purchase price, import duties and other taxes that are not subsequently recoverable from taxing authorities (see Note 8).

The net realizable value ("NRV") of finished goods is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of raw materials, spare parts and other operating supplies is the current replacement cost [see Note 3.2(d)].

Accounting policies for real estate inventories and transactions are discussed in Note 2.7.

2.7 Real Estate Inventories and Transactions

Cost of inventories includes acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of the property to the Group; and, related property development costs.

Costs of inventories are assigned using specific identification of their individual costs.

The Group recognizes the effect of revisions in the total project cost estimates in the year in which these changes become known.

Repossessed property arising from sales cancellation is recognized at cost (see Note 2.13). The difference between the carrying amount of the receivable or contract asset to be derecognized plus any amount to be refunded to customers and the cost of the repossessed property is recognized in the consolidated statement of comprehensive income.

2.8 Property, Plant and Equipment

Property, plant and equipment ("PPE") are stated at cost and, except for land, less accumulated depreciation, amortization and any impairment in value. As no finite useful life for land can be determined, the related carrying amount is not depreciated. Land held for use in production or administration is stated at cost less any impairment in value (see Note 13).

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets as follows [see Note 3.2(i)]:

Buildings and land improvements	5 to 50 years
Condominium units	10 to 25 years
Machinery and equipment	2 to 12 years
Fixtures and other equipment	3 to 10 years
Transportation equipment	3 to 10 years

Leasehold improvements are amortized over the useful life of the assets or the term of the lease, whichever is shorter.
Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, applicable borrowing costs and other direct costs. The account is not depreciated or amortized until such time that the assets are completed and available for use.

2.9 Investment Properties

Investment properties include properties held for lease under operating lease agreements, properties intended to be held for lease, and properties held for currently undetermined use. These properties are carried at cost, net of accumulated depreciation and any impairment in value, except for land which is not subject to depreciation [see Notes 2.15 and 3.1(i)].

Depreciation of investment properties, excluding land, is computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years [see Notes 3.2(i), and 14].

2.10 Business Combinations and Asset Acquisitions

(a) *Accounting for Business Combination using the Acquisition Method*

Business combinations arising from transfers of interests in entities that are not under the common control of the principal stockholder are accounted for under the acquisition method.

(b) *Accounting of Business Combination using the Pooling-of-interests Method*

Business combinations arising from transfers of interests in entities that are under the common control of the principal stockholder are accounted for under the pooling-of-interests method.

No restatements are made to the financial information in the consolidated financial statements for periods prior to the business combination as allowed under PIC Q&A No. 2012-01, PFRS 3.2 – *Application of Pooling of Interest Method for Business Combination of Entities under Common Control in Consolidated Financial Statements* (as amended by PIC Q&A No. 2015-01,*Conforming Changes to PIC Q&As – Cycle 2015,* and PIC Q&A No. 2018-13*, Conforming Changes to PIC Q&As – Cycle 2018)*; hence, the profit and loss of the acquiree is included in the consolidated financial statements for the full year, irrespective of when the combination took place. Also, no goodwill is recognized as a result of the business combination and any excess between the net assets of the acquiree and the consideration paid is accounted for as "equity reserves", which will eventually be closed to additional paid-in capital. The Group used this method in accounting for mergers and restructurings.

(c) Accounting for Asset Acquisition

Acquisition of assets in an entity which does not constitute a business is accounted for as an asset acquisition.

2.11 Intangible Assets

Intangible assets include goodwill, trademarks, leasehold rights, computer software and franchise fee. Except goodwill and some specific trademarks, all other intangible assets have finite lives and are carried at cost less accumulated amortization and any impairment in value. Goodwill and trademarks with indefinite useful lives are not amortized, but are reviewed for impairment at least annually (see Notes 2.15 and 15).

Capitalized costs are amortized on a straight-line basis over the estimated useful lives of the assets as follows [see Note 3.2(i)]:

Trademarks [except those with indefinite useful lives (see Note 15)]	10 years
Franchise fee	10 years
Computer software	3 years

Leasehold rights are amortized over the useful life of 20 years or the term of the lease, whichever is shorter.

2.12 Financial Liabilities

Financial liabilities, which include Interest-bearing Loans (see Note 18), Bonds Payable (see Note 19), Lease Liabilities (see Note 13.3), Trade and Other Payables (except tax-related payables) (see Note 17), Advances from Other Related Parties (see Note 30.5), Redeemable Preferred Shares (see Note 20), Derivative liability, Guarantee deposits, Commission payable, Subscription payable and Retention payable [which are presented as part of Other Current Liabilities and Other Non-Current Liabilities accounts (see Note 21)] are recognized when the Group becomes a party to the contractual agreements of the instrument.

2.13 Revenue and Expense Recognition

Revenue arises mainly from sale of consumer goods and real properties and rendering of services which include quick-service restaurants, gaming-related activities, hotel operations and franchise revenues.

The Group uses the practical expedient in PFRS 15 with respect to non-disclosure of the aggregate amount of the transaction price allocated to unsatisfied or partially satisfied performance obligations as of the end of the reporting period and the explanation of when such amount will be recognized as revenue for contracts where performance obligations are expected to be satisfied within 12 months of the end of reporting period.

The following specific recognition criteria must also be met before revenue is recognized (see Note 24):

(a) *Sale of consumer goods (under Sale of Goods)* – Revenues from sale of goods are recognized at a point in time when the customer has acknowledged the receipt of the goods.

(b) *Real estate sales (under Sale of Goods)* – The Group develops real properties such as developed land, house and lot, and condominium units. The timing of revenue recognition is based on whether the real estate sold is pre-completed or completed. The significant judgment used in determining the timing of satisfaction of the Group's performance obligation with respect to its contracts to sell real properties is disclosed in Note 3.1(b).

The Group often enters into contracts to sell real properties as they are being developed. On such *pre-completed real estate properties*, revenue is recognized over time proportionate to the progress of the development. The Group measures its progress based on actual costs incurred relative to the total expected costs to be incurred in completing the development. On *completed real estate properties*, revenue is recognized at point in time when the control over the real estate property is transferred to the buyer.

Sales cancellations are accounted for as contract modification on the year of forfeiture. Cumulative revenue and costs recognized on cancelled contracts are reversed in the year of cancellation, and any gain or loss is charged to profit or loss.

For tax reporting purposes, a modified basis of computing the taxable income for the year based on collections from sales is used by Megaworld, GERI, EELHI, SPI, MBPHI, SEDI, OPI, NWPI, MGLI, SVCI, MCTI, STLI, API and MBPI.

(c) *Sale of undeveloped land and golf and resort shares (included as part of Real Estate Sales under Sale of Goods)* – Revenues on sale of undeveloped land and golf and resort shares for sale are recognized at point in time when control on the undeveloped land and golf and resort shares have passed to the buyer and the amount of revenue can be measured reliably.

(d) *Food, beverage and others (included in Hotel Operations under Rendering of Services)* – Revenues are recognized at point in time upon delivery to and receipt of consumer goods by the customer. Invoices for consumer goods transferred are due upon receipt by the customer.

(e) *Hotel accommodation (included in Hotel Operations under Rendering of Services)* – Revenues are recognized over time during the occupancy of hotel guest and end when the scheduled hotel room accommodation has lapsed (i.e., the related room services have been rendered). As applicable, invoices for hotel accommodations are due upon receipt by the customer.

(f) *Sales from Group-operated quick-service restaurants (under Rendering of Services)* – Revenues are recognized at point in time upon delivery to and receipt of consumer goods by the customer, and the Group has no obligation that could affect the customer's acceptance of the goods. Invoices for consumer goods transferred are due upon receipt by the customer.

(g) *Franchise revenues (under Rendering of Services)* – Revenues from franchised McDonald's restaurants (including the restaurant operated by a joint venture) include royalty and management fees. These are recognized in the period earned.

(h) *Rendering of other services* – Revenue is recognized over time (i.e., time-and-materials basis as the services are provided) until the performance of contractually agreed tasks has been substantially rendered. Revenue from other services include commissions, cinema and production shows and other activities incidental to the Group's main operations.

Revenues and expenses are recognized excluding the amount of value-added tax ("VAT"). As applicable, when the Group is required to refund the related purchase price for returned goods, it recognizes a refund liability for the expected refunds by adjusting the amount of revenues recognized during the period. Also, if applicable, the Group recognizes a right of refund asset on goods to be recovered from customers with a corresponding adjustment to Cost of Goods Sold account. However, there were no contracts that contain significant right of return arrangements that remain outstanding as of the end of the reporting periods.

In determining the transaction price of real estate sales, the Group adjusts the contract price for the effects of time value of money when the timing of payments agreed to with the customer provides either party with a significant benefit of financing the transfer of goods or services to the customer. In buyer financing arrangements where buyer payments are ahead of the development of the sold property, the Group recognizes interest expense which is presented as part of Finance costs and Other Charges in the consolidated statement of income. Conversely, in seller financing arrangements where the development of the sold property is ahead of buyer payment terms, the Company recognizes interest income which is presented as part of Finance and Other Income in the consolidated statement of income.

The Group applies the practical expedient under PFRS 15 where the promised amount of consideration is no longer adjusted for the effects of significant financing component when the Group expects, at contract inception, that the period between when the Group transfers the promised good or service to a customer and when the customer pays for such good or service will be one year or less. The significant judgment used in determining the existence of significant financing component in the contract is disclosed in Note 3.1(d).

Contract assets pertain to rights to consideration in exchange for goods or services that the Group has transferred to a customer that is conditioned on something other than passage of time. Under its contracts with customers for real estate sales, the Group will receive an unconditional right to payment for the total consideration upon the completion of the development of the property sold. Any rights to consideration recognized by the Group as it develops the property are presented in Contract Assets account in the consolidated statement of financial position. Contract assets are subsequently tested for impairment in the same manner as the Group assesses impairment of its financial assets [see Note 2.4(b)].

Any consideration received by the Group in excess of the amount for which the Group is entitled is presented in Contract Liabilities account in the consolidated statement of financial position. A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

If a transaction does not yet qualify as contract revenue under PFRS 15, the deposit method is applied until all conditions for recording the sale are met. Pending the recognition of revenue on real estate sales, consideration received from buyers are presented as Customers' deposits under Other Liabilities account in the consolidated statement of financial position (see Note 21).

The Group provides a membership card for its gaming patrons (i.e., of Travellers). Members earn points on gaming activity and such points are redeemable for complimentary goods and services such as room accommodations, food, beverages and others. Members may also earn special coupons or awards as determined during marketing promotions. The Group records revenue for the original transaction and a provision (and a corresponding recognition of promotional allowances in profit or loss) for the value of the points earned by members by reference to the relative fair values of the complimentary goods or services.

Gaming revenues from table games and slot machines are recognized from net wins (losses) from gaming activities, which represent the difference between coins and currencies deposited into the gaming machines or operations and the payments to customers; and for other games, the difference between gaming wins and losses, less sales incentives and other adjustments (i.e., promotional allowances) (see Note 24). The payout for wagers placed on gaming activities typically is known at the time the wager is placed (i.e., fixed odds wagering). These gaming transactions are accounted for as derivative transactions in accordance with PFRS 9 (see Note 2.5). Gaming revenues from these transactions are recognized at fair value, which represents the price that would be received to sell a wager position or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Promotional allowances include rebates under the casino rebates program and the provision for the value of the gaming points earned by members, i.e. in using a membership card provided by the Group, by reference to the relative fair values of the complimentary goods or services. Promotional allowances are presented as a reduction of gaming revenues.

The Group also administers games in which the Group receives a fee rather than the Group being at risk to win or lose based on the outcome of the game, i.e., tournaments including card games and bingo operations. Revenues from these gaming-related activities, which are accounted for in accordance with PFRS 15, are recognized over time as the services for administering the games are rendered, at an amount equivalent to the fee collected.

Cost and expenses (other than cost of real estate sales) are recognized in profit or loss upon utilization of the services or receipt of the goods or at the date they are incurred (see Notes 25 and 26). Incremental costs of obtaining a contract to sell a real estate property to a customer are recognized as an asset and are subsequently amortized over the duration of the contract on the same basis as revenue from such contract is recognized. Incremental costs in obtaining other customer contracts are expensed as incurred since amortization period of these costs, if capitalized, would be less than one year (a practical expedient in PFRS 15).

2.14 Leases

The Group accounts for its leases as follows:

(a) Group as Lessee

The right-of-use asset ("ROUA") is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROUA or the end of the lease term.

For short-term leases and leases of low-value assets, the Group uses the practical expedients where related lease payments are recognized as expense in profit or loss on a straight-line basis over the lease term.

GADC is legally required under various lease agreements to dismantle the installations and restore the leased sites at the end of the lease term. It is also a Group's policy to remove permanent improvements or additions, which contain designs and configurations inherent to GADC's business signs, trademarks, trade names, patent and other similar intellectual property rights belonging to McDonald's Corporation ("McDonald's") upon the termination or expiration of lease contract. The present value of these estimated costs is recognized and being depreciated on a straight-line basis over the shorter of the useful life of the related asset or the lease term [see Note 3.2(p)]. The asset retirement obligation ("ARO") is recognized at fair value, with the periodic accretion recognized in profit or loss as part of interest expense. The outstanding ARO as of the end of the reporting period is presented as part of Other Non-Current Liabilities account in the consolidated statement of financial position (see Note 21).

(b) Group as Lessor

The Group applies judgment in determining whether a lease contract is a finance or operating lease.

2.15 Impairment of Non-Financial Assets

The Group's Investments in Associates and Joint Ventures (see Notes 2.2 and 12), Intangible Assets (see Notes 2.11 and 15), Investment Properties (see Notes 2.9 and 14), Property, Plant and Equipment (including right-of-use assets)(see Notes 2.8, and 13) and other non-financial assets (see Note 9) are subject to impairment testing [see Note 3.2(j)]. Intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.16 Employee Benefits

The Group provides short-term and post-employment benefits to employees through defined benefit and defined contribution plans, share-based remuneration and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified, non-contributory and administered by a trustee.
The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS Accounting Standards requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

(a) *Determining Existence of a Contract with Customer*

In a sale of real estate property, the Group's primary document for a contract with a customer is a signed contract to sell which is executed when the real estate property sold is completed and ready for use by the customer. In rare cases wherein contract to sell are not executed by both parties, management has determined that the combination of other signed documentations with the customers such as reservation agreement, official receipts, computation sheets and invoices, would contain all the elements to qualify as contract with the customer (i.e., approval of the contract by the parties, which has commercial substance, identification of each party's rights regarding the goods or services and the related payment terms).

Moreover, as part of the evaluation, the Group assesses the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer.

In evaluating whether the collectability of an amount of consideration is probable, the Group considers the significance of the customer's downpayment in relation to the total contract price [see Note 3.1(c)].

Collectability is also assessed by considering factors such as past history with the customer and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

(b) *Evaluating the Timing of Satisfaction of Performance Obligations*

(i) *Real Estate Sales*

The Group exercises critical judgment in determining whether each performance obligation to develop properties promised in its contracts with customers is satisfied over time or at a point in time. In making this judgment, the Group considers the following:

- any asset created or enhanced as the Group performs;
- the ability of the customer to control such asset as it is being created or enhanced;
- the timing of receipt and consumption of benefits by the customer; and,
- the Group's enforceable right for payment for performance completed to date.

The Group determined that its performance obligation for pre-completed real estate properties is satisfied over time since it does not have an alternative use of the specific property sold as it is precluded by its contract from redirecting the use of the property for a different purpose. Further, the Group has rights over payment for development completed to date as the Group can choose to complete the development and enforce its rights to full payment under its contracts even if the customer defaults on amortization payments. Conversely, the Group's performance obligation for sale of completed real estate properties is satisfied at a point in time.

(ii) Sales of Consumer Goods

The Group determines that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e., generally when the customer acknowledged delivery of goods.

(iii) Hotel Accommodations

The Group determines that its revenue from hotel accommodations shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers. The Group provides the services without the need of reperformance of other entities. This demonstrates that the customers simultaneously receive and consume the benefits of the Group's rendering of hotel services as it performs.

(iv) Food and Beverages, and Others

In determining the appropriate method to use in recognizing the Group's revenues from food, beverage and other consumer goods, the Group determines that revenue is recognized at a point in time when the control of the goods has passed to the customer, i.e., generally when the customer acknowledged delivery of goods. The service component of the restaurant operations is deemed as an insignificant cause on the timing of satisfaction of performance obligation since it is only passage of time until the customer receives and consumes all the benefits after delivery of the food and beverage items.

(v) Forfeited Collections and Deposits

The Group determines that its revenue from forfeited collections and deposits shall be recognized at point in time in the year the contract was cancelled.

(vi) Property Management Services

The Group determines that its revenue from property management services shall be recognized over time. In making its judgment, the Group considers the timing of receipt and consumption of benefits provided by the Group to the customers.

The Group applies the practical expedient to recognize revenue at the amount to which it has a right to invoice, which corresponds directly to the value to the customer of the entity's performance completed to date, i.e., generally when the customer has acknowledged the Group's right to invoice.

(c) Estimating Collection Threshold for Real Estate Revenue Recognition

The Group uses judgment in evaluating the probability of collection of contract price on real estate sales as a criterion for revenue recognition. The Group uses historical payment pattern of customers in establishing a percentage of collection threshold over which the Group determines that collection of total contract price is reasonably assured.

(d) Determination of the Existence of Significant Financing Component in the Contract

The Group enters into real estate sales contracts offering various payment schemes to its customers. The timing of transaction price collection can significantly differ from the timing of the Group's fulfillment of its performance obligations. The Group exercises judgment in determining whether the contract terms provide a significant financing benefit to either the Group or its customers. This assessment is conducted at the inception of the contract, considering the contractual payment terms and the projected completion timeline of the related real estate development.

(e) Determining the Accounting Treatment of Gaming Revenues under PFRS 9 and PFRS 15

The Group exercises judgment in determining whether its gaming transactions and gaming-related activities are within the scope of PFRS 9 or PFRS 15. In making this judgment, management considers whether both the Group and the patrons have the chance to win or lose money or other items of economic value based on the outcome of the game; or, only the patron has the chance to win or lose money or other items of economic value, with the Group only receiving a fee for administering the game (PFRS 15), rather than the Group being at risk to win or lose based on the outcome of the game (PFRS 9). When the Group takes a position against a patron, the resulting unsettled wager or position is a financial instrument that would likely meet the definition of derivative financial instrument and is accounted for under PFRS 9.

Relative to this, the management has determined that its gaming revenues from table games and slot machines are within the scope of PFRS 9, while gaming-related revenues from administering bingo and tournament games are within the scope of PFRS 15.

(f) Evaluating the Business Model and Cash Flow Characteristics of Financial Assets

The Group applies the business model test and cash flow characteristics test at a portfolio of financial assets (i.e., group of financial instruments that are managed together to achieve a particular objective) and not on an instrument-by-instrument approach (i.e., not based on intention for each or specific characteristic of individual instrument) as these relate to the Group's investment and trading strategies.

The business model assessment is performed on the basis of reasonably expected scenarios (and not on reasonably expected not to occur, such as the so-called 'worst case' or 'stress case', scenarios). A business model for managing financial assets is typically observable through the activities that the Group undertakes to achieve the objective of the business model.

The Group uses judgment when it assesses its business model for managing financial assets and that assessment is not determined by a single factor or activity. Instead, the Group considers all relevant evidence that is available at the date of assessment which includes, but not limited to:

- How the performance of the business model and the financial assets held within the business model are evaluated and reported to key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and,
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

(g) Determining the ECL on Trade and Other Receivables

The Group applies the ECL methodology which requires certain judgments in selecting the appropriate method of measuring ECL. In measuring ECL, the Group considers a broad range of information which include past events, current conditions, and reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets.

The Group uses a provision matrix to calculate ECL for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e. geography, product type, customer type and rating).

The provision matrix is based on historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's trade and other receivables are disclosed in Notes 2.4(b) and 32.2.

(h) Determining Lease Term of Contracts with Renewal and Termination Options

In determining the lease term, management considers all relevant factors and circumstances that create an economic incentive to exercise a renewal option or not exercise a termination option.

Renewal options and/or periods after termination options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.

The lease term is reassessed if an option is actually exercised or not exercised or the Group becomes obliged to exercise or not exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the Group.

The Group determines whether any non-cancellable period or notice period in a lease would meet the definition of a contract and thus, would be included as part of the lease term. A contract would be considered to exist only when it creates rights and obligations that are enforceable.

In assessing the enforceability of a contract, the Group considers whether the lessor can refuse to agree to a request from the Group to extend the lease. In contrast, a lessor's right to terminate a lease is ignored when determining the lease term because, in that case, the lessee has an unconditional obligation to pay for the right to use the asset for the period of the lease, unless and until the lessor decides to terminate the lease.

The Group also considers any potential cost of dismantling and restoration of buildings and leasehold improvements for which the Group might be held liable in evaluating whether to renew the lease.

(i) Distinguishing Investment Properties, Owner-Occupied Properties and Real Estate Inventories

The Group determines whether a property qualifies as investment properties (see Note 2.9), owner-occupied properties or inventories. The Group applies judgment upon initial recognition of the asset based on the intention and also when there is a change in use. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Investment properties comprise of properties held to earn rental or for capital appreciation. Owner-occupied properties (see Note 2.8) generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process, while inventories (see Note 2.7) are properties that are held for sale in the ordinary course of business. The Group considers each property separately in making its judgment.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the Group's main line of business or for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the Group's main line of business or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(j) Distinguishing Investments in Financial Instruments and Golf and Resort Shares Inventories

In determining whether golf and resort shares shall be accounted for as either inventories or financial instruments, the Group considers its role in the development of the club and its intent for holding these shares. The Group classifies such shares as inventories when the Group acts as the developer and it intends to sell a developed property together with the club share.

(k) Determining Control, Joint Control or Significant Influence

Judgment is exercised in determining whether the Group has control, joint control or significant influence over an entity, even though the Group holds less than 50% or less than 20% of the investee's voting shares. In assessing control or significant influence over investees, the Group considers voting rights, representation on the board of directors or equivalent governing body of the investee, presence of interlocking directors, participation in policy-making process and all other facts and circumstances, including terms of any contractual arrangement.

(l) Distinguishing Asset Acquisition and Business Combinations

At the time of acquisition, the Group determines whether the acquisition represents an acquisition of a business or of assets (see Note 2.10). The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property. More specifically, consideration is made with regard to the extent to which significant processes are acquired and, in particular, the extent of ancillary services provided by the Group (e.g., for Megaworld – maintenance, cleaning, security, bookkeeping, hotel services, etc.). The significance of any process is judged with reference to the guidance in PAS 40, *Investment Property*, on ancillary services.

Moreover, the transfer of ownership interest over WML and WMWL from WMG to WMGL, the merger between CBSP and BFS and between PDSC and BDSC and the merger between PDSC and DDDB are accounted for as business combinations using pooling-of-interest method as these are transfers of interests in entities that are under the common control and there is no change of control before and after the restructuring or mergers.

(m) Distinguishing Between Operating and Finance Leases where the Group is the Lessor

The Group has entered into various lease agreements as a lessor. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Based on management's assessment, the Group's lease agreements as lessor are classified as operating leases, except for one which has been classified as a finance lease.

(n) Determining Whether Lease Concessions Constitute a Lease Modification

In line with the rental relief framework implemented by the government to support businesses and the broader economy due to the impact of COVID-19, the Group waived its right to collect rent and other charges as part of various lease concessions it granted to certain lessees, such as lease payment holidays or lease payment reductions.

The Group also received lease concessions from its lessors in 2022.

In making this judgment, the Group determines whether the rent concessions have changed the scope of the lease, or the consideration thereof, that was not part of the original terms and conditions of the lease. The Group assessed that the lease concessions it granted to lessees and received from lessors do not qualify as lease modifications since the terms and conditions under the corresponding lease contracts have not been modified by the waiver and therefore, are not lease modifications under PFRS 16.

The rent concessions granted by the Group amounted to P1.4 billion in 2022 while the total gain on lease concessions received by the Group amounted to P239.7 million in 2022 , and is presented as Gain on COVID-19-related rent concessions under the Finance and Other Income account in the 2022 consolidated statement of comprehensive income. No similar transactions in 2024 and 2023 (see Note 27).

(o) Determining the Accounting Treatment of Put Option

The Group determined that the put option contract entered by the Group meets the definition of financial guarantee under PFRS 4, *Insurance Contracts*. Although a financial guarantee meets the definition of insurance contract under PFRS 4, if the risk transferred is significant, the issuer of the guarantee contract should apply PFRS 9.

The Group determined that the risk transferred to the Group is significant; hence, the put option is accounted for under PFRS 9 [see Notes 2.4(c) and 31.7(iv)].

(p) Classification of Non-current Assets classified as Held for Sale

The Group classifies an asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Judgement is exercised by the Group by determining whether the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such assets (or disposal group) and its sale must be highly probable.

In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, except when delay is caused by events or circumstances beyond the Group's control and there is sufficient evidence that the Group remains committed to its plan to sell the asset (or disposal group).

Based on management's assessment, the letter of intent dated December 27, 2022 and 2020, which provides the Group's commitment to sell certain land and buildings to a related party, were the main consideration for classifying these assets as non-current assets classified as held for sale as of December 31, 2022. In 2023, the sale did not materialize due to change in business plans in the use of the assets. Consequently, the related assets are reclassified back as part of Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale (see Note 16).

(q) Recognizing Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets; hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

Judgment is exercised by management to distinguish between provisions and contingencies. Disclosures on relevant provisions and contingencies are presented in Note 31.

3.2 Key Sources of Estimation Uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are presented in the succeeding pages.

(a) Revenue Recognition for Performance Obligation Satisfied Over Time

In determining the amount of revenue from real estate sales to be recognized for performance obligations satisfied over time, the Group measures progress on the basis of actual costs incurred relative to the total expected costs to complete such performance obligation. Specifically, the Group estimates the total development costs with reference to the project development plan and any agreement with customers. Management regularly monitors its estimates and apply changes as necessary.

A significant change in estimated total development costs would result in a significant change in the amount of revenue recognized in the year of change.

(b) Determination of Appropriate Discount Rate in Measuring Significant Financing Component

In the sale of real estate properties, the transaction price is recognized at the present value of the installment payments discounted to the date the entity expects to satisfy its performance obligation.

When adjusting the consideration for significant financing component, an entity shall use the discount rate that would be reflected in a separate financing transaction at contract inception. Management considers the discount rate which would reflect the credit characteristics of the party receiving financing in the contract as well as any collateral or security provided by the customer or entity. Specifically, for contracts classified as 'seller financing' the Group bases its lending rate on the rate extended to buyers who utilize its in-house financing. This lending rate is adjusted to reflect the specific circumstances of each financing transaction. For contracts classified as 'buyer financing', the Group estimates the discount rate using a borrowing rate that would be consistent with a separate financing transaction where the Group is considered the borrower.

(c) Impairment of Financial Assets at Amortized Cost and Measurement of Put Option

In measuring allowance for ECL, the Group uses significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses), as further detailed in Note 2.4(b). The Group evaluated impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Group's relationship with the counterparties, the counterparties' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

The carrying value of trade and other receivables and the analysis of allowance for impairment on such financial assets are shown in Note 6.

Further, the measurement of the put option value under the ECL model required the use of significant assumptions with regard to the possibility of any of the option events from happening in the future and the possible change in the evaluation of the collateral within the 12-month assessment period, as further detailed in Note 31.7(iv).

(d) Valuation of Inventories

In determining the NRV of inventories (see Notes 2.6 and 2.7), management takes into account the most reliable evidence available at the dates the estimates are made. NRV is one of the key variables used in analyzing possible impairment.

The Group's core business is subject to changes in market factors that directly affect the demand for inventories, such as purchasing power of consumers, degree of competition, and other market-related factors. Future realization of the carrying amounts of these assets is also affected by price changes in the costs incurred necessary to produce the inventories and make a sale as well as market trends. Changes in the sources of estimation may cause significant adjustments to the Group's inventories and real estate properties within the next financial reporting period.

The amounts of allowance for inventory obsolescence provided by management are based on, among others, age and status of inventories and the Group's past experience. The NRV of inventories and an analysis of allowance for inventory write-down are presented in Note 8.

Considering the Group's pricing policy, the NRV of real estate properties are higher than their related costs.

(e) Fair Value Measurement of Financial Assets at FVOCI

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. Significant components of fair value measurement are determined using verifiable objective evidence such as foreign exchange rates, interest rates and volatility rates. However, the amount of changes in fair value would differ if the Group utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect other comprehensive income.

Management estimates the fair value of financial instruments where active market quotes are not available based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (see Note 2.4).

The carrying amounts of financial assets at FVOCI are disclosed in Note 11 [see Note 2.4(a)(ii)].

(f) Fair Value Measurement of Investment Properties

Investment properties are measured using the cost model (see Note 2.9). The fair value disclosed in Note 14 and Note 34.4 to the consolidated financial statements was estimated either by: (i) using the fair value of similar properties in the same location and condition; or, (ii) using the discounted cash flows valuation technique since the information on current or recent prices of certain investment property is not available.

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 adequate for specific market factors such as location and condition of the property.

A significant change in these elements may affect prices and the value of the assets. As of December 31, 2024 and 2023, the Group determined that there were no significant circumstances that may affect the fair value measurement of these properties.

(g) Fair Value Estimation of Share Options

The fair value of the Executive Share Option (the "Options") recognized as part of Salaries and employee benefits is shown under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 26). A corresponding credit to Share Options for options related to the Group is presented in the Equity section of the consolidated statements of financial position (see Note 22.6).

The Group estimates the fair value of the Options by applying an option valuation model, considering the terms and conditions on which the Options were granted. The estimates and assumptions used are presented in Note 22.6 which include, among other things, the option's time of expiration, applicable risk-free interest rate, expected dividend yield, volatility of the share price (i.e., the Parent Company, Megaworld, GERI, and EMI) and fair value of the specific common shares. Changes in these factors can affect the fair value of share options at grant date.

(h) Fair Value Measurement of Derivative Financial Instruments

Fair value measurement for gaming revenues under PFRS 9 represents the price that would be received to sell a wager position or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, less any promotional allowances and other similar adjustments.

For other derivative financial instruments, management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. The determination of the fair value of derivatives is dependent on the selection of certain assumptions used by third party experts in calculating such amounts. Those assumptions include, among others, expected movements in the index cumulative performance as defined in the swap agreements for cross-currency swaps and changes in forward rates for forward contracts. Changes in assumptions could affect reported fair value of financial instruments. The Group uses judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(i) Estimation of Useful Lives of Property, Plant and Equipment, Investment Properties and Intangible Assets

The Group estimates the useful lives of property, plant and equipment (including right-of-use assets) (see Notes 2.8 and 2.14), investment properties (see Note 2.9) and intangible assets (see Note 2.11) with finite lives based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment, investment properties and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Specific trademarks mentioned in Note 15 were assessed to have indefinite useful lives considering that there is no foreseeable limit to the period over which such trademarks are expected to generate cash inflows for the Group (i.e., trademarks for The Dalmore and Jura have been in existence for more than 100 years). Moreover, there are no legal or similar limits imposed on the period over which the Group has control or can use the said trademarks.

The carrying amounts of property, plant and equipment, investment properties and intangible assets are presented in Notes 13, 14 and 15, respectively. Actual results, however, may vary due to changes in factors mentioned above.

Based on management's assessment, no change in the estimated useful lives of property, plant and equipment, investment properties and intangible assets is necessary in 2024 and 2023.

(j) Impairment of Non-Financial Assets

Goodwill and specific intangible assets with indefinite useful life are reviewed annually for impairment. An impairment review on all other non-financial assets is performed when certain impairment indicators are present. The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.15. Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Impairment losses and reversals recognized on property, plant and equipment are discussed in Note 13.

In 2024, the Group recognized impairment losses on goodwill (see Note 15). There was no similar transaction in 2023 and 2022.

There is no other impairment loss recognized on the Group's investment properties, and other non-financial assets based on management's evaluation for the years ended December 31, 2024, 2023 and 2022.

(k) Determination of Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. An analysis of the recognized and unrecognized deferred tax assets is presented in Note 29.1.

(l) Valuation of Post-Employment Defined Benefit Obligation

The determination of the Group's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 28.2.

(m) Measurement of Gaming Points and Estimation of Liability for Unredeemed Gaming Points

The Group provides gaming points to its patrons based on gaming activity. Gaming points are redeemable in a wide selection of redemption categories. The Group recognizes the fair values of gaming points, based on redemption terms, historical redemption pattern of patrons and the fair value of promotional activities per source (i.e., hotel, food and beverage, and others). The Group reassesses the measurement basis used for calculating the fair value of gaming points on a regular basis. The carrying value of the gaming points accrued by the Group is presented as Unredeemed gaming points under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

(n) Provision for Restoration of Leased Property

Determining the provision for leased property restoration requires estimation of the cost of dismantling and restoring leased properties (building and leasehold improvements) to their original condition for which the Group is liable (see Note 2.14). The estimated cost was initially determined based on a recent cost to restore the facilities and is being adjusted to consider the estimated incremental annual costs up to the end of the lease term. The estimated dismantling cost was discounted using the prevailing market rate at the inception of the lease for an instrument with maturity similar to the term of the lease.

The carrying amount of ARO and provision for dilapidation are presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position (see Note 21).

(o) *Provision for Onerous Lease*

The Group determines the provision for leasehold properties which are no longer used in the business for which the recoverable amount of the interest in the property is expected to be insufficient to cover future obligations relating to the lease using discounted cash flows and assumptions relating to future sublease income expectations. A significant change in the credit-adjusted risk-free rate used in discounting the estimated cost and sublease assumptions would result in a significant change in the amount of provision recognized with a corresponding effect on consolidated profit or loss.

In 2024, 2023 and 2022, an additional provision was recognized.
The carrying amount of provision for onerous lease is presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position (see Note 21).

(p) *Determination of Appropriate Discount Rate in Measuring Lease Liabilities*

The Group measures its lease liabilities at present value of the lease payments that are not paid at the commencement date of the lease contract. The lease payments were discounted using a reasonable rate deemed by management equal to the Group's incremental borrowing rate. In determining a reasonable discount rate, management considers the term of the leases, the underlying asset and the economic environment. Actual results, however, may vary due to changes in estimates brought about by changes in such factors.

(q) *Business Combinations*

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment (see Note 2.10).

4. SEGMENT INFORMATION

4.1 Business Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's Strategic Steering Committee ("SSC"), its chief operating decision-maker. The SSC is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally considers the Group's major subsidiaries, which represent the main products and services provided by the Group and the line of business in which the Group operates. Each of these operating segments, which represents the major subsidiaries within the Group, is managed separately by each respective officers and management. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements. However, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to any segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

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 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 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 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 years ended December 31, 2024, 2023 and 2022:

	2024				
	Megaworld	**Travellers**	**GADC**	**Emperador**	**Total**
REVENUES AND INCOME					
Sales to external customers	P 77,862,437,548	P 31,296,586,290	P 47,944,372,994	P 60,743,131,850	P 217,846,528,682
Intersegment sales	384,707,888	619,129,916	-	92,588,552	1,096,426,356
Finance and other income	3,440,187,130	430,288,360	334,969,113	583,609,258	4,789,053,861
Segment revenues and income	81,687,332,566	32,346,004,566	48,279,342,107	61,419,329,660	223,732,008,899
Cost of sales and expenses excluding depreciation and amortization	(44,526,159,079)	(23,274,896,440)	(40,640,700,457)	(49,017,930,666)	(157,459,686,642)
	37,161,173,487	9, 071,108,126	7,638,641,650	12,401,398,994	66,272,322,257
Depreciation and amortization	(3,655,645,823)	(3,553,300,245)	(3,206,406,785)	(2,119,328,994)	(12,534,681,847)
Finance cost and other charges	(6,609,836,363)	(4,517,056,604)	(837,064,618)	(1,466,762,356)	(13,430,719,941)
Profit before tax	26,895,691,301	1,000,751,277	3,595,170,247	8,815,307,644	40,306,920,469
Tax expense	(5,208,226,235)	(177,348,625)	(841,347,403)	(1,632,967,373)	(7,859,889,636)
SEGMENT PROFIT	**P 21,687,465,066**	**P 823,402,652**	**P 2,753,822,844**	**P 7,182,340,271**	**P 32,447,030,833**
SEGMENT ASSETS AND LIABILITIES					
Segment assets	**P 467,554,845,589**	**P 123,835,056,627**	**P 45,923,087,703**	**P 156,907,622,142**	**P 794,220,612,061**
Segment liabilities	**174,446,871,717**	**80,028,787,305**	**33,862,730,703**	**52,622,297,983**	**340,960,687,708**
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	**(290,085,568)**	**(19,396)**	**-**	**77,607,480**	**(212,497,484)**
Interest income	**3,100,666,819**	**166,895,489**	**251,148,226**	**293,267,490**	**3,811,978,024**
Interest expense	**3,029,457,944**	**4,296,535,601**	**930,980,941**	**1,686,840,870**	**9,943,815,356**
Impairment reversal – net	**-**	**-**	**24,184,777**	**-**	**24,184,777**
Investment property and PPE acquisition	**14,868,747,491**	**4,746,633,195**	**6,519,786,104**	**7,510,353,613**	**33,645,520,403**

	2023				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES AND INCOME					
Sales to external customers	P 65,258,232,426	P 31,510,203,113	P 42,853,123,695	P 64,498,943,685	P 204,120,502,919
Intersegment sales	318,786,730	250,697,665	-	61,970,104	631,454,499
Finance and other income	4,085,724,334	(119,052,980)	373,652,532	935,099,486	5,275,423,372
Segment revenues and income	69,662,743,490	31,641,847,798	43,226,776,227	65,496,013,275	210,027,380,790
Cost of sales and expenses excluding depreciation and amortization	(37,269,397,460)	(23,510,723,875)	(35,963,450,847)	(51,123,535,838)	(147,867,108,020)
	32,393,346,030	8,131,123,923	7,263,325,380	14,372,477,437	62,160,272,770
Depreciation and amortization	(3,480,324,608)	(3,061,872,265)	(2,855,948,957)	(1,454,464,272)	(10,852,610,102)
Finance cost and other charges	(5,056,713,055)	(2,961,132,667)	(974,774,968)	(1,354,672,417)	(10,347,293,107)
Profit before tax	23,856,308,367	2,108,118,991	3,432,601,455	11,563,340,748	40,960,369,561
Tax expense	(4,455,738,864)	(66,393,834)	(826,948,199)	(1,997,373,601)	(7,346,454,498)
SEGMENT PROFIT	P 19,400,569,503	P 2,041,725,157	P 2,605,653,256	P 9,565,967,147	P 33,613,915,063
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
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(65,412,001)	(20,132)	-	111,644,188	46,212,055
Interest income	3,631,418,984	165,033,818	200,525,300	399,284,337	4,396,262,439
Interest expense	2,635,396,341	2,957,407,821	923,708,328	1,361,973,087	7,878,485,577
Impairment reversal – net	-	-	36,035,061	-	36,035,061
Investment property and PPE acquisition	11,592,146,162	4,691,301,840	6,676,190,466	4,784,942,658	27,744,581,126

	2022				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES AND INCOME					
Sales to external customers	P 55,975,462,269	P 26,906,252,986	P 34,480,810,931	P 60,671,184,025	P 178,033,710,211
Intersegment sales	304,571,337	2,487,657	-	35,944,484	343,003,478
Finance and other income	3,247,223,045	64,825,475	418,739,950	955,168,614	4,685,957,084
Segment revenues and income	59,527,256,651	26,973,566,118	34,899,550,881	61,662,297,123	183,062,670,773
Cost of sales and expenses excluding depreciation and amortization	(31,322,179,772)	(19,690,768,476)	(28,460,711,228)	(48,227,801,281)	(127,701,460,757)
	28,205,076,879	7,282,797,642	6,438,839,653	13,434,495,842	55,361,210,016
Depreciation and amortization	(3,279,686,211)	(3,929,707,605)	(2,755,285,324)	(1,486,209,879)	(11,450,889,019)
Finance cost and other charges	(5,783,076,956)	(2,558,983,889)	(1,142,015,079)	464,015,648	(9,020,060,276)
Profit before tax	19,142,313,712	794,106,148	2,541,539,250	12,412,301,611	34,890,260,721
Tax expense	(3,767,557,891)	(34,944,222)	(718,249,851)	(1,498,453,879)	(6,019,205,843)
SEGMENT PROFIT	P 15,374,755,821	P 759,161,926	P 1,823,289,399	P 10,913,847,732	P 28,871,054,878
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 407,268,364,874	P 120,512,238,096	P 42,258,378,031	P 139,215,259,307	P 709,254,240,308
Segment liabilities	154,955,291,814	82,974,847,246	33,549,877,780	47,695,845,248	319,175,862,088
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(155,429,591)	(19,791)	-	113,970,450	(41,478,932)
Interest income	2,840,715,801	64,825,475	63,265,523	140,827,313	3,109,634,112
Interest expense	2,257,631,482	2,510,796,297	1,049,115,625	597,655,650	6,415,199,054
Impairment reversal – net	-	-	74,555,613	-	74,555,613
Investment property and PPE acquisition	12,848,481,035	27,034,697,382	5,852,501,619	4,182,886,314	49,918,566,350

4.5 Reconciliations

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

	2024	2023	2022
Revenues and income			
Total segment revenues	**P 223,732,008,899**	P 210,027,380,790	P 183,062,670,773
Unallocated corporate revenue	**928,916,556**	1,418,176,682	892,562,132
Elimination of intersegment revenues	**(1,096,426,356)**	(631,454,499)	(343,003,478)
Revenues and income as reported in consolidated comprehensive income	**P 223,564,499,099**	P 210,814,102,973	P 183,612,229,427
Profit or loss			
Segment profit	**P 32,447,030,833**	P 33,613,915,063	P 28,871,054,878
Unallocated corporate loss	**(3,431,779,118)**	(2,633,030,209)	(3,339,108,847)
Elimination of intersegment revenues	**(1,096,426,356)**	(631,454,499)	(343,003,478)
Profit as reported in consolidated comprehensive income	**P 27,918,825,359**	P 30,349,430,355	P 25,188,942,553
Assets			
Segment assets	**P 794,220,612,061**	P 749,399,794,621	P 709,254,240,308
Unallocated corporate assets	**29,858,304,373**	33,143,256,217	38,765,910,309
Total assets reported in the consolidated statements of financial position	**P 824,078,916,434**	P 782,543,050,838	P 748,020,150,617
Liabilities			
Segment liabilities	**P 340,960,687,708**	P 322,977,397,397	P 319,175,862,088
Unallocated corporate liabilities	**67,392,964,185**	64,998,142,010	62,876,176,193
Total liabilities reported in the consolidated statements of financial position	**P 408,353,651,893**	P 387,975,539,407	P 382,052,038,281

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 years presented.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are broken down as follows:

	2024	2023
Cash on hand and in banks	**P 39,907,713,135**	P 32,492,907,999
Short-term placements	**20,695,126,914**	32,527,385,465
	P 60,602,840,049	P 65,020,293,464

Cash in banks generally earn interest based on daily bank deposit rates [see Notes 27 and 32.1(b)].

Short-term placements are made for varying periods up to 90 days and earn effective interest per annum ranging from 0.3% to 6.5% in 2024 and 2023, and 0.1% to 5.8% in 2022.

Interest income from Cash and Cash Equivalents is presented under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 27).

The Group has restricted short-term placements and time deposits, which are shown under Other Current Assets account in the consolidated statements of financial position (see Note 9).

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist of:

	Notes	**2024**	2023
Current:			
Trade receivables	18(u), 24.2	**P 53,608,629,163**	P 44,931,962,809
Advances to contractors and suppliers		**14,911,312,505**	17,723,515,238
Due from related parties	30.3, 30.4	**6,580,451,192**	6,288,764,538
Advances to condominium associations		**857,105,570**	839,710,251
Finance lease receivable		**395,271,465**	-
Loan receivable		**263,531,748**	309,434,025
Accrued interest receivable		**151,718,709**	204,929,830
Note receivable		**23,257,771**	21,128,886
Others	31.3	**7,323,478,260**	7,415,394,930
		84,114,756,383	77,734,840,507
Allowance for impairment	32.2	**(1,642,195,515)**	(1,597,513,490)
		82,472,560,868	76,137,327,017
Non-current:			
Trade receivables	18(u), 24.2	**27,904,899,573**	23,640,010,441
Advances to contractors and suppliers		**3,728,681,076**	3,762,223,883
Finance lease receivable		**-**	317,131,844
Others		**2,312,750,029**	1,757,060,291
		33,946,330,678	29,476,426,459
Allowance for impairment	32.2	**(12,224,936)**	(12,224,936)
		33,934,105,742	29,464,201,523
		P 116,406,666,610	P 105,601,528,540

Trade receivables are noninterest-bearing. Most trade receivables, particularly those relating to real estate sales, are covered by post-dated checks.

The Group obtains various loans through assignment of trade receivables. The assigned receivables have an average term between 10 to 15 years and bear interests between 5.5% to 15%. The carrying value of assigned receivables amounting to P0.1 billion and P0.2 billion as of December 31, 2024 and 2023, respectively, is equal to the outstanding balance of the loans [see Note 18(u)]. None of the assigned receivables were found to be impaired.

The installment period of sales contracts averages one to five years. Noninterest-bearing trade receivables from real estate sales with maturity of more than one year after the end of the reporting period are assessed for existence of a significant financing component. Interest income recognized P1,036.2 million, P1,129.9 million and P799.0 million in 2024, 2023 and 2022, respectively. These amounts are presented as part of Interest income from significant financing component under Real Estate Sales account in the 2024 consolidated statement of income and as part of Interest income under Finance and Other Income – net account in the 2023 and 2022 consolidated statements of income (see Notes 24 and 27).

Advances to contractors and suppliers pertain to noninterest-bearing and unsecured advances or downpayments to the Group's contractors and suppliers as initial payment or mobilization funds for services to be rendered and goods to be delivered to the Group. These are reduced proportionately upon receipt of progress billings from said suppliers. The current portion relates to purchases of inventories while the non-current portion relates to the construction of property, plant and equipment and investment properties.

Current note receivable pertains mainly to a three-year unsecured interest-bearing advances granted by Travellers in prior years to a certain third party.

Due from related parties pertain to noninterest-bearing, unsecured and immediately demandable advances, settlement of which is generally made in cash (see Notes 30.3 and 30.4).

Finance lease receivables pertains to receivables arising from sublease transaction entered by Megaworld.

Other current receivables include, among others, non-trade receivables from tenants, advances to raw landowners, advances to joint ventures for processing of business permits and licenses, and unliquidated advances to employees and real estate consultants.

All of the Group's trade and other receivables have been assessed for impairment using the ECL model required under PFRS 9 [see Notes 32.2 and 2.4(b)]. Certain past due accounts from real estate sales are not provided with allowance for impairment to the extent of the expected market value of the property sold to the customer as the titles to the real estate properties remain with the Group until the receivables are fully collected; hence there is no loss given default in case of non-payment (see Note 32.2).

A reconciliation of the allowance for impairment at the beginning and end of the reporting periods is shown below.

	Notes	2024	2023
Balance at beginning of year		**P 1,609,738,426**	P 1,398,893,012
Impairment losses during the year	26	**141,807,125**	250,536,741
Reversal of impairment previously recognized	27	**(58,201,597)**	(48,428,860)
Write-off of trade receivables previously provided with allowance		**(42,636,138)**	(938,665)
Translation adjustment		**3,712,635**	9,676,198
Balance at end of year		**P 1,654,420,451**	P 1,609,738,426

Impairment losses are presented under Other Operating Expenses account (see Note 26), while the reversal of impairment, which pertains to recovery of receivables previously provided with allowance, is presented as Reversal of impairment losses on receivables under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 27).

All trade receivables are subject to credit risk exposure (see Note 32.2). However, the Group does not identify specific concentrations of credit risk with regard to trade and other receivables as the amounts recognized consist of a large number of receivables from various customers.

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

This account consists of local and foreign investments, held for trading, as follows:

	2024	2023
Marketable debt securities	**P 10,447,837,608**	P 10,015,534,906
Quoted equity securities	**5,237,817,405**	4,869,546,460
Derivative financial assets	**368,629,909**	94,796,130
	P 16,054,284,922	P 14,979,877,496

Marketable debt securities, which bear interest ranging from 4.3% to 6.7% per annum for the years ended December 31, 2024, 2023 and 2022, are measured at their fair values determined directly by reference to published prices quoted in an active market. The net changes in fair values of these financial assets resulted to a net gain in 2024, and net losses on 2023 and 2022, which are presented as part of Fair value gains – net under Finance and Other Income account and as part of Fair value losses – net under Finance Costs and Other Charges account, respectively, in the consolidated statements of comprehensive income (see Note 27). Interest income is shown as part of Finance and Other Income account in the consolidated statements of comprehensive income (see Note 27).

Derivative financial assets arise from the Group's foreign exchange forward and cross-currency swap contracts.

The Group's forward contracts are usually one month to one year. Changes in foreign currency value arising from such forward contracts are taken up in profit or loss and are recorded as part of Fair value gains or losses – net under Finance and Other Income and Finance Costs and Other Charges accounts in the consolidated statements of comprehensive income (see Note 27).

In 2020, GADC entered into a cross-currency swap arrangement with a local bank. The terms of the agreement provide for the repayment of the principal and interest to be made in fixed peso amounts [see Note 18(mm)]. The changes in fair value resulted in unrealized loss of P23.4 million and P68.1 million in 2024 and 2022, respectively, presented as part of Miscellaneous under the Other Operating Expenses account (see Note 26) and unrealized gain of P1.7 million in 2023 presented as part of Miscellaneous under the Finance and Other Income account (see Note 27).

Megaworld also entered into cross-currency swap arrangements in 2019 and 2024 designated as cash flow hedge (see Note 2.5).

Under the cross-currency swap agreement in 2019, Megaworld will receive $95.62 million to be paid on a quarterly basis beginning December 2020 up to September 2024 plus interest based on 3-month LIBOR plus a certain spread. Megaworld shall make fixed quarterly payments in Philippine pesos plus a fixed interest of 4.82%.

Megaworld has designated the cross-currency swap as a hedging instrument to hedge the risk in changes in cash flows of its loan denominated in U.S. dollar as an effect of changes in foreign currency exchange rates and interest rates [see Note 18(d) and (n)].

In the other cross currency swap agreement in 2024, Megaworld receive $180.5 million to be paid on a quarterly basis beginning June 2025 up to March 2029 plus interest based on three-month BVAL plus a certain spread. Megaworld make fixed quarterly payments in Philippine Peso plus a fixed interest rate of 6.40%.

Also in 2024, Megaworld entered into an interest rate swap agreement, with a notional amount of P10.0 billion to hedge its exposure to changes in fair value arising from changes in benchmark interest rate on loans payable due to mature in 2029 [see Note 18(d)].

As of December 31, 2024 and 2023, the Group has assessed that the cross-currency swaps designated as cash flow hedges will continue to be highly effective over the term of the agreement; hence, the Group used hedge accounting on the hedging relationship of its cross-currency swaps and on its interest-bearing loans [see Note 3.2(h)].

To assess hedge effectiveness, the Group employs the critical terms matching method, wherein the key terms of the hedging instrument and the hedged item are aligned. This qualitative assessment is conducted at the inception of the hedge and on an ongoing basis.

The Group recognized unrealized losses on cash flow hedges amounting to P56.0 million and P34.2 million in 2024 and 2023, respectively, and unrealized gains of P91.1 million in 2022. These are presented under items that will be reclassified subsequently to consolidated profit or loss as part of other comprehensive income in the consolidated statements of comprehensive income.

The Group recognized an unrealized gain of P56.0 million on fair value hedges in 2024. These are presented as part of Miscellaneous under Finance and Other Income account in the 2024 consolidated statement of income (see Note 27).

There is an economic relationship between the hedged item and the hedging instrument as the terms of the fixed rate loans match the terms of the interest rate swaps. The Group has established a hedge ratio of 104.12% for the hedging relationships as the underlying risk of the interest rate swaps is identical to the hedged risk component.

The hedged items are presented under Interest-bearing Loans in the Group's consolidated statement of financial position as at December 31, 2024. The carrying amounts relating to items designated as hedged items in fair value hedge relationships to manage the Group's exposure to interest rate as at December 31, 2024 amounts to P10.4 billion.

The table below sets out information about the Group's hedging instruments and the related carrying amounts:

	Notional Amount	Derivative Assets
December 31, 2024		
Cross currency swaps	**$ 181,585,889**	**P 425,947,082**
Interest rate swaps	**P 10,000,000,000**	**(57,317,173)**
		P 368,629,909
December 31, 2023		
Cross currency swaps	$ 23,783,739	P 94,796,130

The hedging instruments have a positive fair value of P368.6 million and P94.8 million as of December 31, 2024 and 2023, respectively.

8. INVENTORIES

The details of inventories are shown below [see Notes 2.6, 2.7, 3.1(b)(i), 3.1(i) and 3.2(d)].

	Note	2024	2023
At cost:			
Real estate for sale		**P 109,645,295,645**	P 109,706,000,491
Raw land inventory		**12,212,744,073**	12,396,943,363
Property development costs		**11,074,601,834**	9,480,158,869
Golf and resort shares for sale		**3,019,394,916**	3,000,174,317
		135,952,036,468	134,583,277,040
At net realizable value:			
Work-in-process goods		**35,158,144,734**	30,562,603,015
Finished goods	18(jj)	**7,971,186,096**	9,231,994,196
Raw materials		**4,558,804,385**	5,722,019,089
Food, supplies and other consumables		**6,122,394,305**	5,534,125,881
		53,810,529,520	51,050,742,181
Allowance for inventory write-down		**(877,090,192)**	(662,485,706)
		52,933,439,328	50,388,256,475
		P 188,885,475,796	P 184,971,533,515

Real estate for sale pertains to the accumulated costs incurred in developing residential houses, lots and condominium units for sale, which refer to the Group's horizontal and condominium projects and certain integrated tourism projects.

Prior to the adoption of the IFRS Agenda Decision on PAS 23, borrowing costs capitalized in 2023 as part of inventories amounted to P541.4 million (nil in 2024), which represent the interest costs incurred on the general and specific borrowings obtained by the Group to fund its construction projects [see Notes 2.1(b)(i), 18 and 19].

Certain inventories are subject to a floating charge as a security for certain loans obtained by the Group [see Note 18(jj)].

Property development costs pertain to accumulated costs incurred for properties undergoing development. The relative cost of a unit sold under development is charged to cost of sales in the same manner as revenue is recognized. The relative costs of units completed prior to sale are reclassified to Real estate for sale.

Raw land inventory pertains to properties, which the Group intends to develop into residential properties to be held for sale.

Golf and resort shares for sale comprise of proprietary or membership shares (landowner resort shares and founders shares) that are of various types and costs. The cost of the landowner resort shares is based on the acquisition and development costs of the land and the project. The cost of the founders shares is based on the par value of the resort shares, which is P100.0 per share.

Work-in-process goods pertain mainly to substantial inventory of aged whisky stocks in Scotland, which mature over periods of up to 60 years. These maturing whisky stock inventory amounted to P29.6 billion and P25.2 billion as of December 31, 2024 and 2023, respectively, which included capitalized depreciation costs (see Note 13).

Food, supplies and other consumables include paper and packaging, promotional materials, membership program items, operating supplies, spare parts, fuel and lubricants.

A reconciliation of the allowance for inventory write-down at the beginning and end of the reporting periods is shown below.

	Notes	**2024**	2023
Balance at beginning of year		**P 662,485,706**	P 607,771,046
Additional losses during the year	25	**245,775,956**	85,473,767
Reversal of write-down	27	**(31,171,470)**	(30,759,107)
Balance at end of year		**P 877,090,192**	P 662,485,706

The additional losses were recognized to reduce the carrying values of inventories in 2024 and 2023. These are shown as part of Other direct and overhead costs under Cost of Goods Sold account (see Note 25). The reversals of write-down are shown as part of Miscellaneous under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 27).

In 2022, certain inventories amounting to P162.5 million were impaired, and presented as Write-down of inventories under Other Operating Expenses account in the 2022 consolidated statement of comprehensive income (see Note 26). There were no similar transactions in 2024 and 2023.

9. OTHER ASSETS

The composition of this account is shown below.

	Notes	2024	2023
Current:			
Input VAT		**P 7,771,320,031**	P 7,554,674,754
Prepayments		**5,592,919,322**	5,905,667,722
Creditable withholding taxes		**4,534,127,252**	4,370,307,601
Restricted short-term placements	5, 31.2(a)	**2,633,667,852**	2,621,279,159
Deferred commission	24.3	**1,969,038,939**	2,086,771,425
Refundable deposits		**170,785,085**	463,296,203
Office supplies		**130,612,201**	151,101,561
Time deposits	5	**-**	126,388,802
Others		**788,777,398**	739,812,528
		23,591,248,080	24,019,299,755
Non-current:			
Advances for future investment	31.2(a)	**2,062,481,209**	1,503,745,914
Refundable deposits		**2,001,863,231**	1,758,396,733
Advance payments for assets acquisition		**297,503,506**	264,691,599
Advances to suppliers		**221,960,461**	273,228,304
Deferred commission	24.3	**158,215,084**	310,502,008
Deferred input VAT		**21,122,805**	32,439,149
Claims for tax refund		**2,917,816**	24,993,694
Rental receivable		**3,656,241**	4,045,595
Others		**666,631,118**	584,315,654
		5,436,351,471	4,756,358,650
		P 29,027,599,551	P 28,775,658,405

Prepayments include prepaid taxes, insurance, rentals and advertising, which are expected to be realized in the next reporting period.

Restricted short-term placements [see Note 31.2(a)] are made for varying periods ranging from 30 to 90 days in 2024 and 2023, and earn effective interest of 4.4% to 5.1% in 2024, 1.4% to 4.4% per annum in 2023 and 0.3% to 1.4% per annum in 2022.

Time deposits pertain to foreign currency denominated placements with maturity of 360 days, which earn an effective interest of 0.05% in 2024, 0.6% in 2023, and 0.7% in 2022. These time deposits matured in 2024.

Interest income from Restricted short-term placements and Time deposits are presented as part of Interest income under Finance and Other Income in the consolidated statements of comprehensive income (see Note 27).

Advances for future investment pertain to the advances made by the Group to Philippine Amusement and Gaming Corporation ("PAGCOR") starting 2014 in connection with the development of Site A. In 2024 and 2023, the Group made additional payments to PAGCOR amounting to P588.2 million in each year to fulfill the future investment [see Note 31.2(a)]. In 2020, the Group received parcels of land with a fair value of P1,782.9 million. As consideration for the transfers, the advances for future investment were reduced by the value of the land received.

In 2023, WCI and MBPHI received parcels of land amounting to P1.8 billion. The same amount was set off against Advances for Future Investment account. The Group recognized the asset amounting to P0.4 billion, representing the parcels assigned to the Group, as Land under Property and Equipment account in the consolidated statements of financial position (see Note 13). There were no similar transactions in 2024.

The advance payment for assets acquisition represents the deposits made for future purchase of machinery and equipment. Amounts reclassified to property and equipment amounted to P85.1 million and P39.1 million in 2024 and 2023, respectively.

Current others include payroll funds and food and beverage supplies while non-current others include prepaid rentals, prepayment of condominium units, various security and other deposits.

10. ADVANCES TO/FROM LANDOWNERS AND JOINT OPERATORS

10.1 Advances to Landowners and Joint Operators

The Group enters into numerous joint arrangements for the joint development of various real estate projects. The joint operation agreements stipulate that the Group's joint operator shall contribute parcels of land while the Group shall be responsible for the planning, conceptualization, design, demolition of existing improvements, construction, financing and marketing of residential and condominium units to be constructed on the properties. In addition, there were no separate entities created by these joint arrangements. Costs incurred by the Group on these projects are recorded under the Inventories account in the consolidated statements of financial position (see Notes 2.7 and 8).

The Group also grants noninterest-bearing, secured cash advances to a number of landowners and joint operators under agreements they entered into with the landowners covering the development of certain parcels of land. Under the terms of the arrangements, the Group, in addition to providing specified portion of total project development costs, also commits to advance mutually agreed-upon amounts to the landowners to be used for pre-development expenses such as the relocation of existing occupants.

The total amount of advances made by the Group less amounts liquidated is presented as Advances to Landowners and Joint Operators account in the consolidated statements of financial position.

As of December 31, 2024 and 2023, management has assessed that the advances to joint ventures are fully recoverable. Further, there has been no outstanding commitment for cash advances under the joint agreements.

The net commitment for construction expenditures amounts to:

	2024	2023
Total commitment for construction expenditures	**P 64,488,899,160**	P 63,640,179,854
Total expenditures incurred	**(34,270,561,027)**	(33,633,489,683)
Net commitment	**P 30,218,338,133**	P 30,006,690,171

The Group's interests in jointly-controlled operations and projects range from 57% to 90% in both 2024 and 2023. The listing of the Group's jointly-controlled projects are as follows:

Megaworld:
- McKinley West
- Manhattan Garden City
- Uptown Bonifacio
- The Maple Grove
- Vion Tower
- Arden Botanical
- Arden West Park

GERI:
- Alabang West
- Caliraya Springwg
- Eastland Heights (formerly Forest Hills)
- Kingsborough
- Monte Cielo de Peñafrancia
- Mountain Meadows
- Newport Hills
- Pahara at Southwoods
- Sta. Barbara Heights Phase 2 & 3
- The Hamptons Haliraya (formerly Holland Park)
- Sta. Barbara Heights Shophouse District

EELHI:
- Pioneer Woodlands
- San Lorenzo Place
- Various Metro Manila and Calabarzon Projects

SPI:
- Governor's Hills
- Mandara
- Sta. Rosa Heights
- Sta. Rosa Hills
- Sentosa
- Asmara
- One Lakeshore
- Two Lakeshore
- Riva Bella
- Solana
- Gentri Heights
- Fountain Grove
- Palm City
- The Mist Residence

The aggregate amounts of the current assets, long-term assets, current liabilities, long-term liabilities as of December 31, 2024 and 2023, and income and expenses for the years ended December 31, 2024, 2023 and 2022 related to the Group's interests in joint arrangements are not presented or disclosed in the consolidated financial statements as the joint arrangements in which the Group is involved are not joint operations (see Note 2.2).

As of December 31, 2024 and 2023, the Group either has no other contingent liabilities with regard to these joint operations or has assessed that the probability of loss that may arise from contingent liabilities is remote.

10.2 Advances from Joint Operators

This account represents the share of joint venture partners in the proceeds from the sale of certain projects in accordance with various joint arrangements entered into by the Group.

The advances from golf share partners and lot owners recognized as of December 31, 2024 and 2023 amounted to P277.2 million and P250.5 million, respectively, is presented as part of Advances from Other Related Parties account in the consolidated statements of financial position (see Note 30.5).

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

As of December 31, 2024 and 2023, financial assets at FVOCI [see Note 2.4(a)(ii)], which pertain to equity securities, are comprised of the following:

	Note	**2024**	2023
Quoted		**P 465,894,054**	P 481,851,938
Unquoted		**172,294,674**	34,952,186
	34.2	**P 638,188,728**	P 516,804,124

The reconciliation of the carrying amounts of these financial assets are as follows:

	2024	2023
Balance at beginning of year	**P 516,804,124**	P 342,843,851
Additions and translation adjustments	**64,017,852**	88,617,567
Fair value gain	**57,977,672**	85,342,706
Disposals	**(610,920)**	-
Balance at end of year	**P 638,188,728**	P 516,804,124

Quoted equity securities consist of listed local shares of stock and various proprietary club shares, which are denominated in Philippine pesos. Golf club shares are proprietary membership shares of Travellers from certain golf clubs. Unquoted equity securities pertain to investments in shares of stock of local, privately-held companies.

The fair values of the quoted financial assets have been determined by reference to published prices in an active market. The fair value of unquoted equity securities were determined through valuation techniques (see Note 34.2). The changes in the fair value amounted to P58.0 million gain and P85.3 million gain in 2024 and 2023, respectively, and P77.7 million loss in 2022 and are presented as Net Unrealized Fair Value Gain (Loss) on Financial Assets at FVOCI in the consolidated statements of comprehensive income.

12. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

12.1 Breakdown of Carrying Values

The details of investments in associates and interest in joint ventures, which are carried at equity method, are presented below and in the succeeding page.

	Notes	2024	2023
Investments of Megaworld in Associates:			
Acquisition costs:			
SUN	12.2	**P 2,619,800,008**	P 2,619,800,008
NPI		**734,396,528**	734,396,528
BWDC		**199,212,026**	199,212,026
PTHDC		**64,665,000**	64,665,000
		3,618,073,562	3,618,073,562
Accumulated share in net losses:			
Balance at beginning of year		**(784,273,530)**	(718,861,529)
Share in net losses for the year		**(290,085,568)**	(65,412,001)
Balance at end of year		**(1,074,359,098)**	(784,273,530)
Accumulated equity in other comprehensive income:			
Balance at beginning of year		**71,910,311**	75,259,188
Share in other comprehensive income (loss) of associate		**34,148,095**	(3,348,877)
Balance at end of year		**106,058,406**	71,910,311
Accumulated impact of changes in ownership interest		**163,711,981**	163,711,981
		2,813,484,851	3,069,422,324
Investment of EMI in BLC, a joint venture – acquisition cost	12.3	**2,845,367,065**	2,845,367,065
Accumulated share in net profits:			
Balance at beginning of year		**659,025,708**	434,304,054
Share in net profits for the year		**77,607,480**	111,644,188
Translation adjustments		**58,406,055**	113,077,466
Balance at end of year		**795,039,243**	659,025,708
		3,640,406,308	3,504,392,773
Balance carried forward		**P 6,453,891,159**	P 6,573,815,097

	2024	2023
Balance brought forward	**P 6,453,891,159**	P 6,573,815,097
Investment of Travellers in FRTMI,		
a joint venture – acquisition cost	**10,000,000**	10,000,000
Accumulated share in net losses:		
Balance at beginning of year	**(928,608)**	(908,476)
Share in net losses for the year	**(19,397)**	(20,132)
Balance at end of year	**(948,005)**	(928,608)
	9,051,995	9,071,392
Investment of FCI in Associates:		
Acquisition costs:		
FPARI	**14,700,000**	14,700,000
AFCMI	**124,215,000**	-
	138,915,000	14,700,000
	P 6,601,858,154	P 6,597,586,489

The total share in net profits and losses amounts to P212.5 million losses in 2024, P46.2 million profits in 2023 and P41.5 million losses in 2022. These amounts are shown as Share in Net Profits or Losses of Associates and Joint Ventures – Net account in the consolidated statements of comprehensive income.

Management assessed that the recognition of impairment loss on investments in associates and joint ventures in 2024, 2023 and 2022 is not necessary.

12.2 SUN

SUN is engaged in tourism-related businesses including development, construction, operation and management of casino and related businesses. The shares of stock of SUN are listed in the PSE, which closed at P0.90 and P0.85 per share as of December 31, 2024 and 2023, respectively.

In December 2019, Megaworld subscribed to 2,177.0 million shares from SUN at P1.00 par value. The unpaid portion of subscription was paid in full in 2023.

The fair value of investment amounted to P1,959.3 million and P1,850.5 million in December 31, 2024 and 2023 respectively.

12.3 BLC

BLC is a foreign joint venture under GES and operating under the laws of Spain. Its primary business consists of the planting and growing of wine grapes and the exploitation of vineyards, the production, ageing and preparation of wines and vinegars; the production of alcohol; the production, preparation and ageing of brandy, aguardientes, compounds, liquors and in general, all kinds of spirits.

12.4 Summarized Financial Information

The aggregated amounts of assets, liabilities, revenues and net profit (loss) of the individually material associates and joint ventures are as follows as of and for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Revenues	Net Profit (Loss)	Other Comprehensive Income (Loss)
2024:							
SUN	P 6,385,175	P 47,826,261	P 1,856,569	P 43,796,906	P 1,434	(P 1,083,785)	(P 100,436)
NPI	2,833	5,594,586	1,248,175	-	-	(5,195)	-
BWDC	369,029	2,626,876	704,521	125,280	244,007	171,871	-
PTHDC	1,135,022	-	1,010,865	-	18	(349)	-
BLC	1,854,202	2,005,060	672,916	232	1,677,592	155,208	-
	P 9,746,261	**P 58,052,783**	**P 5,493,046**	**P 43,922,418**	**P 1,923,051**	**(P 762,250)**	**(P 100,436)**
2023:							
SUN	P 7,642,889	P 37,572,386	P 2,037,311	P 33,636,654	P 100	(P 348,051)	(P 13,133)
NPI	2,606	5,597,191	1,243,128	-	-	(3,263)	-
BWDC	777,488	2,116,168	834,439	64,984	211,775	116,866	-
PTHDC	1,135,128	61	1,010,587	-	16	(169)	-
BLC	1,642,671	1,997,943	439,855	2,229	1,515,214	223,288	-
	P 11,200,782	P 47,283,749	P 5,565,320	P 33,703,867	P 1,727,105	(P 11,329)	(P 13,133)
2022:							
SUN	P 2,398,121	P 29,009,662	P 1,205,653	P 21,687,136	P 13	(P 557,053)	P 24,072
NPI	255,482	5,411,009	1,317,012	-	-	-	-
BWDC	1,164,689	1,561,089	882,401	49,000	150,838	73,823	-
PTHDC	1,134,973	108	1,010,203	-	6	(179)	-
BLC	2,068,571	1,952,519	835,549	2,992	3,357,931	227,941	-
	P 7,021,836	P 37,934,387	P 5,250,818	P 21,739,128	P 3,508,788	(P 255,468)	P 24,072

A reconciliation of the above summarized financial information to the carrying amount of the investment in associates and joint ventures are shown below:

	SUN	BWDC	NPI	PTHDC	BLC	Total
December 31, 2024						
Net assets at end of year	P 8,557,961,278	P 2,166,103,516	P 4,349,243,975	P 124,156,397	P 3,186,114,616	P 18,383,579,782
Equity ownership interest	34%	46%	12%	40%	50%	
	2,909,706,835	998,790,332	501,032,906	49,662,559	1,593,057,308	6,052,249,940
Notional goodwill	140,685,524	12,865,193	230,379,167	14,642,202	-	398,572,086
Share in bond option reserves	(1,905,473,167)	(87,305,678)	-	-	-	(1,992,778,845)
Dilution of shares due to change in percentage ownership	458,892,180	-	-	-	-	458,892,180
Translation adjustment	-	-	-	-	2,047,349,000	2,047,349,000
Other reconciling items	(472,126,368)	(38,266,834)	-	-	-	(510,393,202)
Total carrying amount	**P 1,131,685,004**	**P 886,083,013**	**P 731,412,073**	**P 64,304,761**	**P 3,640,406,308**	**P 6,453,891,159**
December 31, 2023						
Net assets at end of year	P 9,541,310,355	P 1,994,232,860	P 4,355,062,207	P 124,601,614	P 3,198,529,546	P 19,213,736,582
Equity ownership interest	34%	46%	12%	40%	50%	
	3,244,045,521	919,540,772	501,703,166	49,840,646	1,599,264,773	6,314,394,878
Notional goodwill	140,685,524	12,865,193	230,379,167	14,642,202	-	398,572,086
Share in bond option reserves	(1,905,493,167)	(87,305,678)	-	-	-	(1,992,798,845)
Dilution of shares due to change in percentage ownership	458,892,180	-	-	-	-	458,892,180
Translation adjustment	-	-	-	-	1,905,128,000	1,905,128,000
Other reconciling items	(472,126,368)	(38,266,834)	-	-	-	(510,393,202)
Total carrying amount	P 1,466,003,690	P 806,833,453	P 732,082,333	P 64,482,848	P 3,504,392,773	P 6,573,795,097

13. PROPERTY, PLANT AND EQUIPMENT

The carrying amount of this account is composed of the following:

	Notes	2024	2023
Property, plant and equipment	13.1	**P 153,936,740,779**	P 143,031,075,865
Right-of-use assets	13.2	**14,556,545,018**	15,275,765,394
		P 168,493,285,797	P 158,306,841,259

13.1 Carrying Values of Property, Plant and Equipment

The gross carrying amounts and accumulated depreciation, amortization and impairment of property, plant and equipment at the beginning and end of the reporting periods are shown below [see Notes 2.8, 3.1(b)(i), 3.1(i), 3.2(i) and 3.2(j)].

	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
December 31, 2024							
Cost	P 15,613,316,414	P 125,493,243,118	P 50,280,512,649	P 2,206,977,914	P 23,374,657,128	P 10,887,198,523	P 227,855,905,746
Accumulated depreciation, amortization and impairment	(605,244,083)	(30,550,724,164)	(27,170,250,851)	(1,546,442,768)	(14,046,503,101)	-	(73,919,164,967)
Net carrying amount	**P 15,008,072,331**	**P 94,942,518,954**	**P 23,110,261,798**	**P 660,535,146**	**P 9,328,154,027**	**P 10,887,198,523**	**P 153,936,740,779**
December 31, 2023							
Cost	P 15,690,649,907	P 118,878,981,670	P 41,594,235,557	P 1,853,269,012	P 21,576,426,321	P 10,245,722,923	P 209,839,285,390
Accumulated depreciation, amortization and impairment	(531,867,641)	(27,469,898,714)	(24,591,843,180)	(1,468,695,924)	(12,745,904,066)	-	(66,808,209,525)
Net carrying amount	P 15,158,782,266	P 91,409,082,956	P 17,002,392,377	P 384,573,088	P 8,830,522,255	P 10,245,722,923	P 143,031,075,865
January 1, 2023							
Cost	P 14,261,243,959	P 99,675,846,219	P 36,705,401,576	P 1,774,322,593	P 20,131,266,365	P 22,256,497,166	P 194,804,577,878
Accumulated depreciation, amortization and impairment	(436,248,040)	(24,543,212,095)	(22,521,795,514)	(1,394,381,908)	(11,434,055,960)	-	(60,329,693,517)
Net carrying amount	P 13,824,995,919	P 75,132,634,124	P 14,183,606,062	P 379,940,685	P 8,697,210,405	P 22,256,497,166	P 134,474,884,361

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

	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
Balance at January 1, 2024, net of accumulated depreciation amortization and impairment	P 15,158,782,266	P 91,409,082,956	P 17,002,392,377	P 384,573,088	P 8,830,522,255	P 10,245,722,923	P 143,031,075,865
Additions	199,197,687	4,382,235,818	8,915,870,986	422,074,127	1,848,382,903	3,513,736,258	19,281,497,779
Disposals – net	-	(50,948,851)	(303,586,596)	(16,698,398)	(35,139,638)	(798,346)	(407,171,829)
Reclassifications – net	(206,119,063)	2,618,834,322	353,312,630	-	82,324,842	(2,864,470,749)	(16,118,018)
Impairment reversal – net	-	13,606,293	10,578,484	-	-	-	24,184,777
Effect of deconsolidation [Note 1.1(q)]	(70,889,043)	(50,228,661)	(27,843,999)	(8,574,848)	(7,949,653)	(6,991,563)	(172,477,767)
Depreciation and amortization charges for the year	(72,899,516)	(3,380,062,923)	(2,840,462,084)	(120,838,823)	(1,389,986,682)	-	(7,804,250,028)
Balance at December 31, 2024, net of accumulated depreciation, amortization and impairment	**P 15,008,072,331**	**P 94,942,518,954**	**P 23,110,261,798**	**P 660,535,146**	**P 9,328,154,027**	**P 10,887,198,523**	**P 153,936,740,779**
Balance at January 1, 2023, net of accumulated depreciation amortization and impairment	P 13,824,995,919	P 75,132,634,124	P 14,183,606,062	P 379,940,685	P 8,697,210,405	P 22,256,497,166	P 134,474,884,361
Additions	1,145,625,700	2,998,966,332	5,445,748,806	111,483,643	1,455,103,611	4,074,830,316	15,231,758,408
Disposals – net	(3,660,663)	(241,662,654)	(401,715,825)	(958,131)	(32,897,509)	(41,977,119)	(722,871,901)
Reclassifications – net	264,147,179	16,524,450,891	196,900,912	-	10,639,871	(16,043,627,440)	952,511,413
Impairment reversal (loss) – net	-	(83,843,641)	12,222,311	-	-	-	(71,621,330)
Depreciation and amortization charges for the year	(72,325,869)	(2,921,462,096)	(2,434,369,889)	(105,893,109)	(1,299,534,123)	-	(6,833,585,086)
Balance at December 31, 2023, net of accumulated depreciation, amortization and impairment	P 15,158,782,266	P 91,409,082,956	P 17,002,392,377	P 384,573,088	P 8,830,522,255	P 10,245,722,923	P 143,031,075,865

	Land and Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Transportation Equipment	Condominium Units, Fixtures and Other Equipment	Construction in Progress	Total
Balance at January 1, 2022, net of accumulated depreciation amortization and impairment	P 13,782,990,178	P 54,368,894,319	P 13,835,449,941	P 285,537,158	P 8,220,320,768	P 38,212,038,939	P 128,705,231,303
Transfer from investment property	-	-	-	-	503,072,024	-	503,072,024
Additions	93,007,372	2,761,314,769	3,082,444,077	244,814,958	829,825,898	6,429,422,855	13,440,829,929
Disposals – net	(1,000,487)	(404,840,115)	(404,259,075)	(13,756,150)	(21,207,169)	(872,457)	(845,935,453)
Reclassifications – net	8,096	21,847,131,059	160,008,389	-	377,100,147	(22,384,247,691)	-
Impairment reversal (loss) – net	-	74,651,432	(95,818)	-	-	-	74,555,614
Depreciation and amortization charges for the year	(50,009,240)	(3,514,517,340)	(2,489,941,452)	(136,655,281)	(1,211,901,263)	155,520	(7,402,869,056)
Balance at December 31, 2022, net of accumulated depreciation, amortization and impairment	P 13,824,995,919	P 75,132,634,124	P 14,183,606,062	P 379,940,685	P 8,697,210,405	P 22,256,497,166	P 134,474,884,361

Construction in progress includes accumulated costs incurred on the casino and hotel sites being constructed as part of Travellers' investment commitment in accordance with its Provisional License Agreement with PAGCOR [see Note 31.2(a)].

The total property, plant and equipment includes capitalized borrowing costs amounting to P391.4 million and P1,008.4 million in 2024 and 2023, respectively, representing the actual borrowing costs, net of related investment income, incurred on specific and general borrowings obtained to fund the construction project (see Note 18). The capitalization rate used was based on effective interest rates of applicable specific and general borrowings ranging from 3.3% to 9.2% and 4.7% to 9.2% in 2024 and 2023, respectively.

The Group reclassified certain assets from property, plant and equipment to investment property amounting P16.1 million in 2024. Furthermore, in 2023, the Group reclassified its non-current asset classified as held for sale to property, plant and equipment due to the change in use of the assets (see Note 16). In 2022, the reclassifications made were with property, plant and equipment.

As a result of change in earning potential of its stores, including store equipment, GADC's annual impairment testing resulted in recognition of gain on reversal of impairment losses on these assets amounting to P24.2 million and P74.6 million in 2024 and 2022, respectively, and impairment losses amounting to P71.6 million in 2023, and are presented as part of Reversal of impairment losses on PPE under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 27). The recoverable amount was determined using value in use calculations, which considers weighted average cost of capital ranging from 3.67% to 5.91% for years 2024, 2023 and 2022.

In 2024, 2023 and 2022, the Group recognized net losses on disposal of various property, plant and equipment amounting to P20.1 million, P43.8 million and P65.1 million, respectively, which are presented as Loss on disposal of PPE – net under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 27).

The amount of depreciation and amortization charges is presented as part of Depreciation and amortization, which is presented under Cost of Goods Sold, Cost of Services and Other Operating Expenses accounts (see Notes 25 and 26). In 2024, 2023 and 2022, depreciation expense amounting to P554.4 million, P452.4 million and P391.7 million, respectively, was capitalized to form part of the work-in-process inventory. Such capitalized amount represents depreciation expense on barrels and warehouse buildings wherein the maturing bulk stocks of whisky are held (see Note 8).

13.2 Right-of-Use Assets

The Group has leases for certain land, commercial space, buildings and warehouses, gaming equipment and transportation and other equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected in the consolidated statements of financial position as ROUA under Property and Equipment account and Lease Liabilities account. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and ROUA.

The table in the succeeding page describes the nature of the Group's leasing activities by type of ROUA recognized in the consolidated statements of financial position.

	Number of right-of-use assets leased	Range of remaining term	Average remaining lease term	Number of leases with extension options	Number of leases with termination options
December 31, 2024					
Land	**2**	**11 to 15 years**	**13 years**	**1**	**-**
Commercial space	**816**	**1 to 24 years**	**12 years**	**748**	**704**
Buildings and warehouses	**54**	**1 to 12 years**	**3 years**	**28**	**17**
Transportation and other equipment	**31**	**1 to 2 years**	**2 years**	**-**	**-**
December 31, 2023					
Land	2	12 to 16 years	14 years	1	-
Commercial space	801	1 to 25 years	13 years	616	580
Buildings and warehouses	40	1 to 12 years	7 years	13	12
Transportation and other equipment	72	1 to 3 years	2 years	-	-

The carrying amounts of the Group's ROUAs as of December 31, 2024, 2023 and 2022, and the movements during those year are shown below.

	Land	Commercial Space	Building and Warehouses	Transportation and Other Equipment	Total
Balance at January 1, 2024	P 766,022,782	P 14,235,478,255	P 229,334,487	P 44,929,870	P 15,275,765,394
Additions	-	233,918,064	627,452,222	74,612,205	935,982,491
Translation adjustment	-	1,327,287	-	8,818,401	10,145,688
Derecognition	-	(61,013,106)	-	(4,848,879)	(65,861,985)
Effect of deconsolidation	-	(85,599,903)	-	-	(85,599,903)
Amortization	(49,140,237)	(1,327,472,872)	(91,170,481)	(46,103,077)	(1,513,886,667)
Balance at December 31, 2024	**P 716,882,545**	**P 12,996,637,725**	**P 765,616,228**	**P 77,408,520**	**P 14,556,545,018**
Balance at January 1, 2023	P 815,163,018	P 12,962,188,183	P 160,993,537	P 45,139,870	P 13,983,484,608
Additions	-	2,497,315,044	104,523,688	17,080,000	2,618,918,732
Translation adjustment	-	7,829,041	-	-	7,829,041
Derecognition	-	(64,857,204)	-	-	(64,857,204)
Reversal of impairment losses	-	107,656,391	-	-	107,656,391
Amortization	(49,140,236)	(1,274,653,200)	(36,182,738)	(17,290,000)	(1,377,266,174)
Balance at December 31, 2023	P 766,022,782	P 14,235,478,255	P 229,334,487	P 44,929,870	P 15,275,765,394
Balance at January 1, 2022	P 864,303,254	P 12,151,648,085	P 131,392,684	P 51,454,212	P 13,198,798,235
Additions	-	2,734,568,694	23,353,768	-	2,757,922,462
Translation adjustment	-	11,723,805	-	(971,157)	10,752,648
Derecognition	-	(531,371,405)	-	-	(531,371,405)
Amortization	(49,140,236)	(1,404,380,996)	6,247,085	(5,343,185)	(1,452,617,332)
Balance at December 31, 2022	P 815,163,018	P 12,962,188,183	P 160,993,537	P 45,139,870	P 13,983,484,608

In 2024, 2023 and 2022, additional onerous lease provisions amounting to P36.7 million, P34.2 million and P41.1 million, respectively, were recognized and are presented as part of Miscellaneous under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 26). The carrying amount of ARO and provision for dilapidation are presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position (see Note 21).

The Group's annual review of impairment of its stores with indicators of impairment resulted to an impairment losses amounting to P107.7 million in 2023 and is presented as part of Reversal of impairment losses on PPE – net under Finance and Other Income account in the 2023 consolidated statement of comprehensive income (see Note 27).

The derecognition of ROUA pertains to termination of certain lease contracts during the year. The resulting gain is presented as Gain from derecognition of right-of-use assets and lease liabilities under Finance and Other Income account in the consolidated statements of comprehensive income (see Note 27).

As of December 31, 2024 and 2023, none of the Group's ROUAs are used as collateral for any of the Group's interest-bearing loans and borrowings.

The amount of depreciation on ROUAs is presented as part of Depreciation and amortization which is presented under Cost of Goods Sold, Cost of Services and Other Operating Expenses accounts (see Notes 25 and 26).

13.3 Lease Liabilities

Lease liabilities are presented in the consolidated statements of financial position as of December 31 as follows:

	2024	2023
Current	**P 1,246,685,477**	P 1,223,819,878
Non-current	**17,248,683,855**	17,716,166,635
	P 18,495,369,332	P 18,939,986,513

The use of extension and termination options gives the Group added flexibility in the event it has identified more suitable premises in terms of cost and/or location or determined that it is advantageous to remain in a location beyond the original lease term. An option is only exercised when consistent with the Group's regional markets strategy and the economic benefits of exercising the option exceeds the expected overall cost.

As of December 31, 2024 and 2023, the Group has committed to lease contracts, which has not yet commenced. The total future cash outflows for leases that had not yet commenced amounted to P5,573.1 million in 2024 and P2,484.2 million in 2023.

The maturity analysis of lease liabilities at December 31 is as follows:

	Within 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More Than 5 years	Total
December 31, 2024							
Lease liabilities	P 2,194,628,544	P 2,077,966,428	P 1,991,703,068	P 1,857,796,130	P 1,626,663,263	P 17,580,939,898	P 27,329,697,331
Finance charges	(947,943,067)	(880,426,928)	(817,910,025)	(750,769,672)	(692,396,833)	(4,744,881,474)	(8,834,327,999)
Net present values	**P1,246,685,477**	**P 1,197,539,500**	**P 1,173,793,043**	**P 1,107,026,458**	**P 934,266,430**	**P 12,836,058,424**	**P 18,495,369,332**
December 31, 2023							
Lease liabilities	P2,162,894,293	P 1,583,613,424	P 1,612,781,262	P 1,123,928,417	P 1,229,252,410	P 20,585,107,221	P 28,297,577,027
Finance charges	(939,074,415)	(909,781,522)	(826,404,606)	(762,188,759)	(699,734,710)	(5,220,406,502)	(9,357,590,514)
Net present values	P1,223,819,878	P 673,831,902	P 786,376,656	P 361,739,658	P 529,517,700	P 15,364,700,719	P 18,939,986,513

The movements in the lease liabilities recognized in the consolidated statements of financial position are as follows:

	Notes	2024	2023
Balance at beginning of year		**P 18,939,986,513**	P 17,767,877,566
Repayments of lease liabilities		**(2,146,465,369)**	(1,849,802,898)
Additions during the year		**960,566,993**	2,292,314,792
Accretion of interest	27	**951,899,331**	904,040,477
Derecognition		**(128,773,451)**	(146,426,734)
Effect of deconsolidation	1.1(q)	**(87,438,223)**	-
Foreign exchange losses (gains)		**62,626,686**	(28,016,690)
Reversal of provisions	21	**(57,033,148)**	-
Balance at end of year		**P 18,495,369,332**	P 18,939,986,513

Interest expense incurred on the lease liabilities amounting to P951.9 million, P904.0 million and P866.5 million in 2024, 2023 and 2022, respectively, is presented as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 27).

13.4 Lease Payments Not Recognized as Lease Liabilities

The Group has elected not to recognize lease liabilities for short-term leases or for leases of low value assets; instead, expenses relating to these leases, which are significantly from short-term leases, amounting to P4,403.0 million, P3,998.7 million and P3,395.7 million in 2024, 2023 and 2022, respectively, are presented as Rentals under Cost of Services and Other Operating Expenses in the consolidated statements of comprehensive income (see Notes 25 and 26).

The future minimum rentals payable of the Group arising from short-term leases amounted to P125.5 million and P135.1 million as of December 31, 2024 and 2023, respectively.

14. 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 property at the beginning and end of the reporting periods are shown below [see Notes 2.9, 3.1(n)(i), 3.2(f) and 3.2(i)].

	Land	Buildings and Improvements	Total
December 31, 2024			
Cost	P 33,912,094,490	P 141,412,829,886	P 175,324,924,376
Accumulated depreciation	(25,251,903)	(27,215,137,375)	(27,240,389,278)
Net carrying amount	**P 33,886,842,587**	**P 114,197,692,511**	**P 148,084,535,098**
December 31, 2023			
Cost	P 30,152,369,872	P 130,399,280,011	P 160,551,649,883
Accumulated depreciation	(25,251,903)	(24,179,743,847)	(24,204,995,750)
Net carrying amount	P 30,127,117,969	P 106,219,536,164	P 136,346,654,133
January 1, 2023			
Cost	P 30,156,392,702	P 120,518,128,475	P 150,674,521,177
Accumulated depreciation	(25,251,903)	(21,293,356,177)	(21,318,608,080)
Net carrying amount	P 30,131,140,799	P 99,224,772,298	P 129,355,913,097

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

	Land	Buildings and Improvements	Total
Balance at January 1, 2024, net of accumulated depreciation	P 30,127,117,969	P 106,219,536,164	P 136,346,654,133
Transfer from inventories	371,462,039	86,549,072	458,011,111
Transfer from property, plant and equipment	-	16,118,018	16,118,018
Additions	3,388,262,579	10,910,882,785	14,299,145,364
Depreciation charges for the year	-	(3,035,393,528)	(3,035,393,528)
Balance at December 31, 2024, net of accumulated depreciation	**P 33,886,842,587**	**P 114,197,692,511**	**P148,084,535,098**
Balance at January 1, 2023, net of accumulated depreciation	P 30,131,140,799	P 99,224,772,298	P 129,355,913,097
Transfer to inventories	(501,394,460)	(455,039,206)	(956,433,666)
Additions	497,371,630	10,359,896,645	10,857,268,275
Depreciation charges for the year	-	(2,910,093,573)	(2,910,093,573)
Balance at December 31, 2023, net of accumulated depreciation	P 30,127,117,969	P 106,219,536,164	P 136,346,654,133
Balance at January 1, 2022, net of accumulated depreciation	P 27,731,512,563	P 92,808,221,767	P 120,539,734,330
Transfer to property, plant and equipment	-	(503,072,024)	(503,072,024)
Additions	2,400,461,041	9,714,938,191	12,115,399,232
Disposals	(832,805)	-	(832,805)
Depreciation charges for the year	-	(2,795,315,636)	(2,795,315,636)
Balance at December 31, 2022, net of accumulated depreciation	P 30,131,140,799	P 99,224,772,298	P 129,355,913,097

Rental income earned from investment properties amounted to P20,026.9 million, P18,188.7 million and P15,946.3 million for the years ended December 31, 2024, 2023 and 2022, respectively, are presented as Rental income under Rendering of Services account in the consolidated statements of comprehensive income (see Note 24.1). The operating lease commitments of the Group as a lessor are fully disclosed in Note 31.1.

Investment property includes capitalized borrowing costs amounting to P3,346.4 million, and P2,421.6 million in 2024 and 2023, respectively, representing the actual borrowing costs, net of related investment income, incurred on specific and general borrowings obtained to fund the construction project (see Notes 18 and 19). The capitalization rate used was based on effective interest rates of applicable specific and general borrowings ranging from 3.6% to 3.8%, 3.0% to 3.2% and 3.0% to 3.9% in 2024, 2023 and 2022, respectively.

Depreciation charges are presented as part of Depreciation and amortization under Cost of Services account in the consolidated statements of comprehensive income (see Note 25).

As of December 31, 2024 and 2023, none of the Group's investment properties are held as collateral.

The fair market values of these properties amounted to P486.9 billion and P483.6 billion as of December 31, 2024 and 2023, respectively. These are estimated either by reference to current prices for similar properties or using the income approach by calculating of the present values of the estimated cash inflows anticipated until the end of the life of the investment property using discount rates that reflect the risks and uncertainty in cash flows (see Note 34.4).

15. INTANGIBLE ASSETS

The gross carrying amounts and accumulated amortization of intangible assets at the beginning and end of the reporting periods are shown below (see Notes 2.11 and 2.15).

	Goodwill	Trademarks	Leasehold Rights	Computer Software	Franchise Fee	Total
December 31, 2024						
Cost	P 20,667,574,161	P22,427,057,462	P 131,840,607	P 52,761,167	P 340,115,807	P43,619,349,204
Translation adjustment	301,720,311	327,929,771	-	-	-	629,650,082
Accumulated amortization	-	(1,301,128,681)	(60,587,437)	(52,636,967)	(147,943,118)	(1,562,296,203)
Net carrying amount	**P20,969,294,472**	**P21,453,858,552**	**P 71,253,170**	**P 124,200**	**P 192,172,689**	**P42,686,703,083**
December 31, 2023						
Cost	P20,333,916,541	P21,405,016,810	P 131,840,607	P 52,761,167	P 248,457,519	P42,171,992,644
Translation adjustment	333,657,620	1,022,040,652	-	-	-	1,355,698,272
Accumulated amortization	-	(1,301,128,681)	(53,293,757)	(51,065,589)	(109,978,477)	(1,515,466,504)
Net carrying amount	P20,667,574,161	P 21,125,928,781	P 78,546,850	P 1,695,578	P 138,479,042	P42,012,224,412
January 1, 2023						
Cost	P20,213,960,101	P21,331,241,817	P 131,840,607	P 66,486,957	P 209,322,317	P41,952,851,799
Translation adjustment	119,956,440	73,774,993	-	-	-	193,731,433
Accumulated amortization	-	(1,300,590,217)	(45,972,299)	(54,566,043)	(80,363,960)	(1,481,492,519)
Net carrying amount	P20,333,916,541	P 20,104,426,593	P 85,868,308	P 11,920,914	P 128,958,357	P40,665,090,713

A reconciliation of the carrying amounts at the beginning and end of the reporting periods of intangible assets is shown below and in the succeeding page.

	Goodwill	Trademarks	Leasehold Rights	Computer Software	Franchise Fee	Total
Balance at January 1, 2024, net of accumulated amortization	P20,667,574,161	P21,125,928,781	P 78,546,850	P 1,695,578	P 138,479,042	P42,012,224,412
Additions	-	-	-	-	92,792,288	92,792,288
Effect of deconsolidation	-	-	-	-	(1,009,228)	(1,009,228)
Impairment losses	(77,347,633)	-	-	-	-	(77,347,633)
Translation adjustment	379,067,944	327,929,771	-	-	-	706,997,715
Amortization for the year	-	-	(7,293,680)	(1,571,378)	(38,089,413)	(46,954,471)
Balance at December 31, 2024, net of accumulated amortization	**P20,969,294,472**	**P21,453,858,552**	**P 71,253,170**	**P 124,200**	**P 192,172,689**	**P42,686,703,083**
Balance at January 1, 2023, net of accumulated amortization	P20,333,916,541	P20,104,426,593	P 85,868,308	P 11,920,914	P 128,958,357	P40,665,090,713
Additions	-	-	-	124,200	39,135,202	39,259,402
Disposals	-	-	-	(13,849,990)	-	(13,849,990)
Reclassification	-	-	-	9,233,327	-	9,233,327
Translation adjustment	333,657,620	1,022,040,652	-	-	-	1,355,698,272
Amortization for the year	-	(538,464)	(7,321,458)	(5,732,873)	(29,614,517)	(43,207,312)
Balance at December 31, 2023, net of accumulated amortization	P20,667,574,161	P21,125,928,781	P 78,546,850	P 1,695,578	P 138,479,042	P42,012,224,412

	Goodwill	Trademarks	Leasehold Rights	Computer Software	Franchise Fee	Total
Balance at January 1, 2022, net of accumulated amortization	P20,213,960,101	P20,032,266,992	P 93,909,883	P 18,423,231	P 124,806,358	P40,483,366,565
Additions	-	-	-	-	28,365,606	28,365,606
Translation adjustment	119,956,440	73,774,993	-	-	-	193,731,433
Amortization for the year	-	(1,615,392)	(8,041,575)	(6,502,317)	(24,213,607)	(40,372,891)
Balance at December 31, 2022, net of accumulated amortization	P20,333,916,541	P20,104,426,593	P 85,868,308	P 11,920,914	P 128,958,357	P40,665,090,713

Goodwill primarily relates to growth expectations arising from operational efficiencies and synergies that will be achieved by combining the resources, skills and expertise of the individual components of the Group and by improving the Group's market reach and industry visibility both in the local and global market.

Trademarks pertain to trademarks registered under the Group for the manufacture and sale of distilled spirits, mostly brandy, which include brand names 'Emperador Brandy', 'Generoso Brandy', 'Emperador Deluxe', and 'The Bar.'

In 2014, from the Group's acquisition of WMG Group, the trademarks "Jura" and "The Dalmore" (collectively, "WMG brands") were recorded for a total of P9.6 billion. In 2016, the Group's acquisition of Bodegas Fundador in Jerez resulted in the recognition of four trademarks amounting to P6.7 billion, namely "Fundador Brandy", "Terry Centenario Brandy", "Tres Cepas Brandy", and "Harveys" sherry wine (collectively, "Fundador brands"). In 2017, the Group acquired various trademarks amounting to P3.5 billion including "Domecq" brands of Mexican and Spanish brandies which include "Presidente", "Azteca de Oro" and "Don Pedro"; "Grupo Garvey brands" which include "Garvey Brandy" and "Fino San Patricio"; and other well-known sherries and liquors brands.

These trademarks have indefinite useful lives; hence, are not subject to amortization.

The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated [see Notes 2.15 and 3.2(j)]. An analysis of the value-in-use and the amount of intangible assets allocated to such groups of cash generating units is presented as follows (amounts in billions of pesos):

	2024				2023			
	Allocated Intangible Assets	**Value in Use**	**Terminal Growth Rate**	**Discount Rate**	Allocated Intangible Assets	Value in Use	Terminal Growth Rate	Discount Rate
Goodwill:								
Megaworld	**P 9.06**	**P 271.5**	**1.00%**	**8.77%**	P 9.14	P 282.9	1.00%	12.65%
GADC	**1.25**	**83.4**	**1.00%**	**8.59%**	1.25	107.6	1.00%	15.98%
WMG*	**8.52**	**17.56**	**4.57%**	**7.98%**	8.17	36.34	3.54%	7.70%
GES*	**1.72**	**15.51**	**3.40%**	**6.57%**	1.69	18.11	3.40%	6.21%
Trademarks with indefinite lives:								
WMG brands*	**10.49**	**117.01**	**4.57%**	**7.98%**	10.06	237.17	3.54%	7.70%
Fundador brands	**7.82**	**20.82**	**3.40%**	**6.57%**	7.69	16.95	3.40%	6.21%
Domecq brands**	**3.06**	**3.99**	**1.50%**	**4.50%**	3.29	3.99	1.50%	4.50%
Grupo Garvey brands**	**0.09**	**0.10**	**0.50%**	**7.65%**	0.09	0.10	0.50%	7.65%

* *Amounts are translated at closing rates as of the end of the reporting periods in accordance with PAS 21, The Effects of Changes in Foreign Exchange Rates.*

** M*anagement believes that, after the impairment provided for Grupo Garvey brands in 2019, the value-in-use as of December 31, 2024 and 2023 approximates its carrying value.*

The value-in-use of each group of cash generating unit was determined using cash flow projections for five years, and extrapolating cash flows beyond the projection period using a perpetual terminal growth rate. The discount rates and growth rates are the key assumptions used by management in determining the value-in-use of the cash-generating units.

In 2024, the Group recognized impairment losses on Goodwill amounting to P77.3 million in relation to EELHI's goodwill on LBASSI. The impairment loss is presented under Other Operating Expenses account in the 2024 consolidated statement of comprehensive income (see Note 26). There was no similar transaction in 2023 and 2022.

The Group has fully amortized trademarks with definite useful lives as of December 31, 2024 and 2023. The Group recognized amortization expense from trademarks with definite useful lives amounting to P0.5 million and P1.6 million in 2023 and 2022, respectively, (nil in 2024) (see Note 26).

The "Emperador Deluxe", "The BaR" and "Emperador Brandy", and "Generoso Brandy" trademarks were fully amortized since 2023, 2018, and 2017, respectively.

As of December 31, 2024 and 2023, the Group has no contractual commitments for the acquisition of any additional trademarks, leasehold rights, computer software and franchise fee.

No intangible assets have been pledged as security for liabilities as of December 31, 2024 and 2023.

16. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Non-current assets classified as held for sale include land and buildings called as "Complejo Bellavista" and "Cerro Viejo Vineyards" previously occupied by a business unit and classified under property, plant and equipment that the Group has discontinued use and on December 27, 2020, management approved their sale at net book value, at any time until three years after the COVID-19 pandemic has ended, through the signed letter of intent with a related party under common ownership (see Note 31.8). The letter of intent stated that the assets would be sold at a purchase price of €16.6 million (equivalent to P994.9 million), which was equivalent to the net book value of the property, at any time from the date of signature of the letter of intent until three years after COVID-19 pandemic had ended. On December 27, 2022, the parties renewed their commitment and the term to complete the sale and purchase of properties was set until December 31, 2023. The carrying value of the assets immediately prior to their classification as held for sale was lower than their fair value less cost to sell. In 2023, the sale did not materialize due to change in business plans in the use of the assets. Consequently, the related assets are reclassified back Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale [see Note 3.1(p)].

The carrying value of these assets immediately prior to their classification as held for sale is lower than their fair value less cost to sell. Accordingly, the Group did not recognize any loss in connection with the reclassification of the assets as held for sale. There were also no revenues recognized in 2023 and 2022 that were associated with the assets. Depreciation expense amounting to €1.0 million (approximately P58.5 million) was incurred prior to reclassification of the assets on December 27, 2020. In 2023, the depreciation adjustment amounted to P56.1 million and is presented as part of Other Operating Expenses account in the 2023 consolidated statement of comprehensive income (see Note 26).

17. TRADE AND OTHER PAYABLES

The breakdown of this account follows (see Note 2.12):

	Notes	**2024**	2023
Trade payables	30.1	**P 45,934,379,346**	P 42,757,584,890
Accrued expenses	30.2, 31.2(b), 31.4, 31.5	**14,293,380,746**	20,292,419,730
Retention payable		**5,884,215,924**	5,815,600,850
Accrued interest payable	18, 19	**3,029,139,388**	2,921,842,726
Refund liability		**1,834,817,397**	1,798,517,011
Dividends payable	22.5	**842,248,155**	1,270,427,605
Output VAT payable		**822,803,768**	887,752,755
Gaming license fees payable	29.3	**799,480,373**	906,415,785
Slot jackpot liability	2.5	**772,287,098**	582,308,901
Due to related parties	30.4	**189,475,673**	213,975,673
Unredeemed gaming points	3.2(m)	**164,272,073**	254,621,375
Withholding tax payable		**124,389,380**	364,465,636
Others		**2,378,189,520**	2,858,120,121
		P 77,069,078,841	P 80,924,053,058

Trade payables significantly comprise of obligations to subcontractors and suppliers of construction materials for the Group's projects and suppliers of raw materials. These also include unredeemed gaming chips determined as the difference between total gaming chips placed in service and the actual inventory of gaming chips under control or in custody, casino deposit certificates from patrons and other gaming-related liabilities.

Accrued expenses include accruals for salaries and other benefits, utilities, local and overseas travel, training and recruitment, dues and subscriptions, advertising, rentals, marketing and other operating expenses of the Group.

Retention payable pertains to amount withheld from payments made to contractors for construction work performed to ensure compliance and completion of contracted projects. Upon completion of the contracted projects, the retained amounts are returned to the contractors.

Refund liability pertains to amounts payable to customers due to real estate sales cancellation in respect of instalment sales contracts as covered by the R.A. No. 6552, *Realty Installment Buyer Protection Act*, otherwise known as the Maceda Law.

The unredeemed gaming points liability represents the estimated costs of unredeemed casino gaming points issued, which are redeemable for complimentary goods or services of the Group [see Notes 2.13 and 3.2(m)].

Dividends payable represents the total dividends declared by AGI to its stockholders in 2024 and 2023 payable on January 2025 and January 2024, respectively (see Note 22.5).

Others include unearned rental, payables to government and other regulatory agencies, and various unreleased checks, which are reverted to liability.

18. INTEREST-BEARING LOANS

The composition of the Group's outstanding interest-bearing loans is shown below.

	2024	2023
Current:		
Philippine Pesos	**P 40,959,319,860**	P 40,068,461,273
Foreign currencies	**5,520,375,295**	3,276,694,007
	46,479,695,155	43,345,155,280
Non-current:		
Philippine Pesos	**94,716,949,586**	74,382,105,222
Foreign currencies	**88,807,274,574**	73,383,362,394
	183,524,224,160	147,765,467,616
	P 230,003,919,315	P 191,110,622,896

The summarized terms and conditions of each availed loan as of December 31, 2024 and 2023 are as follows:

Outstanding Principal Balance 2024	2023	Explanatory Notes	Interest Rate	Security	Maturity Date
Megaworld					
P 8,933,045,799	P -	(a)	Floating rate	Unsecured	2031
3,970,762,910	-	(b)	Floating rate	Unsecured	2031
9,941,057,136	-	(c)	Floating rate	Unsecured	2029
10,412,099,772	-	(d)	Floating rate	Unsecured	2029
8,193,301,668	9,932,826,739	(e)	Floating rate	Unsecured	2028
10,111,492,138	11,048,964,552	(f)	Fixed at 4.64%	Unsecured	2028
4,045,107,002	4,971,423,823	(g)	Floating rate of 6.35% subject to repricing	Unsecured	2028
6,849,378,640	9,329,244,871	(h)	Floating rate	Unsecured	2027
2,182,780,442	3,425,966,569	(i)	Higher of 3-month BVAL or 28-day BSP T-bill rate	Unsecured	2025
2,245,513,338	3,737,983,675	(j)	Higher of 3-month BVAL or BSP Overnight plus certain spread	Unsecured	2026
1,467,750,490	2,638,563,604	(k)	Fixed at 4.00%	Unsecured	2026
416,466,954	2,080,077,715	(l)	Floating rate based on a 5-day average reference rate plus a certain spread	Unsecured	2026
-	1,174,730,323	(m)	Higher of 4.75% fixed rate and floating rate plus certain spread	Unsecured	2024
-	995,017,903	(n)	Floating rate on a 3-month LIBOR plus a certain spread	Unsecured	2024
P 68,768,756,289	P 49,334,799,774				

Outstanding Principal Balance 2024	2023	Explanatory Notes	Interest Rate	Security	Maturity Date
EELHI					
P 650,000,000	P 850,000,000	(o)	Floating rate of 3.5%	Unsecured	2028
SPI					
P 1,000,000,000	P 1,000,000,000	(p)	Fixed rate of 7.13%	Unsecured	2029
500,000,000	500,000,000	(p)	Fixed rate of 7.13%	Unsecured	2029
500,000,000	500,000,000	(q)	Fixed at 5.0%	Unsecured	2029
300,000,000	400,000,000	(r)	Fixed at 4.38%	Unsecured	2027
225,000,000	300,000,000	(s)	Fixed rate of 4.5%	Unsecured	2027
150,000,000	200,000,000	(r)	Fixed at 4.5%	Unsecured	2027
75,000,000	100,000,000	(r)	Floating rate of 4.38% subject to repricing	Unsecured	2027
275,000,000	825,000,000	(t)	Floating rate of 4.5% subject to repricing every 30 to 180 days	Unsecured	2025
133,792,000	221,203,097	(u)	Variable prevailing market rate of 5.5% to 15%	Secured	Upon collection of related assigned receivable
P 3,158,792,000	P 4,046,203,097				
GERI					
P 992,734,393	P -	(v)	Floating rate	Unsecured	2031
1,492,295,105	1,500,000,000	(w)	Floating rate	Unsecured	2028
509,646,632	-	(w)	Floating rate	Unsecured	2028
995,653,163	1,000,000,000	(x)	Floating rate	Unsecured	2028
995,191,552	1,000,000,000	(y)	Floating rate	Unsecured	2028
310,293,037	400,000,000	(z)	Floating rate	Unsecured	2027
299,120,619	400,000,000	(aa)	Floating rate	Unsecured	2027
249,762,853	583,333,334	(bb)	Fixed at 5.26%	Unsecured	2025
249,650,875	558,988,329	(cc)	Fixed at 5.37%	Unsecured	2025
-	235,294,104	(dd)	Floating rate	Unsecured	2024
P 6,094,348,229	P 5,677,615,767				
TLC					
P 1,312,500,000	P 1,500,000,000	(ee)	Floating rate with a floor rate of 6.75%	Unsecured	2028
-	93,750,000	(ff)	Floating rate of 5% to 5.3% subject to 30 to 180 days repricing	Unsecured	2024
-	56,250,000	(ff)	Floating rate	Unsecured	2024
-	37,500,000	(ff)	Floating rate	Unsecured	2024
P 1,312,500,000	P 1,687,500,000				
MREIT					
P 7,212,172,904	P 7,206,697,580	(gg)	Fixed at 3.64% subject to repricing in 2024	Unsecured	2031
MBPHI					
P 2,796,941,609	P 2,977,500,000	(hh)	Floating rate	Unsecured	2028
EIL					
P 18,909,997,520	P 18,600,000,161	(ii)	0.825% plus EURIBOR;	Unsecured	2028
WMG					
P 13,506,215,085	P 5,881,165,150	(jj)	0.8% over Sterling Overnight Index Average	Secured	2026 to 2028
DBLC					
P 1,016,342,816	P 1,486,138,794	(kk)	Fixed at 1.6%	Unsecured	2027

Outstanding Principal Balance 2024	2023	Explanatory Notes	Interest Rate	Security	Maturity Date
GADC					
P 62,500,000	P 324,184,782	(ll)	Fixed at 4.5%	Unsecured	2025
62,500,000	218,750,000	(mm)	Fixed at 4.5%	Unsecured	2025
50,000,000	175,000,000	(nn)	Fixed at 4.5%	Unsecured	2025
P 175,000,000	P 717,934,782				
Travellers					
P 13,437,185,092	P 13,444,652,361	(uu)	Fixed at 8.5%	Unsecured	2029
10,984,926,653	11,725,716,722	(oo)	Fixed at 4.75%	Unsecured	2027
9,935,435,123	-	(oo)	Fixed at 7.4%	Secured	2031
5,460,122,368	-	(uu)	Fixed at 7.25%	Unsecured	2031
4,969,132,726	-	(pp)	Fixed at 8.7%	Unsecured	2029
3,473,950,297	4,357,059,826	(rr)	Fixed at 7.8%	Unsecured	2036
2,870,532,091	4,152,799,268	(pp)	Floating rate subject to repricing	Unsecured	2026
2,500,000,000	-	(tt)	Floating rate subject to to repricing	Unsecured	2025
2,000,000,000	2,000,000,000	(uu)	Fixed at 6.75%	Unsecured	2025
2,000,000,000	2,000,000,000	(uu)	Fixed at 7.5%	Unsecured	2025
1,815,420,000	1,649,658,213	(pp)	Fixed at 7.3%, subject to to repricing	Unsecured	2025
1,476,312,131	2,949,863,419	(oo)	Fixed at 7.0%	Unsecured	2025
1,000,000,000	1,000,000,000	(uu)	Fixed at 7.0%	Unsecured	2025
719,648,063	3,570,887,293	(oo)	Fixed at 8.6% for two years and at 9% in the next five years	Unsecured	2025
-	4,000,000,000	(ss)	Floating rate subject to repricing	Unsecured	2024
-	1,000,000,000	(pp)	Floating rate subject to repricing	Unsecured	2024
-	874,627,865	(qq)	Fixed at 6.6% to date 5.3% floor both plus 1.15% spread	Unsecured	2024
-	312,288,292	(pp)	Fixed at 8.2%	Unsecured	2024
P 62,642,664,544	P 53,037,553,259				
AGI					
P 2,682,484,790	P -	(vv)	Floating rate subject to to repricing	Unsecured	2029
706,200,991	958,744,691	(vv)	Fixed at 4.5%; subject to repricing at the end of fifth year	Unsecured	2027
P 3,388,685,781	958,744,691				
AG Cayman					
P 28,806,474,173	P 27,587,796,087	(ww)	Floating rate subject to repricing	Unsecured	2027
5,798,820,064	5,540,813,663	(ww)	Floating rate subject to repricing	Unsecured	2027
5,766,208,301	5,520,160,091	(ww)	Floating rate subject to repricing	Unsecured	2027
P 40,371,502,538	P 38,648,769,841				
P 230,003,919,315	P 191,110,622,896				

Explanatory Notes:

(a) Seven-year loan amounting to P9,000.0 million obtained by Megaworld in December 2024 from a local bank. The principal is payable quarterly in installment with the first principal payment due in December 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(b) Seven-year loan amounting to P4,000.0 million obtained by Megaworld in November 2024. The principal is payable quarterly in installment with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

(c) Five-year loan amounting to P10,000.0 million obtained in two tranches by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in March 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

(d) Five-year loan amounting to $180.5 million obtained by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in June 2025. The interest is payable quarterly at a fixed rate. Megaworld entered a cross-currency swap to hedge the U.S. Dollar exchange rate, and a fixed-to-floating interest rate swap based on a 3-month BVAL reference rate plus a certain spread (see Note 7).

(e) Five-year loan amounting to P10,000.0 million obtained by Megaworld in June 2023 from a local bank. The loan is payable quarterly for a term of five years with twelve-month grace period. Interest of the loan is payable quarterly on a floating rate.

(f) Five-year loan amounting to $200.0 million obtained by Megaworld in April 2023 from a local bank. The loan shall be paid in sixteen equal or nearly equal consecutive installments commencing at the end of the fifth quarter from the date of borrowing on a repayment date. Each installment shall be paid on a repayment date with fixed interest rate.

(g) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2023 from a local bank. Interest in the loans is payable semi-annually for the first 184 days with 6.35% per annum inclusive of gross receipts tax which is subject to semi-annual repricing interest rate. The loan is payable quarterly starting June 2024.

(h) Five-year loan amounting to P10,000.0 million obtained by Megaworld in September 2022 from a local bank. Principal is payable quarterly in installments at the end of the fifth quarter from the drawdown date. The interest is payable quarterly at a floating rate.

(i) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2020 from a local bank. The loan is payable quarterly for a term of five years with a grace period of two years upon availment. The principal repayments on the loan shall commence in June 2022 and interest is paid quarterly.

(j) Five-year loan amounting to P6,000.0 million obtained by Megaworld in May 2021 from a local bank. The loan is payable quarterly beginning August 2022. Interest is payable quarterly.

(k) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2021 from a local bank. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022.

(l) Five-year loan amounting to P5,000.0 million obtained by Megaworld in August 2021 from a local bank. The loan is payable quarterly for a term of five years with the first principal payment due in November 2022. Interest is payable quarterly.

(m) Five-year loan amounting to P5,000.0 million obtained by Megaworld in December 2019 from a local bank. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayments on this loan commenced in December 2020 and interest is payable quarterly. In 2024, the Megaworld fully paid its outstanding balance.

(n) Five-year loan amounting to U.S. $95.62 million obtained by Megaworld in September 2019 from a local bank (see Note 7). The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayments on this loan commenced in December 2020 and interest is payable quarterly. In 2024, the Megaworld fully paid its outstanding balance.

(o) Seven-year loan amounting to P1,000.0 million obtained by EELHI from a local bank in February 2021. The proceeds of the loan were used to fund the development of its various real estate projects. The principal of the loan is payable in 20 equal quarterly payments starting in May 2023 with a two-year grace period and interest is payable quarterly in arrears.

(p) Two six-year loans amounting to P1,000.0 million and P500 million were obtained by SPI from a local bank in November 2023, and December 2023, respectively. The principal amount is payable monthly after a grace period of three years from the date of availment. The loan bears fixed interest rate of 7.13% for both loans.

(q) Seven-year loan amounting to P500.0 million was obtained by SPI from a local bank in 2022. The principal amount is payable monthly after a grace period of three years from date of availment.

(r) Six-year loans amounting to P200.0 million, P100.0 million, and P400.0 million obtained by SPI in February 2021, August 2021, and October 2021, respectively, from a local bank. The principal amount is payable on a monthly basis after a grace period of three years from the date of availments.

(s) Seven-year loan amounting to P300.0 million obtained by SPI in 2020 from a local bank. The loan bears a fixed rate and is payable on a monthly basis after a grace period of two years from the date of availment.

(t) Seven-year loan amounting to P2,200.0 million obtained by SPI from a local bank in 2018 to fund the acquisition of STLI. Principal repayments is payable on a monthly basis after a grace period of three years from the date of availment.

(u) Loans obtained by SPI from a local bank through assignment of trade receivables (see Note 6). The local bank is given the right to collect the assigned receivables and apply the collections to the corresponding loan balances. The loans and interests are being paid as the receivables are collected.

(v) Seven-year loan amounting to P1,000.0 million obtained by GERI from a local bank in October 2024. The interest is payable quarterly in arrears at a floating rate.

(w) Five-year loan amounting to P1,500.0 million and P500.0 million obtained by GERI in December 2023 and April 2024, respectively, from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

(x) Five-year loans amounting to P1,000.0 million obtained by GERI in May 2023 from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

(y) Five-year loans amounting to P1,000.0 million obtained by GERI in October 2023 from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

(z) Seven-year loan amounting to P500.0 million obtained by GERI in 2020 from a local bank. The loan is payable quarterly with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022. The loan bears a floating rate and is payable quarterly.

(aa) Six-year loan amounting to P500.0 million obtained by GERI in March 2021 from a local bank. The loan is payable quarterly for a term of seven years with a grace period of two years upon availment. The loan bears a floating rate and is payable quarterly in arrears.

(bb) Five-year loan amounting to P1,000.0 million obtained by GERI in 2020 from a local bank payable quarterly for a term of five years with a grace period of two years upon availment. The principal repayment on the loan shall commence in December 2022. The loan bears a fixed interest rate and is payable quarterly.

(cc) Four-year loan amounting to P1,000.0 million obtained by GERI in July 2021 from a local bank. The loan is payable quarterly for a term of four years commencing on the beginning of the fifth quarter from the date of availment.

(dd) Five-year loan amounting to P2,000.0 million obtained by GERI in 2019 from a local bank payable quarterly for a term of five years, plus interest. In 2024, GERI has paid in full its outstanding loan balance.

(ee) Five-year loan amounting to P1,500.0 million obtained by TLC in June 2023 from a local bank which will be used to finance capital expenditures related to various on-going real estate development projects. The loan bears a floating rates with a floor rate of 6.75%.

(ff) Five-year loan amounting to P300.0 million and P200.0 million obtained by TLC in August and November 2019, respectively, from a local bank. In March 2020, TLC obtained additional interest-bearing loan amounting to P500.0 million. These loans are payable in quarterly installments beginning November 2020 and are fully settled in 2024.

(gg) Ten-year term loan amounting to P7,250.0 million acquired by MREIT in December 2021 from a local bank to finance the acquisition of investment properties from Megaworld. The principal is payable quarterly in installment beginning in the last quarter of the fifth year with a balloon payment at the end of the term. Interest is payable quarterly at 3.64% per annum subject to repricing in December 2024.

(hh) Five-year loan amounting to P3,000.0 million obtained by MBPHI in 2023 from a local commercial bank to support its funding requirements of the construction of various projects. The principal amount is payable equal quarterly amortization over the next four years after a grace period of one year. The loan bears floating rate.

(ii) In 2023, EIL obtained a €310.0 million unsecured five-year bank loan from a syndicate of foreign financial institutions to pay its existing loan obtained in 2019. The loan is payable in full at maturity and so is presented under the Non-current Liabilities section of the consolidated statements of financial position.

(jj) WMG has an existing asset-based lending facility with a foreign bank up to April 2028, where it had drawn down P7,500.0 million, P5,400.0 million and P1,400.0 million in 2024, 2023 and 2022, respectively. The loan is secured by way of floating charge against WMG's inventories (see Note 8). The interest and the principal can be paid anytime up to, or balloon payment at, maturity, and WMG has made payments during each year.

(kk) In 2017, DBLC assumed from BLC unsecured, interest-bearing and foreign-currency-denominated loans totalling P3,000.0 million from certain financial institutions relating to Domecq Acquisition. In 2024, 2023, 2022 and 2018, DBLC acquired additional loans amounting to P406.2 million, P464.5 million, P467.9 million and P0.1 million, respectively. In 2024, 2023 and 2022, DBLC paid portion of the loans amounting to P900.8 million, P543.5 million and P636.5 million, respectively.

(ll) Five-year US dollar loan with a principal amount of P1,000.0 million obtained by GADC from a local bank in March 2020. GADC has a Cross Currency Swap (CCS) agreement with the local bank, whereby GADC will receive and settle the dollar loan and its interest at a fixed foreign exchange rate of P50.60 per US$1 or total of P1,000.0 million (see Note 21). The loan is payable quarterly and bears a fixed interest rate.

(mm) Five-year loan obtained by GADC from a local bank in June 2020 payable quarterly starting from September 2021. The loan bears a fixed interest.

(nn) Five-year loan obtained by GADC from another local bank in June 2020 payable in 20 quarters from September 2020 to June 2025. Interest payments are fixed.

(oo) In prior years, a local bank approved a credit line which grants Travellers to borrow P33.5 billion. Total drawdowns made in prior years, which included loans converted into long-term loan, totaled to P31.0 billion. In 2021, Travellers rolled the short-term loans to another term amounting to P2.2 billion. Outstanding loans as of December 31, 2024 and 2023 amounted to P8.2 billion and P13.3 billion, respectively.

In 2023, Travellers settled the rolled P0.5 billion short-term loan and availed an omnibus loan from the same bank amounting to P5.0 billion which shall mature in 2024.

In 2024, Travellers obtained another long-term loan from the same bank amounting to P10.0 billion which is scheduled to be repaid in 2031.

(pp) In 2017, Travellers entered into various credit line agreements with a total maximum loanable amount of P10,000.0 million from a local bank.

In 2021, Travellers availed another long-term facility with the bank amounting to P5.0 billion. Total unutilized credit line amounted to P0.3 billion as of December 31, 2024 and 2023.

The outstanding loans related to these facilities amounted to P2.8 billion and P5.2 billion as of December 31, 2024 and 2023, respectively.

In 2024, Travellers obtained another long term loan amounting to P5.0 billion, all of which are outstanding as of December 31, 2024.

Further, Travellers obtained and settled other various short-term loans in 2024 and 2023. Total outstanding short-term loans amounted to P1.7 billion and P2.0 billion as of December 31, 2024 and 2023, respectively.

(qq) Seven-year loans totalling P7,000.0 million obtained by Travellers in 2016 from a P7,000.0 million credit line with a local bank. Travellers fully utilized the said credit line in 2017. The loans drawn remained outstanding amounting to P0.9 as of December 31, 2023. In 2024, Travellers settled the remaining outstanding loan.

(rr) In 2022, Travellers availed another long-term facility with the bank amounting to P5.0 billion. The loans remained outstanding amounting to P3.5 billion and P4.4 billion as of December 31, 2024 and 2023, respectively. Travellers also availed short-term loans which were subsequently settled in the same year.

(ss) In 2023, Travellers obtained various short-term loans totaling to P4.0 billion and remain outstanding as of December 31, 2023. These loans bear a floating rate subject to repricing. These loans were settled during 2024.

(tt) In 2024, Travellers obtained various short-term loans totaling to P2.5 billion which remain outstanding as of December 31, 2024.

(uu) In 2022, Travellers availed another long-term facility with the bank amounting to P13.5 billion. In 2024, Travellers availed additional P5.5 billion long term loans with the same bank. The outstanding loans related to these facilities amounted to P19.0 billion and P13.5 billion in December 31, 2024 and 2023, respectively.

Travellers obtained other various short-term loans in 2024 and 2023 amounting to P5.0 billion and P15.5 billion, respectively; of which P5.0 billion is outstanding as of December 31, 2024 and 2023 respectively.

(vv) Seven-year loan amounting to P5,000.0 million obtained by AGI in July 2020 from a local bank. The loan is payable quarterly commencing after the one-year grace period, as provided in the loan agreement. The loan bears a fixed rate for the first five years, subject to repricing at the end of the fifth year. The interest is payable quarterly in arrears.

In 2024, AGI obtained an unsecured long-term loan from a local bank amounting to P3,000.0 million. The loan is payable quarterly for a term of five years commencing the following quarter from drawdown date, as provided in the loan agreement. The loan bears floating interest rate subject to repricing every three months. The interest is payable quarterly in arrears.

(ww) Five-year U.S. dollar-denominated loans obtained by AG Cayman in 2017 from a foreign bank totaling to US$700.0 million with interest payable semi-annually in arrears. The loans are unconditionally and irrevocably guaranteed by AGI. In 2022, these loans were refinanced for another five years.

As of December 31, 2024 and 2023, the Group has complied with related loan covenants, including maintaining certain financial ratios, at the reporting dates except for Travellers was not able to meet some financial covenants of the loans such as current ratio and debt service coverage ratio for which Travellers was able to secure debt covenant waivers certified by the banks before December 31, 2024 and 2023.

The total interest expense attributable to these loans, including amortization of capitalized transaction costs and capitalized interest, amounted to P13,674.3 million, P11,430.9 million and P6,749.0 million for the years ended December 31, 2024, 2023 and 2022, respectively. The portion charged as expense are presented as part of Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 27). Interest charges capitalized for the years ended December 31, 2024, 2023 and 2022 are included as part of additions to Construction in progress under Property, Plant and Equipment account (see Note 13.1), Investment Properties (see Note 14) and Real estate for sale under Inventories account (nil in 2024) (see Note 8). The amounts of outstanding accrued interest as of December 31, 2024 and 2023 are presented as part of Accrued interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

The total loans issue cost from the availment of new loans amounted to P258.7 million, P345.8 million and P344.0 million for the years ended 2024, 2023, and 2022, respectively.

The amortization of loans issue costs is recognized as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of income (see Note 27).

19. BONDS PAYABLE

This account consists of the following:

	2024	2023
U.S. Dollar	**P 20,049,554,649**	P 19,116,598,705
Philippine peso	**-**	11,997,992,546
	P 20,049,554,649	P 31,114,591,251

The significant terms of the bonds are discussed below.

Face Amount	**Outstanding Principal Balance 2024**	**Outstanding Principal Balance** 2023	**Explanatory Notes**	**Interest Rate**	**Security**	**Maturity**
$350.0 million	**P20.0 billion**	P 19.1 billion	(a)	Fixed at 4.125%	Unsecured	2027
P 12.0 billion	**-**	12.0 billion	(b)	Fixed at 5.3535%	Unsecured	2024
$250.0 million	**-**	-	(c)	Fixed at 4.25%	Unsecured	2023
	P 20.0 billion	P 31.1 billion				

Explanatory Notes:

(a) On July 30, 2020, Megaworld issued seven-year term senior unsecured notes totaling to U.S. $350 million. The notes carry a coupon rate of 4.125% per annum and interest is payable semi-annually in arrears on January 30 and July 30. The notes are listed in the SGX-ST.

(b) On March 28, 2017, Megaworld issued seven-year term bonds totaling P12.0 billion. The bond carries a coupon rate of 5.3535% per annum and interest is payable semi-annually in arrears every March 28 and September 28. The bonds matured on March 28, 2024. The notes are listed in the Philippine Dealing & Exchange Corporation (PDEx).

(c) On April 17, 2013, Megaworld issued 10-year term bonds with semi-annual interest payments in arrears every April 17 and October 17. The proceeds of the bond issuance are being used by Megaworld for general corporate purposes. The notes are listed in the Singapore Exchange Securities Trading Limited (SGX-ST). In 2023, Megaworld has paid in full its outstanding balance.

Megaworld has complied with the bond covenants, including maintaining certain financial ratios, at the end of the reporting periods.

The total interest incurred on these bonds amounted to P1,090.3 million, P1,692.7 million and P2,139.4 million in 2024, 2023 and 2022, respectively. Of these amounts, portion charged as expense amounted to P734.5 million, P954.7 million and P1,209.5 million in 2024, 2023 and 2022, respectively, and are presented as part of Interest expense under Finance Cost and Other Charges account in the consolidated statements of income (see Note 27). The outstanding interest payable as of December 31, 2024 and 2023 is presented as part of Accrued interest payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17). Unrealized foreign currency gains and losses in relation to these foreign bonds are presented as part of Foreign currency gains – net under Finance and Other Income and Foreign currency losses – net under Finance costs and other charges account, respectively, in the consolidated statements of comprehensive income (see Note 27).

Interest capitalized amounted to P355.8 million, P642.3 million and P840.2 million in 2024, 2023 and 2022, respectively. Capitalization rate used in determining the amount of interest charges qualified for capitalization is 3.55% in 2024, 2.98% in 2023 and 3.89% in 2022.

The reconciliation of the unamortized bonds issue costs is presented below.

	2024	2023	2022
Balance at beginning of year	**P 271,840,029**	P 367,603,203	P 457,320,770
Amortization	**(90,152,299)**	(95,763,174)	(89,717,567)
Balance at end of year	**P 181,687,730**	P 271,840,029	P 367,603,203

The amortization of bonds issue costs is recognized as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of income (see Note 27).

20. REDEEMABLE PREFERRED SHARES

The Group's redeemable preferred shares pertain to preferred shares issued by GADC and TLC. The preferred shares are considered as financial liabilities. Accordingly, the redeemable preferred shares are recognized at fair value on the date of issuance, which is subsequently adjusted for any foreign exchange gains and losses.

20.1 GADC's Redeemable Preferred Shares

The shares were issued in March 2005 to McDonald's Restaurant Operations ("MRO"), a company incorporated in the U.S.A. and is a subsidiary of McDonald's Corporation. The features of these preferred shares with par value per share of P61,066 each are presented below (in exact amounts).

Class	Voting	No. of Shares Authorized and Issued	Total Par Value (Undiscounted)	Additional Payment in the Event of GADC's Liquidation
A	No	778	P 47,509,348	U.S.$1,086 per share or the total peso equivalent of U.S.$845,061
B	Yes	25,000	1,526,650,000	U.S.$1,086 per share or the total peso equivalent of U.S.$27,154,927

Additional features of the preferred shares are as follows:

(a) Redeemable at the option of the holder after the beginning of the 19th year from the date of issuance (March 2005) for a total redemption price equivalent to the peso value on the date that the shares were issued;
(b) Has preference as to dividends declared by the BOD, but in no event shall the dividends exceed P1 per share; and,
(c) The holder of preferred shares is entitled to be paid a certain amount of peso equivalent for each class of preferred shares, together with any unpaid dividends, in the event of liquidation, dissolution, receivership, bankruptcy or winding up of GADC.

The redeemable preferred shares are recognized at fair values on the date of issuance which were determined as the sum of all future cash payments, discounted using the prevailing market rates of interest as of the transaction date for similar instruments with similar term of 18 years.

These redeemable preferred shares amounted to P1,574.2 million as of December 31, 2024 and 2023, and are presented under Current liabilities and Non-current liabilities, respectively, in the consolidated statements of financial position.

The accretion of GADC's redeemable preferred shares in 2023 and 2022 amounted to P37.1 million and P171.5 million, respectively, and is presented as part of Interest expense under Finance Costs and Other Charges account in the consolidated statements of comprehensive income (see Note 27). There was no similar transaction in 2024.

The fair value of these shares amounted to P1,574.2 million as of December 31, 2024 and 2023, were determined by discounting the sum of all future cash flows using prevailing market rates of interest for instrument with similar maturities at a discount rate of 4.5% in 2024 and 2023.

As of December 31, 2024, the GADC is ongoing negotiation with MRO for the redemption, which is expected to be completed by 2025.

20.2 TLC's Redeemable Preferred Shares

These were issued by TLC in September 2012 consisting of 1,258.0 million shares, which are nonvoting and earn dividend at a fixed annual rate of 2.50% subject to the existence of TLC's unrestricted retained earnings. These were issued in exchange for certain parcels of land with total fair value of P1,338.2 million. The issuance through the exchange of land was approved by the SEC on April 17, 2013.

The preferred shares have a maturity of 10 years and shall be redeemed every anniversary date beginning on the sixth anniversary date until expiration of the 10-year period. Only 1/5 of the aggregate face value of preferred shares may be redeemed per year during such redemption period, with all remaining shares to be redeemed on the 10^{th} anniversary date.

The related interest expense recognized in 2022 amounting to P11.1 million, (nil in 2024 and 2023) is presented as part of Interest expense under Finance Costs and Other Charges account in the 2022 consolidated statement of comprehensive income (see Note 27).

All preferred shares issued by TLC were redeemed in full in 2022.

21. OTHER LIABILITIES

The composition of this account is shown below.

	Notes	**2024**	2023
Current:			
Customers' deposits	2.13	**P 9,703,763,699**	P 9,450,649,189
Deferred rental income	31.1	**3,957,932,912**	3,514,353,439
Advances from customers		**2,302,062,430**	2,305,827,573
Commission payable		**2,301,575,916**	1,807,973,948
Others		**643,219,273**	1,158,447,741
		18,908,554,230	18,237,251,890
Non-current:			
Deferred rental income	31.1	**3,462,728,974**	2,723,668,423
Customers' deposit	2.13	**2,370,902,526**	2,383,982,004
Retention payable		**2,180,035,235**	2,296,205,051
Guaranty deposits		**638,052,632**	624,045,174
Provision for dilapidations	3.2(n)	**180,866,410**	212,403,870
Asset retirement obligation	2.8, 2.14, 13.2	**117,654,476**	108,612,574
Long-term deposits from patrons		**-**	1,250,000,000
Provision for onerous lease	3.2(o), 13.2	**-**	93,790,900
Others		**466,782,436**	1,201,731,772
		9,417,022,689	10,894,439,768
		P 28,325,576,919	P 29,131,691,658

Deferred rental income refers to the rental payments advanced by the lessee at the inception of the lease which will be applied to the remaining payments at the end of the lease term.

Guaranty deposits consist of rental deposits and utility deposits.

Provision for dilapidations is recognized for the present value of the costs to be incurred by WML for the restoration of the leased properties to a specified condition at the end of the lease term in 2029 as provided in the tenant repairing clauses of lease agreements. Additional provisions are capitalized as part of ROUA in 2023, 2022 and 2021 (see Note 13.2).

In 2024, the provision for dilapidations relating to the surrender of one of the units in the leasehold properties located in Edinburgh, Scotland was reversed. There was no similar transaction in 2023.

Provision for onerous lease pertains to WML's existing non-cancellable lease agreements on leasehold properties located in Glasgow and Edinburgh, Scotland, covering manufacturing plant facilities, buildings and parking spaces, which are vacant or subleased at a discount. The provision takes into account the current market conditions, expected future vacant periods, and expected future sublet benefits and are calculated by discounting expected net cash outflows on a pre-tax basis over the remaining period of the lease, which as of December 31, 2024, and 2023, is between one to five years and one to six years, respectively.

In 2024, the provision relating to the leasehold properties located in Edinburgh, Scotland was reversed upon surrendering one of its units to the lessor. Consequently, the Group reclassified against lease liabilities the future subtenant rent receivables under the onerous lease amounting to P57.0 million (see Note 13.3). There was no similar transaction in 2023.

In 2024, 2023 and 2022, the Group recognized additional provision amounting to P36.7 million, P34.2 million and P41.1 million, respectively. The additional provision is presented as part of Miscellaneous under Other Operating Expenses account in the consolidated statements of comprehensive income since the related right-of-use assets were fully impaired as of December 31, 2024 and 2023. The outstanding provision pertains to the remaining services expected to be settled with third party.

The movements in balances of provisions are as follows:

	Onerous Lease	**Dilapidations**	**Total**
Balance at January 1, 2024	P 93,790,900	P 212,403,870	P 306,194,770
Reversal of provisions	(152,859,445)	(27,605,753)	(180,465,198)
Reclassification to lease liabilities	57,033,148	-	57,033,148
Additional provisions	36,707,116	9,103,036	45,810,152
Utilized amounts	(34,671,719)	(13,034,743)	(47,706,462)
Balance at December 31, 2024	**P -**	**P 180,866,410**	**P 180,866,410**

	Onerous Lease	Dilapidations	Total
Balance at January 1, 2023	P 62,872,465	P 189,335,367	P 252,207,832
Additional provisions	34,159,365	24,430,748	58,590,113
Utilized amounts	(3,240,930)	(1,362,245)	(4,603,175)
Balance at December 31, 2023	P 93,790,900	P 212,403,870	P 306,194,770

Long-term deposits from patrons relate to cash deposited by patron groups as part of the Group's loyalty program. Patros covered by the program receive loyalty incentive. These deposits are expected to be reclaimed by the patrons beyond 12 months from year-end.

Other current payables mainly pertain to guest deposits from hotels and due to unit owners. Other non-current payables include security and miscellaneous deposits and other certain liabilities to various counterparties within the ordinary course of business, which are expected to be settled beyond 12 months form the end of the reporting period.

22. EQUITY

22.1 Capital Stock

Capital stock consists of:

	Shares			Amount		
	2024	2023	2022	**2024**	2023	2022
Common shares – P1 par value						
Authorized	**12,950,000,000**	12,950,000,000	12,950,000,000	**P 12,950,000,000**	P 12,950,000,000	P 12,950,000,000
Capital stock				**P 10,269,827,979**	P 10,269,827,979	P 10,269,827,979
Additional paid-in capital				**34,518,916,029**	34,518,916,029	34,518,916,029
Total issued:	**10,269,827,979**	10,269,827,979	10,269,827,979	**44,788,744,008**	44,788,744,008	44,788,744,008
Treasury stock – at cost	**(1,523,600,300)**	(1,425,108,400)	(1,301,020,300)	**(16,554,828,907)**	(15,910,646,863)	(14,411,741,336)
Total outstanding	**8,746,227,679**	8,844,719,579	8,968,807,679	**P 28,233,915,101**	P 28,878,097,145	P 30,377,002,672

On March 12, 1999, the SEC approved the initial public offering of the Company's 336.1 million shares (248.1 million then outstanding and 88.0 million new issues) at P1.27 per share. The shares were initially listed in the PSE on April 19, 1999.

A 10% stock dividend was approved by the SEC and listed in September 1999. Three private placements ensued up to January 2011, of which 1.5 billion shares were listed in 2006. Then, a 10% rights offering of 200.47 million shares and 1:1 stock rights of 2.2 billion shares were approved and listed in 2005 and 2007, respectively. In 2007, there were also a share-swap transaction and a follow-on international offering wherein 4.1 billion shares and 1.8 billion shares, respectively, were issued and listed.

As of December 31, 2024 and 2023, the quoted closing price per share was P9.0 and P11.3, respectively. There are 985 holders, which include nominees, of the Company's total issued and outstanding shares as of December 31, 2024. The percentage of the Company's shares of stock owned by the public is 30.03% and 30.39% as of December 31, 2024 and 2023, respectively.

22.2 Additional Paid-in Capital

APIC consists mainly of P21,924.8 million from the stock rights offering, share swap transaction and international offering in 2007. In prior years, the Group reissued treasury shares, resulting in an increase in APIC amounting to P7,237.7 million.

22.3 Treasury Shares

On September 19, 2017, the BOD approved a two-year share repurchase program of up to P5.0 billion worth of shares in the open market, to enhance shareholder value. On September 18, 2019 and September 21, 2020, the BOD approved share repurchase programs for P2.5 billion each time that ended on September 23, 2020 and September 2021, respectively.

On October 8, 2021, the BOD approved another share repurchase program for a term of 2.5 years for P4.0 billion to end on April 8, 2024. On December 12, 2022, the BOD approved to increase the amount allocated by P3.0 billion worth of common shares under the same terms and conditions of the present buyback program. On June 13, 2023, the BOD approved the increase of amount allocated by P2.0 billion and the extension of additional 12 months up to April 8, 2025.

As of December 31, 2024, 2023, and 2022, the Parent Company has repurchased 1,365,366,300 shares for P15,722.7 million, 1,266,874,400 shares for P14,736.4 million, and 1,142,786,300 shares for P13,237.5 million, respectively, which included transaction costs.

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. Accordingly, the Parent Company's ongoing share repurchase program restricts the Parent Company's retained earnings for distribution as dividends up to the cost of the treasury shares.

Shares held by subsidiaries totaling to 122.96 million shares with total cost of P832.1 million as of December 31, 2024 and 158.23 million shares with total cost of P1,174.2 million as of December 31, 2023 and 2022 were reported as part of Treasury Shares in the consolidated statements of changes in equity (see Note 22.5).

22.4 Other Reserves

The components of Other Reserves are presented below and in the succeeding page.

	Consolidation Reserves	Legal Reserves	Total
Balance as of January 1, 2024	P 43,094,954,202	P 731,136,396	P 43,826,090,598
Effect of change in percentage of ownership	18,442,967,048	-	18,442,967,048
Effect of deconsolidation [Note 1.1(q)]	6,226,287	-	6,226,287
Changes in legal reserves	-	505,903,472	505,903,472
Balance as of December 31, 2024	**P 61,544,147,537**	**P 1,237,039,868**	**P 62,781,187,405**
Balance as of January 1, 2023	P 33,403,597,822	P 42,768,391	P 33,446,366,213
Effect of change in percentage of ownership	9,691,356,380	-	9,691,356,380
Changes in legal reserves	-	688,368,005	688,368,005
Balance as of December 31, 2023	P 43,094,954,202	P 731,136,396	P 43,826,090,598

	Consolidation Reserves	Legal Reserves	Total
Balance as of January 1, 2022	P 19,733,294,956	P 45,217,811	P 19,778,512,767
Effect of change in percentage of ownership	13,670,302,866	-	13,670,302,866
Changes in legal reserves	-	(2,449,420)	(2,449,420)
Balance as of December 31, 2022	P 33,403,597,822	P 42,768,391	P 33,446,366,213

In 2024, AGI acquired 993.7 million additional common shares of Megaworld through the stock market. The transaction resulted in a credit to Consolidation reserves of P15,668.1 million under Other Reserves in the 2024 consolidated statement of changes in equity.

In the same year, the Group, through GADC, disposed of its entire interest in AFCMI group. Moreover, the Group, through GADC, deconsolidated McDonald's Puregold Taguig following the cessation of its business operations. These transactions which resulted to in a credit to Consolidation reserves of P6.2 million under Other Reserves in the 2024 consolidated statement of changes in equity.

Also in 2024, the Megaworld disposed shares through block sales with net proceeds of P1.5 billion, resulting in a reduction of its ownership to 51.33%. Subsequently, in November 2024, Megaworld expanded its ownership in MREIT to 63.44% by acquiring additional common shares through a property share swap. These transactions resulted in a credit to Consolidation reserves of P2,774.9 million under Other Reserves in the 2024 consolidated statement of changes in equity.

In 2023, AGI acquired 743.4 million additional common shares of Megaworld through the stock market. The transaction resulted in a credit to Consolidation reserves of P4,927.6 million under Other Reserves in the 2023 consolidated statement of changes in equity.

Also in 2023, MEG acquired additional common shares of MREIT through property share swap effective January 2023 resulting to 65.67% ownership. In May and July 2023, MEG disposed 279.4 million common shares with a par value of P1.00 per share resulting to a decrease in ownership to 55.63%. These transactions resulted in a credit to Consolidation reserves of P3,226.0 billion under Other Reserves in the 2023 consolidated statement of changes in equity.

In 2022, AGI disposed a total of 800.6 million shares of EMI through the stock market. The transaction resulted in a credit to Consolidation reserves of P10,755.0 million under Other Reserves in the 2022 consolidated statement of changes in equity.

Also in 2022, AGI made additional capital infusion to Travellers amounting to P7,835.1 million, which resulted in a credit to Consolidation reserves of P279.5 million under Other Reserves in the 2022 consolidated statement of changes in equity.

Various investment activities of the Group from 2022 to 2024 as described in Note 1, apart from those mentioned above, affected AGI's effective ownership over its subsidiaries. The impact to equity attributable to owners of AGI is recorded as part of Consolidation reserves under Other reserves in the consolidated statements of changes in equity.

22.5 Dividends

On December 10, 2024, the BOD approved the declaration of cash dividends of P0.10 per share. Total dividends amounting to P890.6 million were payable on January 24, 2025 to stockholders of record as of December 27, 2024. The unpaid dividends as of December 31, 2024 were presented, net of P36.1 million final tax, as Dividends payable under Accounts and Other Payables account in the 2024 consolidated statement of financial position (see Note 17).

On December 1, 2023, the BOD approved the declaration of cash dividends of P0.15 per share. Total dividends amounting to P1,354.6 million were payable on January 12, 2024 to stockholders of record as of December 18, 2023. The unpaid dividends as of December 31, 2023 were presented, net of P56.7 million final tax, as Dividends payable under Trade and Other Payables account in the 2023 consolidated statement of financial position (see Note 17).

On November 15, 2022, the BOD approved the declaration of cash dividends of P0.12 per share. Total dividends amounting to P1,132.2 million were payable on December 22, 2022 to stockholders of record as of December 1, 2022. Dividends declared were fully settled during the same year.

On December 1, 2021, the BOD approved the declaration of cash dividends of P0.07 per share. Total dividends amounting to P672.0 million were payable on January 12, 2022 to stockholders of record as of December 17, 2021.

The amounts presented in the consolidated statements of changes in equity are net of dividends paid to subsidiaries (see Note 22.3).

22.6 Share Options

(a) Of the Company

On July 27, 2011, the BOD approved an Executive Share Option Plan ("ESOP") for the Company's key executive officers, which was subsequently ratified by the stockholders on September 20, 2011. Under the ESOP, the Company shall initially reserve for exercise of share options up to 300.0 million common shares, or 3% of the outstanding capital stock, which may be issued out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and continue to be exercisable in accordance with terms of issue. Modification of any part of the ESOP is subject to approval by the stockholders before such modification can take effect.

The options shall vest within three years from date of grant ("offer date") and the holder may exercise only a third of the option at the end of each year of the three-year vesting period. The vested option may be exercised within seven years from date of grant. The exercise price shall be at a 15% discount from the volume weighted average closing price of the Company's shares for nine months immediately preceding the date of grant.

On December 19, 2011, pursuant to this ESOP, the Company granted share options to certain key executives to subscribe to 46.5 million common shares of the Company, at an exercise price of P9.175 per share. In 2019, all of the said options have expired and the related value of the stock option amounting to P123.5 million was reclassified to Additional Paid-in Capital account (see Note 22.2).

On March 14, 2013, the Company granted additional 59.1 million share options to certain key executives at an exercise price of P12.9997. On March 12, 2020, the BOD affirmed the resolution of the Corporate Governance Committee to extend the exercise period for this grant until March 15, 2025 under the same terms and exercise price, and on August 6, 2020, this was ratified by the stockholders. As of December 31, 2024 and 2023, all of the said options vested and none have been exercised.

The fair values of the option granted were estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation of the March 2013 grant:

Original option life	7 years
Share price at grant date	P21.65
Exercise price at grant date	P12.9997
Average fair value at grant date	P9.18
Average standard deviation of share price returns	35.29%
Average dividend yield	2.10%
Average risk-free investment rate	2.92%

The underlying expected volatility was determined by reference to historical prices of the Company's shares over a period of four years.

(b) *Of Megaworld*

On April 26, 2012, Megaworld's BOD approved an ESOP for its key executive officers, and on June 15, 2012, the stockholders adopted it.

The options shall generally vest on the 60th birthday of the option holder and may be exercised until the date of his/her retirement from Megaworld. In 2022, there is an amendment to the vesting requirements of which the options will now vest on the 60th birthday or the actual retirement of the option holder, whichever is later. The exercise price shall be at a 15% discount from the volume weighted average closing price of Megaworld's shares for nine months immediately preceding the date of grant.

Pursuant to this ESOP, on November 6, 2012, Megaworld granted share options to certain key executives to subscribe to 235.0 million of its common shares, at an exercise price of P1.77 per share.

In 2013, additional share options were granted to certain key executives to subscribe to 20.0 million common shares of Megaworld at an exercise price of P2.33 per share. In 2014, additional 40.0 million share options were granted in 2014 at an average exercise price of P3.00 per share. In 2019, additional 10 million share options were granted at an exercise price of P1.77. There were no additional share options granted in 2024, 2023 and 2022.

Further, in 2023, 10.0 million share options were forfeited due to resignation of certain key executive officers. There was no forfeiture due to resignation in 2024 and 2022.

A total of 10.0 million, 15.0 million and 5.0 million share options have vested in 2024, 2023 and 2022, respectively. As of December 31, 2024 and 2024, a total of 95.0 million share options were fully vested (see Note 28.3).

A total of 1.0 million share options were exercised at a price of P1.77 per share in 2022. There was no similar transaction in 2024 and 2023.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Option life	6.08 to 30.17 years
Share price at grant date	P2.54 to P4.08
Exercise price at grant date	P1.77 to P3.23
Fair value at grant date	P0.98 to P2.15
Average standard deviation of share price return	10.98 %
Average dividend yield	0.82 %
Average risk-free investment rate	3.93 %

The underlying expected volatility was determined by reference to historical date of Megaworld's shares over a period of time consistent with the option life.

(c) *Of GERI*

On September 23, 2011, GERI's BOD approved an ESOP for its key executive officers. This was approved on November 8, 2011 by stockholders holding at least 2/3 of the outstanding capital stock. The purpose of the ESOP is to enable the key executives and senior officers of GERI, who are largely responsible for its further growth and development, to obtain an ownership interest and thereby encourage long-term commitment to GERI. The ESOP is being administered by the Executive Compensation Committee of GERI's BOD.

Under the ESOP, GERI shall initially reserve for exercise of share options up to 500.0 million common shares of its outstanding shares to be issued, in whole or in part, out of the authorized but unissued shares. Share options may be granted within 10 years from the adoption of the ESOP and may be exercised within seven years from date of grant.

The exercise price shall be at a 15% discount from the volume weighted average closing price of GERI's shares for twelve months immediately preceding the date of grant. The options shall vest within three years from date of grant and the holder of an option may exercise only a third of the option at the end of each year of the three-year period.

As of December 31, 2024, pursuant to this ESOP, GERI has granted the options to its key executive officers to subscribe to 400.0 million GERI shares. An option holder may exercise in whole or in part his vested option provided, that, an option exercisable but not actually exercised within a given year shall accrue and may be exercised at any time thereafter but prior to the expiration of said option's life cycle. All 400.0 million options were fully vested as of December 31, 2019, but none of these have been exercised yet by any of the option holders as at the end of the reporting periods (see Note 28.3).

As of December 31, 2024 and 2023, there are no more remaining share options that can be exercised.

The fair value of the option granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Average option life	7 years
Share price at grant date	P1.02 to P2.10
Exercise price at grant date	P1.00 to P1.93
Fair value at grant date	P0.24 to P2.27
Standard deviation of share price return	12.16% to 57.10%
Risk-free investment rate	2.14% to 2.59%

The underlying expected volatility was determined by reference to historical date of GERI's shares over a period of time consistent with the option life.

(d) Of EMI

On November 7, 2014, EMI's BOD approved an ESOP for qualified employees of EMI Group. The ESOP was adopted by the shareholders on December 15, 2014. On August 17, 2021, EMI's BOD approved certain amendments to the plan.

The options shall generally vest on the 60th birthday or the date of retirement of the option holder provided that the option holder had continuously served as an employee for 11 years after the option offer date or three years from retirement date for option holder who has continuously served for at least 20 years before the option offer date, and may be exercised within five years from vesting date, subject to the terms and conditions of the amended ESOP. The exercise price shall be at most a 15% discount from the volume weighted average closing price of EMI's shares of nine months immediately preceding the date of grant.

On August 17, 2021, the BOD approved an Amended ESOP that further provided: If the option holder aged 50 years and above, the option shall vest whichever comes earlier of (i) after another 11 years of continuous service, or (ii) when he/she has continuous service of at least 20 years before the offer date, after three years from his/her retirement provided that his/her protégé/disciple has remained as a key employee of the Group for three years from date of the holder's retirement.

On September 25, 2024, the BOD approved the extension of the Amended ESOP, to an additional period of three years, i.e. from December 15, 2024 to December 14, 2027, under the same terms and conditions.

Pursuant to this ESOP, on November 6, 2015, share options were granted to certain key executives of EDI to subscribe to 118.0 million common shares of EMI at an exercise price of P7.00 per share.

On March 25, 2021 and August 25, 2021, share options were granted to certain qualified grantees to subscribe to 20.0 million and 55.0 million common shares of EMI, at an exercise price of P10.10 and P10.65 per share, respectively.

On February 11, 2022, share options were granted to a qualified employee of EDI to subscribe to 5.0 million common shares of EMI at an exercise price of P13.95 per share.

As of December 31, 2024, a total of 16.0 million shares had been cancelled due to resignations.

The fair value of the options granted was estimated using a variation of the Black-Scholes valuation model that takes into account factors specific to the ESOP.

The following principal assumptions were used in the valuation:

Average option life	11 – 22 years
Share price at grant date	P8.90 – P22.50
Exercise price at grant date	P7.00 – P13.95
Average fair value of option at grant date	P3.26 – P13.35
Average standard deviation of share price returns	10.24% - 13.13%
Average dividend yield	1.08% - 1.10%
Average risk-free investment rate	4.44% - 5.24%

The underlying expected volatility was determined by reference to historical prices of EMI's shares over a period of one year.

The Group recognized a total of P97.3 million, P62.1 million and P92.8 million Share-option benefit expense in 2024, 2023 and 2022, respectively, as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of comprehensive income and a corresponding credit to Equity and through Non-controlling Interest account for the portion related to the other shareholders of the subsidiaries (see Notes 26, 28.3 and 30.6).

22.7 Appropriated Retained Earnings

In 2024 and 2023, GADC's BOD approved the appropriation of P8,300.0 million and P7,7000.0 million, respectively, for its continuing business expansion projects, which include construction of new stores and business extensions, renovation of existing stores and development of information technology projects. The construction of new stores and renovation of existing stores are projected to be completed within 2025.

The appropriation in 2022 was fully utilized and reversed in 2023, through the opening of 36 new company-owned McDonald's restaurants, renovation of 52 company-owned McDonald's restaurants and development of information technology projects. Also, the appropriation in 2023 was fully utilized and reversed in 2024, through the opening of 46 new company-owned McDonald's restaurants, renovation of 43 company-owned McDonald's restaurants and development of information technology projects.

In 2021, AWGI appropriated P1,200.0 million for the rehabilitation of furnace and other capital expenditures for the glass manufacturing plant which are expected to be completed in 2025. On January 20, 2025, AWGI reversed a portion of retained earnings amounting to P122.0 million.

22.8 Equity-linked Debt Securities

Equity-linked debt securities ("ELS") instrument arises from the subscription agreement between EMI and Arran Investment Private Limited ("the Holder" or "Arran") for the issuance of additional common shares of EMI. The ELS may be converted into a fixed number of common shares ("conversion shares") of EMI. The ELS bears a fixed annual interest rate (5.0% initially; 0% as amended in 2017) and variable interest (equal to the same dividend price declared and payable to common shareholders). On June 15, 2017, the ELS was amended, stipulating among others the change in the fixed number of Conversion Shares (728,275,862 new and fully paid-up) and in the Share Market Price (greater than P7.25 per share) for the mandatory conversion at any time from Redemption Date and ending on the Extended Redemption Date (December 4, 2021).

On December 23, 2019, the parties further agreed to give the Holder the right to two tranches of conversion and allowed the Holder to transfer ELS to an affiliate of EMI. Furthermore, on January 31, 2020, the parties agreed to remove the mandatory conversion of the ELS when the Share Market Price is reached; and on February 5, 2020, the Holder exercised its Tranche 1 Conversion for P1,836,250,000 into 253,275,862 shares.

On December 31, 2021, the Holder exercised its right to Tranche 2 Conversion corresponding to P3,443,750,000 into 475,000,000 shares. Pursuant to this, EMI derecognized the financial liability component of the ELS and recognized an equity component amounting to P3.4 billion, which is presented as part of NCI in the consolidated statements of financial position.

EMI and the Holder mutually agreed to several conversion periods which was last agreed to be until February 12, 2025 [subsequently, August 12, 2025 as of this report date (see Note 37)] or such other date as may be mutually agreed in writing between the Holder and EMI.

In 2023, EMI and Arran formally agreed and clarified the continuation of Variable Interest on the Tranche 2 Shares effective until end of conversion period or the issuance of the Tranche 2 Shares, whichever comes earlier.

Variable Interest amounting to P114.0 million and P137.8 million were respectively incurred in 2024 and 2023 (no declaration in 2022) and are presented as part of Cash Dividends Declared and Paid in the 2024 and 2023 consolidated statements of changes in equity.

There were no related collaterals on the ELS.

22.9 Subsidiaries with Material Non-controlling Interest

The subsidiaries with material NCI are shown below (in thousands).

	Proportion of Ownership Interest and Voting Rights Held by NCI		Subsidiary's Consolidated Profit Allocated to NCI		Accumulated Equity of NCI	
Name	**2024**	2023	**2024**	2023	**December 31, 2024**	December 31, 2023
Megaworld	**26%**	28%	**P 4,876,689**	P 4,912,218	**P 64,836,541**	P 79,548,487
Travellers	**40%**	40%	**504,018**	805,150	**24,331,412**	23,735,742
GADC	**51%**	51%	**1,199,775**	1,298,616	**6,706,327**	6,047,676
Emperador	**20%**	19%	**1,275,794**	1,678,487	**14,456,141**	13,322,787

Dividends paid to NCI amounted to P3,512.8 million in 2024, P3,084.9 million in 2023 and P1,894.4 million in 2022.

The summarized financial information of the subsidiaries, before intragroup eliminations, is shown below and in the succeeding page (in thousands).

	December 31, 2024			
	Megaworld	**Travellers**	**GADC**	**Emperador**
Current assets	P 247,679,935	P 23,371,300	P 17,246,896	P 82,300,907
Non-current assets	221,956,905	105,205,076	30,288,120	77,226,394
Total assets	**P 469,636,840**	**P 128,576,376**	**P 47,535,016**	**P 159,527,301**
Current liabilities	P 72,309,781	P 38,728,919	P 16,656,306	P 20,184,147
Non-current liabilities	118,591,968	44,356,049	17,831,904	38,816,246
Total liabilities	**P 190,901,749**	**P 83,084,968**	**P 34,488,210**	**P 59,000,393**
Revenues	**P 81,397,247**	**P 31,302,625**	**P 47,944,373**	**P 61,645,653**
Profit for the year attributable to:				
Owners of Parent	P 18,749,285	P 1,252,218	P 2,352,500	P 6,322,071
NCI	2,917,399	(10,811)	50,063	163,355
Profit for the year	21,666,684	1,241,407	2,402,563	6,485,426
Other comprehensive income (loss) attributable to:				
Owners of Parent	(514,111)	118,421	(1,880)	2,471,254
NCI	(150,169)	-	-	(515,385)
Other comprehensive income (loss) for the year	(664,280)	118,421	(1,880)	1,955,869
Total comprehensive income for the year	**P 21,002,404**	**P 1,359,828**	**P 2,400,683**	**P 8,441,295**
Net cash from (used in)				
Operating activities	P 11,369,646	(P 230,899)	P 6,433,566	P 5,301,548
Investing activities	(14,342,857)	(4,909,088)	(4,125,273)	7,208,545
Financing activities	(720,465)	5,300,690	(3,722,095)	1,133,060

	December 31, 2023			
	Megaworld	Travellers	GADC	Emperador
Current assets	P 238,636,780	P 21,670,190	P 17,727,015	P 79,458,755
Non-current assets	201,935,938	102,207,094	27,272,661	69,250,464
Total assets	P 440,572,718	P 123,877,284	P 44,999,676	P 148,709,219
Current liabilities	P 76,375,216	P 45,606,517	P 13,242,435	P 29,231,751
Non-current liabilities	103,529,656	34,193,985	19,966,852	24,069,575
Total liabilities	P 179,904,872	P 79,800,502	P 33,209,287	P 53,301,326
Revenues	P 69,728,155	P 31,516,108	P 42,853,124	P 65,643,761
Profit for the year attributable to:				
Owners of Parent	P 17,345,402	P 1,997,396	P 2,546,305	P 8,705,727
NCI	2,055,168	(5,636)	(6,920)	238,150
Profit for the year	19,400,570	1,991,760	2,539,385	8,943,877
Other comprehensive income (loss) attributable to:				
Owners of Parent	(100,523)	(151,068)	(25,656)	2,377,403
NCI	(15,187)	-	-	-
Other comprehensive income (loss) for the year	(115,710)	(151,068)	(25,656)	2,377,403
Total comprehensive income for the year	P 19,284,860	P 1,840,691	P 2,513,729	P 11,321,280
Net cash from (used in)				
Operating activities	P 4,201,845	P 493,176	P 5,619,670	P 7,150,140
Investing activities	(9,207,687)	(4,441,049)	(3,728,917)	(4,373,475)
Financing activities	2,366,292	1,243,382	(3,051,952)	(5,001,521)

	December 31, 2022			
	Megaworld	Travellers	GADC	Emperador
Current assets	P 224,315,419	P 23,042,816	P 19,728,124	P 77,393,838
Non-current assets	184,896,118	101,306,729	24,009,252	63,817,286
Total assets	P 409,211,537	P 124,349,545	P 43,737,376	P 141,211,124
Current liabilities	P 75,253,963	P 39,582,028	P 15,025,518	P 28,350,052
Non-current liabilities	92,937,051	46,449,000	18,929,693	24,271,650
Total liabilities	P 168,191,014	P 86,031,028	P 33,955,211	P 52,621,701
Revenues	P 59,527,257	P 26,908,741	P 34,480,811	P 62,767,070
Profit for the year attributable to:				
Owners of Parent	P 13,455,476	P 1,057,307	P 1,829,378	P 10,060,876
NCI	1,918,810	(4,159)	(16,919)	150,847
Profit for the year	15,374,286	1,053,148	1,812,459	10,211,723
Other comprehensive income (loss) attributable to:				
Owners of Parent	(259,108)	182,085	352,919	(717,904)
NCI	12,068	-	-	-
Other comprehensive income (loss) for the year	(247,040)	182,085	352,919	(717,904)
Total comprehensive income for the year	P 15,127,246	P 1,235,233	P 2,165,378	P 9,493,819
Net cash from (used in)				
Operating activities	P 7,735,371	P 12,566,366	P 6,927,766	P 7,689,062
Investing activities	(12,426,678)	(4,934,751)	(2,872,116)	(2,679,339)
Financing activities	11,348,730	(3,507,207)	(2,917,169)	(1,605,389)

23. EARNINGS PER SHARE

Earnings per share is computed as follows:

	2024	2023	2022
Basic and diluted:			
Net profit attributable to owners of the Parent Company	**P 17,363,945,049**	P 19,615,471,565	P 16,107,842,209
Divided by the weighted average number of outstanding common shares	**8,781,497,479**	8,844,719,579	8,968,807,679
	P 1.9773	P 2.2178	P 1.7960

The actual number of outstanding common shares approximates the weighted average for each year.

The basic and diluted earnings per share are the same for the years ended December 31, 2024, 2023 and 2022, as the potentially dilutive shares from the Group's ESOP 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 ESOP.

24. REVENUES

24.1 Disaggregation of Revenues

The Group disaggregates revenues recognized from contracts with customers into the operating business segments presented in Notes 4.1 and 4.4 that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The same disaggregation is used in earnings releases, annual reports and investor presentations.

The breakdown of revenues from sale of goods and rendering of services is presented below:

	Notes	**2024**	2023	2022
Sale of Goods:				
Sales of consumer goods	2.13(a)	**P 61,416,527,864**	P 65,138,302,291	P 61,385,216,633
Real estate sales	2.13(b, c), 6	**50,988,478,086**	42,721,115,222	36,849,992,605
		P 112,405,005,950	P 107,859,417,513	P 98,235,209,238
Rendering of Services:				
Sales by company-operated quick-service restaurants	2.13(f)	**P 43,924,319,278**	P 38,962,160,442	P 31,305,279,964
Net gaming revenues	2.13	**23,390,242,437**	24,492,457,639	21,602,642,230
Rental income	2.14, 14	**20,026,949,216**	18,188,748,856	15,946,271,670
Hotel operations	2.13(d, e)	**11,287,724,742**	9,269,151,670	6,729,972,701
Franchise revenues	2.13(g), 31.5	**3,983,892,448**	3,864,507,193	3,141,263,464
Others	2.13(h)	**3,501,886,985**	2,123,491,012	1,787,253,632
		P 106,115,015,106	P 96,900,516,812	P 80,512,683,661

Other revenues include income from commissions, construction, property management operations, cinema operations, parking, bingo, tournaments and production shows.

The total fixed rent income attributable to total rental income from the operating lease of the Group amounted to P18,954.0 million, P17,359.5 million and P15,475.8 million in 2024, 2023 and 2022, respectively. The variable rent income amounted to P1,072.9 million, P829.2 million and P470.5 million in 2024, 2023 and 2022, respectively.

The disaggregation of revenues for each reportable segment is presented below.

	Megaworld	Travellers	GADC	Emperador	Unallocated	Total
2024						
Sale of goods	P 50,988,478,086	P -	P -	P 60,743,035,490	P 673,492,374	112,405,005,950
Rendering of services	26,873,959,462	31,296,586,290	47,944,372,994	96,360	-	106,115,015,106
	P 77,862,437,548	**P 31,296,586,290**	**P 47,944,372,994**	**P 60,743,131,850**	**P 673,492,374**	**P218,520,021,056**
2023						
Sale of goods	P 42,721,115,222	P -	P -	P 64,498,870,885	P 639,431,406	P107,859,417,513
Rendering of services	22,537,117,204	31,510,203,113	42,853,123,695	72,800	-	96,900,516,812
	P 65,258,232,426	P 31,510,203,113	P 42,853,123,695	P 64,498,943,685	P 639,431,406	P204,759,934,325
2022						
Sale of goods	P 36,849,992,605	P -	P -	P 60,671,033,945	P 714,182,688	P 98,235,209,238
Rendering of services	19,125,469,664	26,906,252,986	34,480,810,931	150,080	-	80,512,683,661
	P 55,975,462,269	P 26,906,252,986	P 34,480,810,931	P 60,671,184,025	P 714,182,688	P178,747,892,899

24.2 Contract Accounts

The significant changes in the contract assets and contract liabilities balances as of December 31 are as follows:

	2024		2023	
	Contract Assets	**Contract Liabilities**	Contract Assets	Contract Liabilities
Balance at beginning of year	**P 25,721,450,330**	**P 7,456,743,395**	P 19,619,923,773	P 8,246,421,530
Effect of restatements [see Note 2.1 (b)]	**(1,567,893,026)**	**(244,408,736)**	-	-
As restated	**24,153,557,304**	**7,212,334,659**	19,619,923,773	8,246,421,530
Transfers from contract assets recognized at the beginning of year to trade receivables	**(3,884,617,375)**	**-**	(4,330,225,952)	-
Increase due to satisfaction of performance obligation over time, net of cash collection	**15,012,542,180**	**-**	10,431,752,509	-
Accretion of interest income from significant financing component	**234,310,012**	**-**	-	-
Revenue recognized that was included in contract liabilities at the beginning of year	**-**	**(2,965,272,658)**	-	(1,220,251,787)
Accretion of interest expense from significant financing component	**-**	**532,456,000**	-	-
Increase due to cash received in excess of performance to date	**-**	**1,804,976,381**	-	430,573,652
Balance at end of year	**P 35,515,792,121**	**P 6,584,494,382**	P 25,721,450,330	P 7,456,743,395

The current and non-current classification of the Group's contract assets account as presented in the consolidated statements of financial position is shown below.

	2024	2023
Current	**P 22,818,989,860**	P 16,725,717,102
Non-current	**12,696,802,261**	8,995,733,228
	P 35,515,792,121	P 25,721,450,330

The current and non-current classification of the Group's contract liabilities account as presented in the consolidated statements of financial position is shown below.

	2024	2023
Current	**P 1,669,576,401**	P 1,763,382,934
Non-current	**4,914,917,981**	5,693,360,461
	P 6,584,494,382	P 7,456,743,395

The outstanding balance of trade receivables arising from contracts with real estate and hotel customers amounted to P38.8 billion and P36.4 billion as of December 31, 2024 and 2023, respectively, are presented as part of trade receivables (see Note 6).

24.3 Direct Contract Costs

The Group incurs sales commissions upon execution of contracts to sell real properties to customers. Incremental costs of commission incurred to obtain contracts are capitalized and presented as Deferred commission under Other Current Assets and Other Non-current Assets accounts in the consolidated statements of financial position (see Note 9). These are amortized over the expected construction period on the same basis as how the Group measures progress towards complete satisfaction of its performance obligation in its contracts. The total amount of amortization is presented as part of Commissions under Other Operating Expenses (see Note 26).

The movements in balances of deferred commission in 2024 and 2023 are presented below.

	2024	2023
Balance at beginning of year	**P 2,397,273,433**	P 2,997,249,257
Additional capitalized costs net of sales cancellations	**2,165,061,277**	1,443,696,984
Amortization for the year	**(2,435,080,687)**	(2,043,672,808)
Balance at end of year	**P 2,127,254,023**	P 2,397,273,433

The breakdown of deferred commission as of December 31, 2024 and 2023 is presented below (see Note 9).

	2024	2023
Current	**P 1,969,038,939**	P 2,086,771,425
Non-current	**158,215,084**	310,502,008
	P 2,127,254,023	P 2,397,273,433

24.4 Allocated to Unsatisfied Performance Obligations

The aggregate amount of transaction price allocated to partially or wholly unsatisfied contracts amounted to P27,144.8 million and P31,289.2 million as of December 31, 2024 and 2023, respectively, which the Group expects to recognize as follows:

	2024	2023
Within a year	**P 15,376,785,248**	P 19,043,732,745
More than one year to three years	**8,627,310,877**	8,490,547,169
More than three years to five years	**3,140,684,556**	3,754,899,478
	P 27,144,780,681	P 31,289,179,392

25. COST OF GOODS SOLD AND SERVICES

The components of cost of goods sold and services are as follows:

	Notes	**2024**	2023	2022
Cost of Goods Sold:	2.13			
Cost of consumer goods sold:				
Direct materials used		**P 35,520,254,924**	P 40,558,706,241	P 35,638,751,036
Salaries and employee benefits	28.1	**2,251,675,175**	2,184,901,292	1,838,973,857
Depreciation and amortization	13	**1,060,755,118**	961,883,303	1,129,963,712
Change in work in process and finished goods		**(1,034,096,769)**	(3,775,256,463)	(415,171,560)
Taxes and licenses		**591,577,618**	534,838,764	354,927,471
Repairs and maintenance		**425,077,380**	523,610,200	431,130,827
Utilities		**360,759,744**	386,091,428	551,953,927
Indirect materials and other consumables		**338,575,412**	399,053,915	571,133,440
Outside services	30.1	**316,852,635**	362,140,147	319,568,784
Supplies		**58,931,745**	168,155,858	211,353,831
Other direct and overhead costs	8	**2,516,797,980**	1,439,014,493	1,410,700,887
		42,407,160,962	43,743,139,178	42,043,286,212
Cost of real estate sales:				
Contracted services		**21,452,258,280**	17,641,717,864	15,157,644,269
Land costs		**3,298,972,977**	2,840,510,272	2,423,993,776
Borrowing costs		**-**	810,171,996	722,695,142
Other costs		**629,890,414**	312,285,008	250,422,205
	2.7	**25,381,121,671**	21,604,685,140	18,554,755,392
		P 67,788,282,633	P 65,347,824,318	P 60,598,041,604
Cost of Services:	2.13			
Food, supplies and other consumables		**P 21,866,513,600**	P 19,460,005,282	P 14,988,495,307
Salaries and employee benefits	28.1	**9,963,002,569**	8,319,455,866	6,462,541,398
Gaming license fees	29.3	**6,643,263,261**	6,888,916,213	6,086,970,292
Depreciation and amortization	13, 14	**5,695,641,968**	4,932,786,354	5,455,523,991
Rental	13.4	**4,000,159,429**	3,646,257,636	3,064,223,374
Hotel operations		**2,212,657,850**	1,620,632,100	1,061,319,773
Outside services		**1,595,835,161**	1,761,496,455	1,488,424,410
Casino operating expenses		**513,013,873**	784,144,049	693,510,630
Entertainment, amusement and recreation		**133,174,200**	117,449,296	20,657,431
Flight operations		**63,368,214**	83,517,415	81,381,792
Other direct and overhead costs		**4,978,635,313**	4,370,848,671	3,530,701,426
		P 57,665,265,438	P 51,985,509,337	P 42,933,749,824

Other direct and overhead costs include, among others, costs incurred for real property taxes, insurance, repairs and maintenance, utilities, other operating supplies, service fees charged by online ordering platforms and waste disposal.

26. OTHER OPERATING EXPENSES

The details of other operating expenses are shown below.

	Notes	2024	2023	2022
Advertising and promotions		**P 11,288,010,509**	P 10,526,265,095	P 8,393,105,734
Salaries and employee benefits	22.6, 28.1	**9,342,367,229**	8,577,048,931	7,117,368,960
Depreciation and amortization	13, 14, 15, 16	**5,089,680,203**	4,817,053,169	4,714,033,687
Professional fees and outside services		**2,890,397,048**	2,600,238,679	2,472,439,754
Commissions	24.3	**2,645,540,528**	2,188,355,682	1,885,117,123
Royalty	31.5	**2,610,476,842**	2,310,247,568	1,716,009,757
Taxes and licenses		**2,098,585,967**	1,658,774,431	1,623,283,048
Utilities		**2,089,667,645**	2,086,894,173	1,998,216,345
Loss on cancellation of sales contract		**1,569,242,471**	976,656,527	777,544,878
Transportation and travel		**1,424,240,743**	1,389,595,654	1,132,976,003
Dues and subscriptions		**804,357,129**	585,870,916	471,922,019
Repairs and maintenance		**749,752,239**	1,051,765,410	814,300,385
Insurance		**490,753,224**	496,316,601	358,202,494
Donations and contributions		**445,689,321**	439,339,969	344,386,041
Rental	13.4	**402,753,884**	352,411,697	331,533,574
Freight and handling		**319,405,736**	477,553,250	491,265,922
Management fees	30.2, 31.4	**292,000,775**	252,771,273	639,178,363
Representation and entertainment		**221,141,660**	385,092,531	289,079,427
Impairment of receivables	6	**141,807,125**	250,536,741	37,657,409
Communication and office expenses		**126,187,791**	148,389,004	108,161,351
Supplies		**79,184,729**	81,487,773	135,561,005
Impairment of goodwill	15	**77,347,633**	-	-
Meal expenses		**13,830,105**	23,833,707	21,542,293
Write-down of inventories	8	**-**	-	162,489,934
Miscellaneous	7, 13.2, 21, 31.2	**2,132,331,879**	1,720,563,867	1,887,521,492
		P 47,344,752,415	P 43,397,062,648	P 37,922,896,998

Miscellaneous expenses include expenses incurred for security services, supplies and other consumables, donations, training and development, dues and subscriptions, and various other expenses.

These other operating expenses are classified by function as follows:

	2024	2023	2022
General and administrative expenses	**P 28,399,849,424**	P 25,738,520,042	P 23,522,854,985
Selling and marketing expenses	**18,944,902,991**	17,658,542,606	14,400,042,013
	P 47,344,752,415	P 43,397,062,648	P 37,922,896,998

27. OTHER INCOME AND CHARGES

Other income and charges provide details of Finance and Other Income account and Finance Costs and Other Charges account as presented in the consolidated statements of comprehensive income.

	Notes	**2024**	2023	2022
Finance and other income:				
Interest income	5, 6, 7, 9	**P 4,008,474,746**	P 4,797,687,835	P 3,202,355,753
Dividend income		**97,571,890**	26,083,388	1,631,280
Reversal of impairment losses on receivables	6	**58,201,597**	48,428,860	35,684,766
Reversal of impairment losses on PPE – net	13.1, 13.2	**24,184,777**	36,035,062	74,555,614
Gain from derecognition of right-of-use assets and lease liabilities	13.2, 13.3	**22,562,023**	13,092,751	6,920,584
Fair value gains – net	7	**1,119,163**	-	-
Foreign currency gains – net	19	**-**	213,971,773	-
Gain on sale of financial assets at FVTPL	7	**-**	3,887,967	9,465,006
Gain from COVID-19-related rent concessions	3.1(n)	**-**	-	239,692,435
Miscellaneous – net	7, 8, 9	**832,363,847**	868,768,957	1,294,031,090
		P 5,044,478,043	P 6,007,956,593	P 4,864,336,528
Finance costs and other charges:				
Interest expense	13.3, 18, 19, 20, 28.2	**P 12,926,596,809**	P 10,820,585,377	P 8,517,493,283
Foreign currency losses – net	19	**1,223,848,254**	-	1,339,128,933
Effect of deconsolidation	1.1(q)	**193,974,187**	-	-
Loss on disposal of PPE – net	13	**20,088,408**	43,765,970	65,065,014
Loss on sale of financial assets at FVTPL	7	**910,184**	-	-
Day one loss	6	**-**	923,414,356	543,289,914
Fair value losses – net	7	**-**	5,551,443	20,898,129
Miscellaneous		**433,666,634**	524,970,677	315,023,356
		P 14,799,084,476	P 12,318,287,823	P 10,800,898,629

Interest income mainly pertains to interest earned from the Group's financial assets at amortized cost and financial assets at FVTPL.

Miscellaneous income includes gain on sale of other non-current assets, marketing fees and others.

Miscellaneous expenses pertain to amortization of discounts on security deposits, bank charges and other related fees.

28. SALARIES AND EMPLOYEE BENEFITS

28.1 Salaries and Employee Benefits

Expenses recognized for salaries and employee benefits are presented below.

	Notes	2024	2023	2022
Short-term employee benefits		**P 21,494,713,684**	P 19,077,173,849	P 15,227,403,649
Post-employment defined contribution		**387,774,759**	326,760,138	255,534,650
Post-employment defined benefit	2.16, 28.2	**302,969,887**	249,247,769	362,189,477
Share option benefit expense	22.6, 28.3 30.6	**97,299,207**	62,108,633	92,790,833
		P 22,282,757,537	P 19,715,290,389	P 15,937,918,609

These are classified in the consolidated statements of comprehensive income as follows:

	Notes	2024	2023	2022
Cost of services	25	**P 9,963,002,569**	P 8,319,455,866	P 6,462,541,398
Cost of goods sold	25	**2,251,675,175**	2,184,901,292	1,838,973,857
Other operating expenses	26	**9,342,367,229**	8,577,048,931	7,117,368,960
		21,557,044,973	19,081,406,089	15,418,884,215
Capitalized as part of work-in-process inventories	8	**725,712,564**	633,884,300	519,034,394
		P 22,282,757,537	P 19,715,290,389	P 15,937,918,609

28.2 Post-employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

Megaworld Group, EDI, EELHI, GADC and WML maintain funded, tax-qualified, noncontributory post-employment benefit plans, except that EELHI is partially-funded and GADC allows voluntary employee contribution. Each of the plans is being administered by a trustee bank that is legally separated from the Group. GERI and GADC's subsidiaries have unfunded, noncontributory post-employment benefit plans. All of plans mentioned cover all qualified regular and full-time employees.

The Parent Company and all other subsidiaries have no established corporate retirement plans. AWGI and TEI compute their retirement obligations based on the provisions of R.A. No. 7641, *The Retirement Pay Law*. Whereas, the Parent Company and the other subsidiaries within the Group have not accrued any post-employment benefit obligation as each entity has less than ten employees. The Group's management believes that non-accrual of the estimated post-employment benefits will not have any material effect on the Group's consolidated financial statements.

(b) Explanation of Amounts Presented in the Consolidated Financial Statements

Actuarial valuations are made annually to update the post-employment benefit costs and the amount of contributions. All amounts presented in the succeeding pages are based on the actuarial valuation reports obtained from independent actuaries in 2024 and 2023.

The amounts of retirement benefit obligation as of the end of the reporting periods presented in the consolidated statements of financial position, are determined as follows:

	2024	2023
Present value of the obligation	**P 13,155,834,180**	P 13,590,610,819
Fair value of plan assets	**(11,316,884,721)**	(11,846,379,884)
	P 1,838,949,459	P 1,744,230,935

The movements in the present value of retirement benefit obligation are as follows:

	2024	2023
Balance at beginning of year	**P 13,590,610,819**	P 11,854,948,509
Current service and interest costs	**985,605,945**	876,356,541
Remeasurements –		
Actuarial losses (gains) arising from changes in:		
Financial assumptions	**(1,047,753,508)**	677,394,780
Experience adjustments	**72,955,298**	675,328,076
Demographic assumptions	**21,351,167**	(293,438,614)
Benefits paid	**(852,544,415)**	(600,412,473)
Effects of foreign currency adjustment	**416,853,000**	400,434,000
Disposal of subsidiaries	**(31,244,126)**	-
Balance at end of year	**P 13,155,834,180**	P 13,590,610,819

The movements in the fair value of plan assets of funded retirement plans of the Group are presented below.

	2024	2023
Balance at beginning of year	**P 11,846,379,884**	P 11,100,024,776
Interest income	**565,619,316**	616,890,249
Effects of foreign exchange adjustment	**444,168,250**	436,009,089
Contributions paid into the plan	**119,441,900**	91,941,770
Return (loss) on plan assets (excluding amounts included in net interest)	**(886,043,284)**	200,345,866
Benefits paid	**(772,681,345)**	(598,831,866)
Balance at end of year	**P 11,316,884,721**	P 11,846,379,884

The plan assets of MEG, EMI, GADC and Travellers as of December 31 consist of the following:

	2024	2023
Investments in:		
Long-term equity securities	**43.64%**	43.57%
Debt securities	**42.02%**	42.28%
Unit investment trust fund	**2.48%**	2.75%
Cash and cash equivalents	**7.61%**	7.20%
Property	**4.20%**	4.20%
Others	**0.04%**	0.01%
	100.00%	100.00%

Actual loss on plan assets in 2024 amounted to P320.4 million while actual gain on plan assets in 2023 amounted to P817.2 million.

As of December 31, 2024 and 2023, the funds include investments in securities of its related parties (see Note 30.7).

The carrying amount and fair value of investments in debt securities of entities within the Group as of December 31, 2024 amounted to P46.9 million and P45.8 million, respectively, while the carrying amount and fair value as of December 31, 2023 amounted to P102.1 million and P101.7 million, respectively. Unrealized fair value losses on these securities as of December 31, 2024 and 2023 amounted to P0.7 million and P0.9 million, respectively.

The carrying amount and fair value of investments in equity securities of entities within the Group as of December 31, 2024 amounted to P40.0 million and P33.1 million, respectively, while the carrying amount and fair value as of December 31, 2023 amounted to P40.0 million and P30.1 million, respectively. Unrealized fair value losses on these securities as of December 31, 2024 and December 31, 2023 amounted to P6.9 million and P9.4 million, respectively.

The fair value of the investments in other securities and debt instruments, long-term equity investments and cash and cash equivalents is at Level 1 in the fair value hierarchy. Unit investment trust fund is at Level 2, while loans and receivables and property are at Level 3 (see Note 34).

The components of amounts recognized in profit or loss and other comprehensive income in respect to the defined benefit plan are presented below and in the succeeding page:

	2024	2023	2022
Reported in consolidated profit or loss:			
Current service cost	**P 302,969,887**	P 249,247,769	P 364,698,371
Interest expense	**117,016,742**	10,218,523	102,379,703
Past service cost	**-**	-	(2,508,894)
	P 419,986,629	P 259,466,292	P 464,569,180

	2024	2023	2022
Reported in consolidated other comprehensive income:			
Actuarial gains (losses) arising from changes in:			
Financial assumptions	**P 1,047,753,508**	(P 677,394,780)	P 6,729,674,004
Experience adjustments	**(72,955,298)**	(675,328,076)	457,950,348
Demographic assumptions	**(21,351,167)**	293,438,614	(522,858,158)
Return (loss) on plan assets (excluding amounts in net interest expense)	**(886,043,284)**	200,345,866	(6,249,181,321)
Change in effect of asset ceiling	**-**	-	323,524
	67,403,759	(858,938,376)	415,908,397
Tax income (expense)	**(45,137,519)**	169,138,340	(70,320,718)
	P 22,266,240	P 689,800,036	P 345,587,679

The amounts of post-employment benefits expense are included as part of Salaries and employee benefits under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 26).

The net interest costs are presented as part of Interest expense under Finance Costs and Other Charges account (see Note 27).

In determining the post-employment benefit obligation, the following actuarial assumptions were used:

	2024	2023
Discount rates	**5.40% - 6.20%**	5.20% - 7.00%
Expected rates of salary increases	**3.00% - 7.00%**	3.00% - 10.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The discount rates assumed were based on the yields of long-term government bonds, as of the valuation dates. The applicable period used approximate the average years of remaining working lives of the Group's employees.

(c) Risks Associated with the Retirement Plan

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk, salary risk and inflation risk.

(i) Investment and Interest Rate Risks

Discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

Currently, the plans have placed majority of its plan assets in investments in equity and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity and debt investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(iii) Inflation Risk

A significant portion of the defined benefit obligation is linked to inflation. The increase in inflation will increase the Group's liability.

(d) Other Information

(i) Sensitivity Analysis

The information on the sensitivity analysis for certain significant actuarial assumptions, the Group's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described below.

		Impact on Post-employment Obligation	
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
December 31, 2024			
Discount rate	**+/-0.25% to +/-6.11%**	**(P 946,963,295)**	**P 1,036,022,519**
Salary increase rate	**+/-1.00% to +/-4.00%**	**508,819,798**	**(457,133,619)**
December 31, 2023			
Discount rate	+/-0.25% to +/-6.12%	(P 946,418,400)	P 950,455,265
Salary increase rate	+/-1.00% to +/-4.00%	515,412,860	(384,681,381)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

The Group, through its BOD, envisions that the investment positions shall be managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This aims to match the plan assets to the retirement obligations by investing and selling of equities and debt securities that match the benefit payments as they fall due and in the appropriate currency.

(iii) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P1,838.9 million based on the Group's latest actuarial valuations. While there is no minimum funding requirement in the Philippines, the size of the underfunding may pose a cash flow risk in about 20 years' time when a significant number of employees is expected to retire.

The maturity profile of undiscounted expected benefit payments from the plan as of December 31 are as follows:

	2024	2023
Within one year	**P 901,988,240**	P 796,308,379
More than one year to five years	**2,048,072,517**	1,806,645,667
More than five years to ten years	**2,316,501,056**	1,549,764,690
More than ten years to 15 years	**744,244,632**	511,765,574
More than 15 years to 20 years	**1,675,343,509**	1,060,881,067
More than 20 years	**6,211,311,644**	4,844,855,091
	P 13,897,461,598	P 10,570,220,468

The Group expects to contribute P113.3 million and P40.0 million to the retirement plan maintained for Megaworld and GADC, respectively, in 2024. GERI and EMI have yet to decide the amount of future contributions to their existing retirement plans.

28.3 Share Option Benefits

The Group's share option benefit expense includes the amounts recognized by the Company, Megaworld, GERI and EMI over the vesting period of the options granted by them (see Note 22.6). Options for 495.0 million shares have vested and exercisable as of December 31, 2024 and 2023 (see Note 22.6). Share option benefits expense, included as part of Salaries and employee benefits amounted to P97.3 million in 2024, P62.1 million in 2023 and P92.8 million in 2022 (see Note 28.1).

29. TAXES

29.1 Current and Deferred Taxes

On March 26, 2021, R.A. No. 11534, *Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*, as amended, was signed into law and took effect on April 11, 2021 (15 days after publication). The following are the major changes brought about by the CREATE Act, which are relevant to and considered by AGI and its Philippine subsidiaries:

- regular corporate income tax ("RCIT") rate was decreased from 30% to 20% or 25% starting July 1, 2020;
- minimum corporate income tax ("MCIT") rate was reduced from 2% to 1% starting July 1, 2020 until June 30, 2023 and starting July 1, 2023, the MCIT will return to its previous 2% rate;
- the allowable deduction for interest expense is reduced from 33% to 20% of the interest income subjected to final tax.

The tax expense (income) reported in the consolidated statements of comprehensive income for the years ended December 31 are presented.

	2024	2023	2022
Reported in consolidated profit or loss:			
Current tax expense:			
RCIT at 25%, 19% and 10%	**P 3,463,335,482**	P 3,841,817,852	P 4,803,318,966
Final tax at 20% and 15%	**258,524,860**	323,836,555	143,115,306
MCIT at 2% in 2024, 1.5% in 2023, and 1% in 2022	**79,691,616**	38,379,539	17,183,247
Preferential tax rate at 5%	**8,525,522**	9,904,485	9,375,586
Adjustment in income tax due to change in income tax rate	**-**	(11,442)	-
Others	**16,419,368**	14,770,904	89,502,198
	3,826,496,848	4,228,697,893	5,062,495,303
Deferred tax expense relating to origination and reversal of temporary differences	**4,009,294,445**	3,187,290,599	1,063,725,584
	P 7,835,791,293	P 7,415,988,492	P 6,126,220,887
Reported in consolidated other comprehensive income –			
Deferred tax expense (income) –			
Relating to origination and reversal of temporary differences	**P 75,640,884**	(P 148,246,238)	P 105,259,794

The Company and its Philippine subsidiaries are subject to the higher of RCIT at 25% in 2024, 2023 and 2022 of net taxable income or MCIT at 2% in 2024, 1.5% in 2023 and 1% in 2022 of gross income, as defined under the Philippine tax regulations. The foreign subsidiaries are subject to income and other taxes based on the enacted tax laws of the respective countries or jurisdictions where they operate.

MREIT is registered as a real estate investment trust entity under R.A. No. 9846, which enjoys certain income tax-free incentives, including deductibility of dividend distribution (subject to certain conditions) and exemption from MCIT.

ECOC, SEDI, Travellers, DHRI and LSHRI are Philippine Economic Zone Authority – registered entities which are entitled to 5% preferential tax rate on gross income from registered activities in lieu of all local and national taxes and to other tax privileges.

SPI's The Regal Homes project has qualified in the definition of socialized housing under Section 3(r) of R.A. 7279, *Urban Development and Housing Act of 1992*. Under Section 20 of R.A. 7279, private sector participating in socialized housing shall be exempted from the payment of project-related income taxes, capital gains tax on raw lands use for the project, VAT for the project concerned, transfer tax for both raw and completed projects, and donor's tax for both lands certified by the local government units to have been donated for socialized housing purposes.

The reconciliation of tax on consolidated pretax income computed at the applicable statutory rates to consolidated tax expense is as follows:

	2024	2023	2022
Tax on consolidated pretax income at 25%	**P 8,923,311,827**	P 9,441,354,712	P 7,828,790,860
Adjustment for income subjected to different tax rates	**(15,067,087)**	(134,298,352)	(38,378,993)
Tax effects of:			
Income not subject to RCIT	**(11,564,743,356)**	(11,230,635,098)	(10,107,789,126)
Nondeductible expenses	**8,913,415,358**	8,720,191,048	7,215,389,157
Tax benefit arising from unrecognized deferred tax asset	**1,297,579,551**	985,120,263	971,705,579
Adjustments in claiming Optional Standard Deduction ("OSD")	**(112,539,992)**	(315,071,759)	(163,500,895)
Others	**393,834,992**	(50,672,322)	420,004,305
	P 7,835,791,293	P 7,415,988,492	P 6,126,220,887

The deferred tax assets and liabilities as of December 31 presented in the consolidated statements of financial position relate to the following:

	2024	2023
Deferred tax assets – net:		
Lease liabilities	**P 1,642,249,698**	P 5,193,109,879
NOLCO	**347,774,077**	271,218,444
Allowance for impairment losses	**190,846,203**	146,803,603
Retirement benefit obligation	**134,919,893**	103,005,730
MCIT	**52,871,619**	47,645,602
Allowance for inventory write-down	**10,694,519**	13,015,838
Allowance for property development costs	**7,689,776**	7,689,776
Difference between the fair value and carrying value of net assets acquired	**-**	-
Others	**(135,711,416)**	(250,307,810)
	P 2,251,334,369	P 5,532,181,062
Deferred tax liabilities – net:		
Uncollected gross profit	**P 9,990,405,340**	P 8,871,116,571
Capitalized interest	**5,365,648,060**	4,762,170,792
Brand valuation	**3,703,730,348**	3,063,799,036
Rent income differential	**1,428,524,379**	994,723,091
Unrealized foreign currency loss – net	**(910,432,486)**	(613,505,725)
Right-of-use asset	**579,086,765**	4,185,877,203
Fair value adjustment	**574,875,563**	475,550,345
Retirement benefit obligation	**(71,746,497)**	(27,314,403)
Uncollected rental income	**36,210,739**	69,409,723
Others	**542,933,844**	577,723,556
	P 21,239,236,055	P 22,359,550,189

The net deferred tax expense (income) reported in the consolidated statements of comprehensive income is shown below.

	Consolidated Profit or Loss			Consolidated Other Comprehensive Income		
	2024	2023	2022	**2024**	2023	2022
Uncollected gross profit	**P1,119,288,769**	P1,236,071,534	P 539,243,756	**P -**	P -	P -
Brand valuation	**639,931,312**	539,537,547	32,269,966	**-**	-	-
Capitalized interest	**603,477,268**	(16,197,366)	864,237,949	**-**	-	-
Rent income differential	**433,801,288**	(285,819,406)	243,170,181	**-**	-	-
Unrealized foreign currency gains (losses) - net	**(332,002,306)**	1,264,816,070	(1,243,208,998)	**-**	-	-
Fair value adjustments	**99,253,084**	83,682,052	5,005,059	**-**	-	-
NOLCO	**(76,555,633)**	(58,125,391)	(157,369,822)	**-**	-	-
Retirement benefit obligation	**(53,744,807)**	(328,762,014)	414,513,248	**45,137,519**	(169,138,340)	70,320,718
Allowance for impairment losses	**(42,066,339)**	(57,147,116)	108,135,385	**-**	-	-
Uncollected rental income	**(34,179,194)**	(9,874,515)	12,648,431	**-**	-	-
MCIT	**(6,085,893)**	(13,146,288)	10,808,070	**-**	-	-
Translation adjustments	**-**	-	-	**30,503,365**	20,892,102	34,939,076
Others	**1,658,176,896**	832,255,492	234,272,359	**-**	-	-
Net deferred tax expense (income)	**P4,009,294,445**	P3,187,290,599	P1,063,725,584	**P 75,640,884**	(P 148,246,238)	P 105,259,794

The details of NOLCO, which can be claimed as deduction from the respective subsidiaries' future taxable income, are shown in the succeeding page. Specifically, NOLCO incurred in 2020 and 2021 can be claimed as a deduction within five years after the year it was incurred, pursuant to Section 4 (bbbb) of R.A. No. 11494, *Bayanihan to Recover as One Act* (otherwise known as Bayanihan II) and as implemented under Revenue Regulations No. 25-2020.

Year	Original Amount	Applied	Expired Balance	Remaining Balance	Valid Until
2024	P 4,547,184,822	P -	P -	P 4,547,184,822	2027
2023	3,759,464,986	(11,595,102)	-	3,747,869,884	2026
2022	4,271,830,950	(17,773,024)	-	4,254,057,926	2025
2021	3,894,565,470	(11,751,273)	-	3,882,814,197	2026
2020	5,094,795,699	(1,871,301)	-	5,092,924,398	2025
	P21,567,841,927	**(P 42,990,700)**	**P -**	**P21,524,851,227**	

Some companies within the Group are subject to the MCIT. The details of excess MCIT over RCIT, which can be applied as deduction from the entities' respective future RCIT payable within three years from the year the MCIT was paid, are shown below.

Year	Original Amount	Applied	Expired Balance	Remaining Balance	Valid Until
2024	26,043,600	P -	P -	P 26,043,600	2027
2023	45,489,050	(732,280)	-	44,756,770	2026
2022	14,774,154	(337,558)	-	14,436,596	2025
2021	19,339,585	(280,987)	(19,058,598)	-	2024
	P 105,646,389	**(P 1,350,825)**	**(P 19,058,598)**	**P 85,236,966**	

The table below summarizes the amount of NOLCO and other deductible temporary differences as of the end of 2024, 2023 and 2022 for which the related deferred tax assets have not been recognized by certain subsidiaries within the Group based on their assessments that the related tax benefits may not be realized within the prescriptive period.

	2024		2023		2022	
	Amount	**Tax Effect**	Amount	Tax Effect	Amount	Tax Effect
NOLCO	**P 19,661,022,308**	**P 4,915,255,577**	P 16,496,534,660	P 4,124,133,665	P 12,408,887,407	P 3,102,221,852
Retirement benefit obligation	**334,092,808**	**83,523,202**	212,697,688	53,174,422	76,570,000	19,142,500
Allowance for impairment	**116,992,856**	**29,248,214**	116,992,856	29,248,214	-	-
MCIT	**33,349,454**	**33,349,454**	31,161,193	31,161,193	114,587,490	114,587,490
Unrealized foreign currency losses (gains) – net	**17,819,060**	**4,454,765**	5,778,304	1,444,576	6,361,032	1,590,258
	P 20,163,276,486	**P 5,065,831,212**	P 16,863,164,701	P 4,239,162,070	P 12,606,405,929	P 3,237,542,100

The total amount of MCIT for which no deferred tax assets have been recognized as of December 31, 2024 and 2023, would expire in full at the end of 2027 and 2026, respectively, while unrecognized deferred taxes from NOLCO as of December 31, 2024 and 2023 will expire in full in 2027 and 2026, respectively. All other unrecognized deferred tax assets do not expire.

29.2 Optional Standard Deduction

Philippine corporate taxpayers have an option to claim either itemized deductions or OSD equivalent to 40% of gross sales. Once the option to use OSD is made at the beginning of the year, it shall be irrevocable for that particular taxable year.

In 2024, 2023 and 2022, the Philippine companies within the Group opted to continue claiming itemized deductions in computing for its income tax due, except for the Parent Company, MDC, LFI, MCTI, EDI, PAI, and AWGI which opted to claim OSD during the said taxable years.

29.3 Taxation of Casino Operations

Under the Provisional License Agreement with PAGCOR, 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. The license fees are directly remitted by Travellers to PAGCOR as required under the Provisional License Agreement.

In April 2013, the Bureau of Internal Revenue ("BIR") issued Revenue Memorandum Circular ("RMC") 33-2013 declaring that PAGCOR and its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended [see Note 31.2(c)].

In August 2016, the SC, in *Bloomberry Resorts and Hotels, Inc. vs. BIR*, (the SC Decision) confirmed that "all contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos." The SC Decision has been affirmed with finality by SC in a resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the BIR. Consistent with the decision of SC, on June 13, 2018, the Office of the Solicitor General issued a legal opinion stating that the tax exemption and imposition of 5% franchise tax in lieu of all other taxes and fees for gaming operations that was granted to PAGCOR extended to all PAGCOR contractees and licensees.

In March 2022, the BIR has issued through a circular which sought to clarify the tax treatment of the PAGCOR, the franchise tax, which is defined as 5% of the Gross Gaming Revenues, shall be remitted to the BIR, specifically to the concerned Revenue District Office ("RDO") where the licensee, in the case, the Company, is registered.

The total license fees recognized amounted to P6,643.3 million, P6,888.9 million and P6,087.0 million in 2024, 2023 and 2022, respectively, and are presented as Gaming license fees as part of Cost of Services account in the consolidated statements of comprehensive income (see Note 25). The outstanding liabilities are presented as Gaming license fees payable under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

29.4 Effect of Pillar Two Rules

On December 21, 2024, Spain published Law 7/2024 ("Global Minimum Tax Law"), implementing a 15% global minimum tax on large multinational and domestic groups. This law aligns with the EU Council Directive 2022/2523 and is separate from the existing 25% Corporate Income Tax.

Key provisions include a Domestic Minimum Top-up Tax ("DMTT"), an Income Inclusion Rule ("IIR") retroactive to December 31, 2023, and an Undertaxed Profits Rule ("UTPR") effective December 31, 2024. Grupo Emperador Spain, S.A. will have to pay a top-up tax on profits from subsidiaries taxed below 15%.

As of the date of approval of the consolidated financial statements, management is continuously monitoring the implementation status of the model rules. While the management anticipates that additional tax liabilities may arise in some jurisdictions where the Group operates, the estimated impact on the Group's effective income tax rate is considered immaterial based on data for the year ended December 31, 2024. In addition, subsequent to the reporting period, the Organization for Economic Co-operation and Development ("OECD") issued an administrative guidance that includes a list of jurisdictions that have transitional qualified status (see Note 32).

30. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, jointly controlled entities, the Group's key management personnel and retirement fund, and others. The summary of the Group's transactions and balances with its related parties as of and for the years ended December 31, 2024, 2023 and 2022 are presented below.

Related Party Category	Notes	Amount of Transaction			Outstanding Balance Receivable (Payable)	
		2024	2023	2022	**2024**	2023
Parent Company and subsidiaries' stockholders:						
Management fees	30.2	**(P 120,717,472)**	P -	P 440,871,113	**(P 359,427,270)**	(P 238,709,798)
Accounts payable	30.4	**(24,500,000)**	(143,202,618)	-	**(147,337,958)**	(171,837,958)
Related party under common ownership:						
Purchase of raw materials and services	30.1	**1,066,682,699**	1,059,246,855	2,512,076,307	**(61,615,067)**	(177,457,126)
Advances granted	30.3	**617,384,606**	(112,550,636)	1,827,132,490	**4,956,555,790**	4,339,171,184
Management services	30.1	**-**	-	60,000,000	**-**	-
Associates –						
Advances granted	30.3	**1,343,736**	383,639	155,505	**1,011,620,312**	1,010,276,576
Others:						
Advances	30.5	**(190,866,044)**	879,566,092	841,776,784	**(1,004,242,464)**	(748,190,436)
Accounts receivable	30.4	**(327,041,688)**	(370,502,910)	393,203,082	**612,275,090**	939,316,778
Sale of investment property	30.8	**-**	-	(378,391,250)	**-**	-
Accounts payable	30.4	**-**	3,070,715	-	**(42,137,715)**	(42,137,715)
Donations	31.2(b)	**256,237,881**	251,480,457	216,574,106	**21,765,546**	25,336,837
Retirement plan –						
Investments in equity and debt securities	28.2(b)	**(97,078,614)**	-	-	**33,141,896**	100,175,334

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

30.1 Purchase of Goods and Services

Emperador imports raw materials such as alcohol, flavorings and other items, and finished goods 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, which is considered a related party under joint control.

Moreover, Emperador had a management agreement with a related party under common ownership, for the consultancy and advisory services in relation to the operation, management, development and maintenance of its distillery plant which was terminated beginning 2023. The total management fees incurred are presented as part of Outside services under the Costs of Goods Sold account in the consolidated statements of comprehensive income (see Note 25).

The outstanding liability related to these purchases is presented as part of Trade payables under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

30.2 Operations and Management Agreement with GHL

Some of Travellers' administrative functions are being handled by certain key officers and employees under the management of GHL as agreed by both parties under the Operations and Management Agreement. These transactions are presented as part of Management fees under the Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 26). The outstanding liability arising from this transaction is presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

30.3 Advances to Associates and Related Parties under Common Ownership

Entities within the Group grant advances to associates and related parties under common ownership for working capital purposes. These advances to associates and other related parties are unsecured, noninterest-bearing and repayable upon demand. Settlement is generally made in cash or through offsetting arrangements.

The outstanding balances of Advances to associates and other related parties, which are shown as part of Due from related parties under Trade and Other Receivables account in the consolidated statements of financial position, are presented below (see Note 6).

	2024	2023
Associates	**P 1,011,620,312**	P 1,010,276,576
Other related parties	**4,956,555,790**	4,339,171,184
	P 5,968,176,102	P 5,349,447,760

The movements in the advances to associates and other related parties are as follows:

	2024	2023
Advances to associates		
Balance at beginning of year	**P 1,010,276,576**	P 1,009,892,937
Cash advances granted	**1,343,736**	383,639
Balance at end of year	**P 1,011,620,312**	P 1,010,276,576
Advances to related parties under common ownership		
Balance at beginning of year	**P 4,339,171,184**	P 4,451,721,820
Cash advances granted	**617,384,606**	-
Collections	**-**	(112,550,636)
Balance at end of year	**P 4,956,555,790**	P 4,339,171,184

As of December 31, 2024 and 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 (see Note 32.2).

30.4 Due from/to Related Parties

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

The outstanding balances of Due from/to Related Parties are presented under Trade and Other Receivables (see Note 6) and Trade and Other Payables (see Note 17) accounts, respectively, in the consolidated statements of financial position as follows:

	2024	2023
Due from Related Parties		
Officers and employees	**P 491,263,220**	P 798,217,656
Other related parties	**121,011,870**	141,099,122
	P 612,275,090	P 939,316,778
Due to Related Parties		
Stockholders	**P 147,337,958**	P 171,837,958
Other related parties	**42,137,715**	42,137,715
	P 189,475,673	P 213,975,673

The details of the due from/to related parties are as follows:

	2024	2023
Due from officers and employees		
Balance at beginning of year	**P 798,217,656**	P 1,162,499,493
Additions	**604,349,460**	1,096,357,562
Collections	**(911,303,896)**	(1,460,639,399)
Balance at end of year	**P 491,263,220**	P 798,217,656
Due from other related parties		
Balance at beginning of year	**P 141,099,122**	P 82,134,211
Collections	**(20,087,252)**	-
Additions	**-**	58,964,911
Balance at end of year	**P 121,011,870**	P 141,099,122
Due to stockholders		
Balance at beginning of year	**P 171,837,958**	P 315,040,576
Repayments	**(24,500,000)**	(148,303,503)
Additions	**-**	5,100,885
Balance at end of year	**P 147,337,958**	P 171,837,958
Due to other related parties		
Balance at beginning of year	**P 42,137,715**	P 45,208,430
Repayments	**-**	(3,070,715)
Balance at end of year	**P 42,137,715**	P 42,137,715

As of December 31, 2024 and 2023, based on management's assessment, the outstanding balances of Due from officers and employees and related parties are not impaired; hence, no impairment losses were recognized.

30.5 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.

Advances from golf share partners and lot owners, which amounted to P277.2 million and P250.5 million as of December 31, 2024 and 2023, respectively, and is presented as part of Advances from Related Parties in the consolidated statements of financial position (see Note 10.2).

The movements in advances from related parties are as follows:

	2024	2023
Balance at beginning of year	**P 813,376,420**	P 1,627,756,528
Advances availed	**397,665,776**	510,576,037
Advances paid	**(206,799,732)**	(1,324,956,145)
Balance at end of year	**P 1,004,242,464**	P 813,376,420

30.6 Key Management Personnel Compensation

The compensation of key management personnel is broken down as follows (see Note 28.1):

	2024	2023	2022
Short-term employee benefits	**P 1,252,558,192**	P 1,235,139,714	P 918,784,958
Retirement benefit expense	**144,616,526**	145,550,803	95,025,813
Share option benefit expense	**37,238,848**	30,487,694	50,666,956
	P 1,434,413,566	P 1,411,178,211	P 1,064,477,727

30.7 Transactions with the Retirement Plans

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

The retirement funds include investments in securities of entities within the group [see Note 28.2(b)]. The fair value, carrying amount and the composition of the plan assets as of December 31, 2024 and 2023 are shown in Note 28.2.

30.8 Sale of Investment Property

In 2017, GADC sold a parcel of land to a certain related party with an aggregate cost of P555.7 million for a total consideration of P565.5 million. Receivable from the sale of land amounted to P378.4 million as of December 31, 2021. The receivable is collectible upon the completion and submission of required documents by the buyer. The amount was collected in full in 2022.

31. COMMITMENTS AND CONTINGENCIES

31.1 Operating Lease Commitments – Group as Lessor

The Group is a lessor under non-cancellable operating lease agreements covering various office and commercial spaces. The leases have terms ranging from 2 to 10 years, with renewal options, and include annual escalation rate of 5% to 10%.

The Group is subject to risk incidental to the operation of its office and commercial properties, which include, among others, changes in market rental rates, inability to renew leases upon lease expiration, and inability to collect rent from tenants due to bankruptcy or insolvency of tenants. Majority of the Group's revenue from rental properties are derived from commercial and BPO-based tenants. If the expected growth, particularly from BPO-based tenants, does not meet management's expectations, or in the case of commercial tenants more stringent health measures are imposed resulting to further temporary or permanent closures of commercial establishments, the Group may not be able to lease their properties in a timely manner or collect rent at profitable rates.

To mitigate these risks, tenants pay security deposits and advance rent equal to three to six months' rent, which are forfeited in case a tenant pre-terminates without prior notice or before the expiry of lease term without cause. In addition, tenants are usually required to pay the monthly rent in advance on a monthly basis, without need of further demand. Security deposits and advance rent are presented as part of Deferred rental income under Other Current Liabilities and Other Non-current Liabilities in the consolidated statements of financial position (see Note 21).

Future minimum lease receivables under these leases as of December 31 are as follows:

	2024	2023	2022
Within one year	**P 19,168,390,947**	P 16,524,807,397	P 16,954,000,233
After one year but not more than five years	**92,852,487,948**	85,486,290,073	82,362,750,582
More than five years	**36,835,676,821**	28,326,544,473	28,155,620,943
	P 148,856,555,716	P 130,337,641,943	P127,472,371,758

31.2 Provisional License Agreement of Travellers with PAGCOR

On June 2, 2008, PAGCOR issued a Provisional License ("License") authorizing Travellers to participate in the development of a portion of certain entertainment sites (Site A and B), which is part of a larger scale integrated tourism project envisioned by PAGCOR, and to establish and operate casinos, and engage in gaming activities in Sites A and B. The term of Travellers' License shall be co-terminus with PAGCOR's franchise which will expire on July 11, 2033, and shall be renewed subject to the terms of the PAGCOR Charter.

(a) Investment Commitments

Under the terms of the License, Travellers and WCI are required to complete its U.S.$1.3 billion (about P75.4 billion) investment commitment in phases, which amount is divided into Site A and Site B with the minimum investment of U.S.$1.1 billion (about P63.8 billion) and U.S.$216.0 million (about P12.5 billion), respectively (collectively, the "Project").

Since PAGCOR was only able to turnover and/or deliver possession of Site A property to the Group in 2014, PAGCOR approved a revised project implementation plan for the Westside City Project. WCI held the groundbreaking rites at Site A on October 1, 2014.

As a requirement in developing the aforementioned Project, Travellers transferred U.S.$100.0 million (about P5.8 billion) to an escrow account with a universal bank mutually agreed by PAGCOR and Travellers. At any given time, the escrow account shall have a maintaining balance of not lower than U.S.$50.0 million (about P2.9 billion) (see Note 9). If the funds fall below the maintaining balance at any given time, Travellers is allowed a 15-day grace period to achieve the maintaining balance, failure in which will cause Travellers to be charged by PAGCOR an amount equal to P2.5 million for every 15-calendar day period, or a fraction thereof, until the balance is maintained. While the Project is on-going, all funds for the development of the Project shall pass through the escrow deposit and all drawdown therefrom must be applied to the Project, unless Travellers is allowed to use other funds.

As of December 31, 2024 and 2023, Travellers has spent P142.0 billion and P138.0 billion, respectively, (about $2.7 billion in both years) for its casino projects pursuant to its investment commitment under the License. It has restricted short-term placements amounting to U.S.$50.4 million as of December 31, 2024 and 2023 (about P2.6 billion in both years), to meet its requirements with PAGCOR in relation to these investment commitments (see Note 9).

(b) Requirement to Establish a Foundation

Travellers, in compliance with the requirement of PAGCOR to incorporate and register a foundation for the restoration of cultural heritage, incorporated Resorts World Philippines Cultural Heritage Foundation Inc. (or the "Foundation"), on September 7, 2011 primarily to engage in various activities for charitable, educational, cultural and artistic purposes, and to promote, perpetuate, preserve and encourage Filipino culture.

The Foundation shall be funded by Travellers by setting aside funds on a monthly basis equivalent to 2% of total gross gaming revenues from non-junket tables. PAGCOR sets the guidelines for the utilization of funds as it approves, monitors the implementation, and conducts a post-audit of the projects the Foundation undertakes.

Pursuant to PAGCOR's guidelines, the Foundation is tasked to undertake projects in line with the following disciplines: (i) restoration of cultural heritage; (ii) education; and, (iii) environment and health. As of December 31, 2024, the following are the completed and on-going projects of the Foundation:

- Donation of relief goods to victims of typhoons;

- Construction of school buildings in partnership with the Philippine Department of Education ("DepEd") whereby six school buildings in various public schools in Metro Manila and Luzon were completed and turned over to DepEd and the collegiate universities;

- Computerization project with DepEd through providing a computer laboratory to various public schools in various parts of the country whereby all phases of the said project covering 27 schools have been completed;

- Funding of the construction of a cadet barracks at the Philippine Military Academy ("PMA") in Baguio City in a joint effort with another PAGCOR licensee's foundation, which was completed and turned over to PMA;

- Scholarship program for underprivileged but deserving students enrolled in the field of performing arts;

- Construction of treatment and rehabilitation centers in coordination with the Department of Health in Davao City and Taguig City;

- Donation of funds for medicines, medical supplies and equipment for Philippine National Police Camp Crame General Hospital and Paranaque City;

- Donation of medical supplies and relief goods to public hospitals and various government units to aid in the COVID-19 efforts;

- Construction of the National Capital Region Police Office Medical Center and Administrative Processing Center;

- Donation of funds for the Construction of the Naga City Hospital Phase II;

- Information, education and communication materials for Dangerous Drugs Abuse Prevention and Treatment Program;

- Cash donation for the construction of the Magiting Verterans Wing at Veterans Memorial Medical Center; and

- Cultural development projects and sponsorship activities.

Donations to the Foundation are recorded as part of Miscellaneous under Other Operating Expenses account (see Note 26). The outstanding liability, representing donations due for the last month of each year, and which is unsecured, noninterest-bearing and payable in cash upon demand, as of December 31, 2024 and 2023 is presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

(c) Tax Contingencies of Casino Operations

Under the Travellers' License with the PAGCOR, Travellers is subject to the 25% and 15% license fees, in lieu of all taxes, with reference to the income component of the gross gaming revenues. In April 2013, however, the BIR issued RMC 33-2013 declaring that PAGCOR, its contractees and its licensees are no longer exempt from corporate income tax under the National Internal Revenue Code of 1997, as amended (see Note 29.3).

In August 2016, the SC confirmed that "all contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos." The SC Decision has been affirmed with finality by the SC in a Resolution dated November 28, 2016, when it denied the Motion for Reconsideration filed by the BIR. Consistent with the decision of SC, on June 13, 2018, the Office of the Solicitor General issued a legal opinion stating that the tax exemption and imposition of 5% franchise tax in lieu of all other taxes and fees for gaming operations that was granted to PAGCOR extended to all PAGCOR contractees and licensees.

In March 2022, the BIR issued a circular, which sought to clarify that the franchise tax imposed to PAGCOR and its licensees, 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 licensee 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, Travellers is in the position that the the SC Decision extends to both on all taxes, including VAT, and as such, management did not report any VAT on its gaming transactions.

31.3 Participation in the Incorporation of Entertainment City Estate Management, Inc. ("ECEMI")

As a PAGCOR licensee, Travellers committed itself to take part in the incorporation of ECEMI in 2012, a non-stock, non-profit entity that shall be responsible for the general welfare, property, services and reputation of the Bagong Nayong Pilipino Entertainment City Manila. As of December 31, 2024 and 2023, contributions made to ECEMI booked in favor of Travellers amounted to P1.3 million and is presented as part of Others under Trade and Other Receivables account in the consolidated statements of financial position (see Note 6).

31.4 Various Hotel Agreements Entered by Travellers

(a) Marriott Group (Marriott and Courtyard Iloilo)

Travellers has various service, license and royalty agreements with Marriott International B.V., Marriott International Design and Construction Services Inc., and International Hotel Licensing Company S.A.R.L., and Marriott International Licensing Company B.V. (collectively hereafter referred to as "Marriott Group") for the license, supervision, direction, control and management of operations of the Travellers' Marriott, including the monitoring of its compliance with Marriott Group's standards.

The service agreements also include certain services in support of Marriott outside the Philippines. Such services are generally made available to hotels in the Marriott System and shall include the international advertising, promotion and sales programs, core training programs and other training programs for the benefit of the Marriott employees, special services and programs for the benefit of the Marriott System, and the reservations system, property management system and other systems.

Further, the license and royalty agreement with Marriott Group grants Travellers a non-exclusive and non-transferable right and license within Metro Manila and Iloilo to use the Marriott Trademarks for hotel services and other related goods and services offered only in connection with Travellers' Marriott hotels and brands.

(b) Holiday Inn Express

In 2017, Travellers also entered into a Hotel Management Agreement ("HMA") with Holiday Inns (Philippines), Inc. for the license, supervision, direction, control and management of operations of Holiday Inn Express (formerly Remington Hotel), including the monitoring of its compliance with the hotel group standards.

The HMA includes security arrangements, refurbishment of the existing structure, rebranding, advertising, promotion and sales programs, core training programs and other training programs for the benefit of the employees, special services, the reservations system, property management system and other systems.

The parties also entered into a Franchise Agreement for the non-exclusive use and non-transferable license to use the brand marks for the hotel services and other related goods offered in connection with Travellers' Holiday Inn Express.

(c) Hotel Okura Manila

Also in 2017, Travellers and Hotel Okura Co., Ltd ("Okura") signed another HMA for the license, supervision, direction, control and management of operations of the Hotel Okura Manila, which includes advertising, promotion and sales programs, core training programs and other training programs for the benefit of the employees, special services, the reservations system, property management system and other systems.

The HMA with Okura grants Travellers a non-exclusive and non-transferable right to use the Okura trademarks for hotel services and other related goods and services offered only in connection with the Hotel Okura Manila, which held its soft opening in December 2021.

In 2019, Hotel Okura Co., Ltd.'s wholly owned subsidiary, Okura Nikko Hotel Management Co., Ltd., entered into a Deed of Assignment and Assumption of Management Agreement with the Group relating to Okura. On January 2022, Hotel Okura started its full commercial operations.

(d) *Sheraton Manila Hotel*

In 2017, an Operating Services Agreement ("OSA") was executed between LSHRI and Starwood Asia Pacific Hotels & Recreation PTE. LTD ("Starwood"), a fully-owned company of Marriott Group, for the license, supervision, direction, control and management of operations of the Sheraton Manila Hotel, including the monitoring of its compliance with Marriott Group's standards.

The OSA also includes certain services similar to those covered by the existing agreement with the Marriott Group. Likewise, the license and royalty agreement with Starwood grants LSHRI similar rights provided by Marriott Group to Travellers. In January 2019, Sheraton Manila Hotel started its commercial operations.

(e) *Hilton Manila*

Also in 2017, a Management Agreement ("MA") was executed between DHRI and Hilton International Manage LLC ("Hilton") for the license, supervision, direction, control and management of operations of Hilton Manila, including the monitoring of its compliance with Hilton's standards.

The MA includes design and decoration of the Hilton Manila, advertising, promotion and sales programs, core training programs and other training programs for the benefit of the Hilton employees, special services and programs, and the reservations system, property management system and other systems.

The MA grants DHRI a nonexclusive and nontransferable right to use the Hilton Trademarks for hotel services and other related goods and services offered only in connection with the Hilton Manila. The Hilton Manila started operations in October 2018.

Payments to be made by Travellers for operating these foregoing hotel brands shall be computed based on the provisions of the above agreements. Total expenses recognized from these transactions in 2024, 2023 and 2022 totaled P286.7 million, P243.7 million and P132.8 million, respectively, and are presented as part of Management fees under the Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 26).

The outstanding liabilities, which are unsecured, noninterest-bearing and payable in cash upon demand, as of December 31, 2024 and 2023 amounted to P63.0 million and P93.9 million, respectively, and are presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

31.5 License Agreements with MRO

MRO granted GADC the nonexclusive right to adopt and use the McDonald's System in its restaurant operations in the Philippines. In March 2005, the license agreement was renewed for another 20 years, and provides for a royalty fee based on certain percentage of gross sales from the operations of GADC's restaurants, including those operated by the franchisees. GADC recognized royalty expenses amounting to P2,610.5 million, P2,310.2 million and P1,716.0 million in 2024, 2023 and 2022, respectively, which are presented under Other Operating Expenses account in the consolidated statements of comprehensive income (see Note 26). The outstanding payable to MRO relating to royalty expenses amounted to P428.0 million and P397.6 million as of December 31, 2024 and 2023, respectively, and presented as part of Accrued expenses under Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

Individual sublicense arrangements granted to franchisees and joint venturers generally include a lease and a license to use the McDonald's system in the Philippines and, in certain cases, the use of restaurant facility, generally for a period of 10 years provided, however, that should GADC's license rights from McDonald's be terminated at an earlier date or not renewed for any reason whatsoever, these sublicense agreements shall thereupon also be terminated. Revenues recognized from sublicense agreements are presented as Franchise revenues under Rendering of Services in the consolidated statements of comprehensive income (see Note 24.1).

31.6 Skytrain Project

In 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 has undergone review and evaluation at NEDA Board.

31.7 CDA between WCI and SUN

The principal terms of the co-development agreement are as follows (see Note 16):

(i) WCI and the 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 (P594.9 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.

In line with the foregoing, on February 21, 2020, WCI and Travellers entered into a lease agreement with SUN. The parties agreed that the lease shall start from a certain period that may be agreed upon by the parties. The rental terms shall commence upon the commercial operations of the Hotel Casino. As of December 31, 2024, the construction remains in progress and operations have not yet commenced.

(ii) *SUN Shall Finance the Development and Construction of a Hotel Casino*

On October 28, 2019, a CDA was entered into by WCI and Travellers with SUN, wherein WCI and the Travellers agreed to lease the portion of Site A to SUN for the development and management of the hotel casino. Consequently, construction activities at Site A were suspended on October 31, 2019, following the agreement. As part of the agreement, the construction costs already incurred by the Group on Site A were to be reimbursed by SUN. Accordingly, Construction in Progress amounting to P4.0 billion was reclassified to Non-current Asset as Held for Sale, to reflect the intention of the management to sell the asset. In 2021, the Group was reimbursed by SUN for the construction cost; and the assets were eventually derecognized in 2021 upon completion of the asset transfer to SUN.

In 2021, these conditions specified in the CDA have been fulfilled and the transfer of assets has been completed (see Note 16).

SUN shall continue to finance the development and construction of a hotel casino on the leased area.

(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 of the operations and management agreement to be mutually agreed between the WCI and SUN. The operations and management agreement was entered into by the parties on May 4, 2020.

In accordance with the agreement, WCI's share on the gross gaming revenues shall be as follows (which payment shall only be payable when the hotel casino commences operation):

(a) 1% of the gross gaming revenue on VIP of the Casino; and,

(b) 3% of the gross gaming revenue on slot machines and mass market tables of the Casino of the hotel casino, based on the gross gaming revenue as is submitted to PAGCOR from time to time.

As of December 31, 2024, the hotel casino has not yet commenced its operation, hence agreement above has not yet materialized.

(iv) WCI and Travellers as Warrantors

Fortune Noble Limited (Fortune) [a wholly-owned subsidiary of LET 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 the 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 of 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 2.6 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 [see Note 3.1(o)]. 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 ECL model [see Note 2.4(c)].

In accordance with the ECL model, the option price that WCI and Travellers are committed to pay was compared with the value of the collateral or the shares they will receive using the put option. Management determined that the committed option price as of December 31, 2024 and 2023 amounted to P3.2 billion and P3.1 billion, respectively, and the SUN shares are priced in the PSE at P0.90 per share as of December 31 2024 (P3.2 billion in total) and P0.84 per share as of December 31, 2023 (P3.1 billion in total).

As the option price is fully secured by the value of SUN shares and as management assessed that the probability of default was assessed to be remote, Travellers assigned a nil value to the instrument as of December 31, 2024 and 2023.

31.8 Purchase and Sale Commitment

On December 27, 2020, the management approved the sale of certain land and buildings in Spain through the signed letter of intent with a related party under common ownership. The letter of intent stated that the Group would sell and the other party would purchase the assets at a purchase price, equivalent to the net book value of the property, of €16.6 million (equivalent to P961.7 million). In 2023, the sale did not materialize (see Note 16).

31.9 Others

As of December 31, 2024 and 2023, the Group has unused lines of credit from banks and financial institutions totaling P31.5 billion and P48.0 billion, respectively (see Note 18).

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 consolidated financial statements. The management of the Group is of the opinion that losses, if any, from these items will not have any material effect on its consolidated financial statements.

32. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has various financial instruments such as cash and cash equivalents, financial assets at FVTPL, financial assets at FVOCI, interest-bearing loans, bonds payable, trade receivables and payables which arise directly from the Group's business operations. The financial debts were issued to raise funds for the Group's capital expenditures or working capital requirements. 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 (which includes other price risk), credit risk and liquidity risk.

32.1 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 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 presented in the succeeding page.

	U.S. Dollars	HK Dollars	Euros
December 31, 2024			
Financial assets	P 2,374,101,661	P 2,333,342,682	P 249,644,950
Financial liabilities	(52,450,866,355)	(418,496,858)	(19,972,574,551)
	(P 50,076,764,694)	**P 1,914,845,824**	**(P 19,722,929,601)**
December 31, 2023			
Financial assets	P 4,678,192,199	P 2,698,447,122	P 189,755,054
Financial liabilities	(34,451,048,501)	(714,161,785)	(20,118,411,790)
	(P 29,772,856,302)	P 1,984,285,337	(P 19,928,656,736)

The table below illustrates the sensitivity of the consolidated income before tax for the period with respect to changes in Philippine pesos against foreign currency exchange rates. The percentages have been determined based on the average market volatility in exchange rates in the previous year and 12 months, respectively, estimated at 95% level of confidence.

	Reasonably possible change in rate	Effect in consolidated profit before tax
December 31, 2024		
U.S. Dollar	**+/- 9.46%**	**(P 3,748,507,155)**
HK Dollar	**+/- 9.43%**	**180,509,839**
Euros	**+/- 45.40%**	**(8,953,907,760)**
December 31, 2023		
U.S. Dollar	+/- 10.68%	(P 3,074,348,789)
HK Dollar	+/- 10.80%	214,271,649
Euros	+/- 18.20%	(3,627,377,527)

However, if the Philippine peso had weakened against the U.S. dollar, HK dollar, and Euro by the same percentages, then consolidated profit before tax would have changed at the opposite direction by the same amounts.

The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting periods.

The Group periodically reviews the trend of the foreign exchange rates and monitors its non-functional currency cash flows as part of the Group's foreign exchange risk management strategy consistent with its use and/or entering into cross currency swap agreements.

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

(b) Interest Rate Sensitivity

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

The sensitivity of the consolidated income before tax for the period to a reasonably possible change in interest rates of +/- 1.27% for Philippine peso and +/- 2.73% 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 year and 12 months, respectively, estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held as of December 31, 2024 and 2023, with effect estimated from the beginning of the period. All other variables held constant, the consolidated income before tax would have decreased by P3,127.7 million and P372.0 million for the years ended December 31, 2024 and 2023, respectively. Conversely, if the interest rates decreased by the same percentage, consolidated income before tax would have been higher by the same amount.

32.2 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, which include granting loans and receivables to customers and other counterparties, selling goods to customers including related parties, and placing deposits.

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. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of rentals, advance payments are received to mitigate credit risk.

The maximum credit risk exposure of financial assets and contract assets is the total carrying amount of the financial assets as shown in the consolidated statements of financial position or in the detailed analysis provided in the notes to the consolidated financial statements is presented in the succeeding page.

	Notes	2024	2023
Cash and cash equivalents	5	**P 60,602,840,049**	P 65,020,293,464
Trade and other receivables	6	**83,049,599,540**	67,497,727,565
Marketable debt securities	7	**10,447,837,608**	10,015,534,906
Contract assets	24.2	**35,515,792,121**	25,721,450,330
Due from related parties	6	**6,580,451,192**	6,288,764,538
Other financial assets	9	**4,809,972,409**	4,973,406,492
		P 201,006,492,919	P 179,517,177,295

The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash and cash equivalents in banks in the Philippines are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million per depositor per banking institution, which was increased to P1.0 million effective March 15, 2025.

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.

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 has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

The expected loss rates are based on the payment profiles of sales. Further, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the 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.

Based on the Group's assessment, total loss allowance amounted to P1,654.4 million and P1,609.7 million as of December 31, 2024 and 2023, respectively, which is mostly coming from receivables from real estate sales.

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.

The estimated fair value of collateral and other security enhancements held against trade receivables and contract assets are as follows:

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure
2024			
Real estate sales receivables	P 40,443,807,833	P 75,756,257,540	P -
Contract assets	35,515,792,121	86,662,465,873	-
Rental receivables	6,654,501,681	25,956,551,740	-
	P 82,614,101,635	**P 188,375,275,153**	**P -**
2023			
Real estate sales receivables	P 41,328,385,170	P 45,327,170,657	P -
Contract assets	16,725,717,102	40,812,445,170	-
Rental receivables	7,773,678,259	26,677,795,493	-
	P 65,827,780,531	P 112,817,411,320	P -

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

	2024	2023
Not more than 30 days	**P 2,734,319,744**	P 3,988,620,046
31 to 60 days	**1,922,971,318**	1,103,061,834
Over 60 days	**6,118,914,553**	4,220,626,799
	P 10,776,205,615	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 [see Note 31.7(iv)].

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. In 2024, 2023 and 2022, the Group wrote off receivables amounting to P42.7 million, P0.9 million and P0.06 million, respectively.

32.3 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 six-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. Fundraising activities may include obtaining bank loans and capital market issues.

As of December 31, 2024 and 2023, the Group's financial liabilities (excluding lease liabilities – see Note 13.3) 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
December 31, 2024:				
Trade and other payables	P 58,573,696,450	P 14,178,450,105	P -	P -
Interest-bearing loans	13,550,956,792	40,190,853,698	193,844,464,747	19,142,418,772
Bonds payable	418,788,562	418,788,563	21,980,054,250	-
Advances from other related parties	186,975,673	1,004,242,464	-	-
Redeemable preferred shares	1,574,159,348	-	-	-
Guaranty deposits	18,458,277	18,458,276	268,624,570	440,985,109
Slot jackpot liability	772,287,098	-	-	-
Other liabilities	138,266,183	2,404,314,294	3,415,055,472	349,627,196
	P 75,233,588,383	**P 58,215,107,400**	**P 219,508,199,039**	**P 19,933,031,077**
December 31, 2023:				
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 other related parties	354,678,292	813,376,420	-	-
Redeemable preferred shares	-	-	1,574,159,348	-
Guaranty deposits	-	-	231,820,942	510,144,251
Slot jackpot liability	582,308,901	-	-	-
Other liabilities	88,665,612	1,896,639,560	3,876,641,360	78,260,000
	P 79,984,798,960	P 65,410,723,429	P 176,265,741,570	P 7,720,591,751

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

32.4 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 December 31, 2024 and 2023 are summarized below.

	Observed Volatility Rates		Impact on Equity	
	Increase	Decrease	Increase	Decrease
2024 - Investment in quoted equity securities at:				
FVOCI	**+30.78%**	**-30.78%**	**P 57,092,524**	**(P 57,092,524)**
FVTPL	**+30.78%**	**-30.78%**	**1,722,745,668**	**(1,722,745,668)**
2023 - Investment in quoted equity securities at:				
FVOCI	+28.02%	-28.02%	P 39,004,170	(P 39,004,170)
FVTPL	+28.02%	-28.02%	1,381,811,591	(1,381,811,591)

The maximum additional estimated 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 12 months 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.

The Group is also exposed to other price risk in respect of its financial instruments at marketable debt securities and derivative financial assets and liabilities arising from foreign exchange margins trading spot and forward. These financial instruments will continue to be measured at fair value based on quoted prices for marketable debt and equity securities, and index reference provided by certain foreign financial institution for derivative financial assets.

33. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

33.1 Carrying Values and Fair Values of Financial Assets and Financial Liabilities

The carrying values and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown in the succeeding page.

	Notes	2024 Carrying Values	2024 Fair Values	2023 Carrying Values	2023 Fair Values
Financial assets					
Financial assets at amortized cost:					
Cash and cash equivalents	5	**P 60,602,840,049**	**P 60,602,840,049**	P 65,020,293,464	P 65,020,293,464
Trade and other receivables	6	**89,630,050,732**	**90,186,132,024**	73,786,492,103	74,476,790,521
Other financial assets	9	**4,809,972,409**	**4,677,206,154**	4,973,406,492	4,797,243,960
		P 155,042,863,190	**P 155,466,178,227**	P 143,780,192,059	P 144,294,327,945
Financial assets at FVTPL:					
Marketable debt and equity securities	7	**P 15,685,655,013**	**P 15,685,655,013**	P 14,885,081,366	P 14,885,081,366
Derivative assets	7	**368,629,909**	**368,629,909**	94,796,130	94,796,130
		P 16,054,284,922	**P 16,054,284,922**	P 14,979,877,496	P 14,979,877,496
Financial assets at FVOCI – Equity securities	11	**P 638,188,728**	**P 638,188,728**	P 516,804,124	P 516,804,124
Financial liabilities					
Financial liabilities at amortized cost:					
Current:					
Trade and other payables	17	**P 70,972,319,605**	**P 70,903,545,387**	P 74,178,267,260	P 74,941,111,627
Interest-bearing loans	18	**46,479,695,155**	**45,373,299,377**	43,345,155,280	48,072,769,207
Bonds payable	19	**-**	**-**	11,997,992,546	11,707,084,198
Lease liabilities	13.3	**1,246,685,477**	**1,246,685,477**	1,223,819,878	1,223,819,878
Advances from related parties	30	**1,004,242,464**	**1,004,242,464**	813,376,420	813,376,420
Redeemable preferred shares	20	**1,574,159,348**	**1,574,159,348**	-	-
Customers' deposits	21	**9,703,763,699**	**9,703,763,699**	9,450,649,189	9,450,649,189
Other current liabilities	21	**2,301,575,916**	**2,301,575,916**	1,807,973,948	1,807,973,948
		P 133,282,441,664	**P 132,107,271,668**	P 142,817,234,521	P 148,016,784,467
Non-current:					
Interest-bearing loans	18	**P 183,524,224,160**	**P 178,095,862,161**	P 147,765,467,616	P 151,310,402,783
Bonds payable	19	**20,049,554,649**	**19,369,933,610**	19,116,598,705	18,653,089,654
Lease liabilities	13.3	**17,248,683,855**	**17,248,683,855**	17,716,166,635	17,716,166,635
Redeemable preferred shares	20	**-**	**-**	1,574,159,348	1,574,159,348
Customers' deposits	21	**2,370,902,526**	**2,370,902,526**	2,383,982,004	2,383,982,004
Other non-current liabilities	21	**2,818,087,867**	**2,790,477,262**	4,170,250,225	4,136,643,880
		P 226,011,453,057	**P 219,875,859,414**	P 192,726,624,533	P 195,774,444,304
Financial liabilities at FVTPL:					
Slot jackpot liability	17, 21	**P 772,287,098**	**P 772,287,098**	P 582,308,901	P 582,308,901

See Notes 2.4 and 2.12 for a description of the accounting policies for each category of financial instrument. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 32.

33.2 Offsetting of Financial Assets and Financial Liabilities

The Group has not set off financial instruments in 2024 and 2023 and does not have relevant offsetting arrangements, except as disclosed in Note 30.3, 30.4 and 30.5. Currently, the Group's financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (particularly related parties) will have the option to settle all such amounts on a net basis in the event of default of the other party through approval by both parties' BOD and shareholders. As such, the Group's outstanding receivables from and payables to the same related parties can be potentially offset to the extent of their corresponding outstanding balance. There are no offsetting arrangements as at December 31, 2024 and 2023.

34. FAIR VALUE MEASUREMENT AND DISCLOSURES

34.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS Accounting Standards, are categorized into three levels based on the significance of inputs used to measure the fair value.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets 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 det ermining 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 technique, 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.

34.2 Financial Instruments Measurements at Fair Value

The tables in the succeeding page show 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 December 31, 2024 and 2023.

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL:				
Debt and equity securities	P 15,685,655,013	P -	P -	P 15,685,655,013
Derivative asset	-	368,629,909	-	368,629,909
Financial assets at FVOCI –				
Equity securities	185,485,782	315,800,000	136,902,946	638,188,728
	P 15,871,140,795	**P 684,429,909**	**P 136,902,946**	**P 16,692,473,650**
Financial liabilities:				
Financial liabilities at FVTPL –				
Slot jackpot liability	**P -**	**P 772,287,098**	**P -**	**P 772,287,098**

	2023			
	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 liabilities at FVTPL –				
Slot jackpot liability	P -	P 582,308,901	P -	P 582,308,901

There were neither transfers between Levels 1 and 2 nor changes in Level 3 instruments in both years.

Described below and in the succeeding pages are the information about how the fair values of the Group's classes of financial assets are determined.

(a) Equity Securities

As of December 31, 2024 and 2023, equity securities classified as financial assets at FVTPL or at FVOCI included in Level 1 were valued based on their market prices quoted in various stock exchanges and converted into Philippine peso amounts at the translation rates at the end of each reporting period.

Golf club shares classified as financial assets at FVOCI in 2024 and 2023 are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period. Moreover, equity securities held in private companies are included in Level 3 since its market value is not quoted in an active market. The fair value was determined using the discounted cash flows model as the valuation technique. In determining the fair value, the management assumes a discount rate of 5%, terminal growth rate of 1% to 5%, using three-to-five year financial projections. Management assessed that based on the valuation technique used, the fair value of these financial instruments approximate their carrying values and any fair value changes are not material to the consolidated financial statements.

(b) *Debt Securities*

The fair value of the Group's debt securities which consist of corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

(c) *Derivative Financial Instruments*

The fair value of derivative financial instruments is measured at inputs other than quoted prices that are indirectly observable for the financial instruments and are categorized within Level 2. The fair value is derived from prices set in the derivative contracts.

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

The tables below show the fair value hierarchy of the Company'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 December 31, 2024 and 2023.

	2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 60,602,840,049	P -	P -	P 60,602,840,049
Trade and other receivables	-	-	90,186,132,024	90,186,132,024
Other financial assets	2,633,667,852	671,562,522	1,371,975,780	4,677,206,154
	P 63,236,507,901	**P 671,562,522**	**P 91,558,107,804**	**P 155,466,178,227**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 70,903,545,387	P 70,903,545,387
Interest-bearing loans	-	-	45,373,299,377	45,373,299,377
Lease liabilities	-	-	1,246,685,477	1,246,685,477
Advances from related parties	-	-	1,004,242,464	1,004,242,464
Redeemable preferred shares	-	-	1,574,159,348	1,574,159,348
Customers' deposits	-	-	9,703,763,699	9,703,763,699
Other current liabilities	-	-	2,301,575,916	2,301,575,916
Non-current:				
Interest-bearing loans	-	-	178,095,862,161	178,095,862,161
Bonds payable	19,369,933,610	-	-	19,369,933,610
Lease liabilities	-	-	17,248,683,855	17,248,683,855
Customers' deposits	-	-	2,370,902,526	2,370,902,526
Other non-current liabilities	-	-	2,790,477,262	2,790,477,262
	P 19,369,933,610	**P -**	**P 332,613,197,472**	**P 351,983,131,082**

	2023			
	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	74,470,268,782	74,476,790,521
Other financial assets	2,747,667,961	567,511,433	1,482,064,566	4,797,243,960
	P 67,767,961,425	P 574,033,172	P 75,952,333,348	P 144,294,327,945
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 74,941,111,627	P 74,941,111,627
Interest-bearing loans	-	-	48,072,769,207	48,072,769,207
Bonds payable	11,707,084,198	-	-	11,707,084,198
Lease liabilities	-	-	1,223,819,878	1,223,819,878
Advances from related parties	-	-	813,376,420	813,376,420
Customers' deposits	-	-	9,450,649,189	9,450,649,189
Other current liabilities	-	-	1,807,973,948	1,807,973,948
Non-current:				
Interest-bearing loans	-	-	151,310,402,783	151,310,402,783
Bonds payable	18,653,089,654	-	-	18,653,089,654
Lease liabilities	-	-	17,716,166,635	17,716,166,635
Redeemable preferred shares	-	-	1,574,159,348	1,574,159,348
Customers' deposits	-	-	2,383,982,004	2,383,982,004
Other non-current liabilities	-	-	4,136,643,880	4,136,643,880
	P 30,360,173,852	P -	P 313,431,054,919	P 343,791,228,771

For financial assets 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.

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

34.4 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 Level 3 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 December 31, 2024 and 2023, the fair value of the Group's investment property amounted to P486,888.7 million and P483,628.8 million, respectively (see Note 14) and 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.

There were no transfers into or out of Level 3 fair value hierarchy in 2024 and 2023. The reconciliation of the carrying amount of investment properties included in Level 3 is presented in Note 14.

35. 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.

The Group monitors capital on the basis of the carrying amount of equity as presented on the face of the consolidated statements of financial position. The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

It monitors capital using the liabilities-to-equity ratio as shown below.

	2024	2023
Total liabilities	**P 408,353,651,893**	P 387,975,539,407
Total equity	**415,725,264,541**	394,567,511,431
Liabilities-to-equity ratio	**0.98:1.00**	0.98:1.00

The Group has complied with financial covenant obligations that require maintaining certain liabilities-to-equity ratios for both periods.

36. SUPPLEMENTAL INFORMATION ON CASH FLOWS

36.1 Reconciliation of Liabilities from Financing Activities

The reconciliation of liabilities arising from financing activities in 2024, 2023 and 2022 is presented below. The details of net cash flows are presented in the consolidated statements of cash flows.

	Interest-bearing Loans (see Note 18)	Bonds Payable (see Note 19)	Derivative Liabilities	Redeemable Preferred Shares (see Note 20)	Total*
Balance as of January 1, 2024	P 191,110,622,896	P 31,114,591,251	P -	P 1,574,159,348	P 223,799,373,495
Cash flows from financing activities:					
Payment of borrowings	(34,914,069,337)	(12,000,000,000)	-	-	(46,914,069,337)
Borrowings availed	70,643,991,802	-	-	-	70,643,991,802
Non-cash activities:					
Foreign currency adjustment	2,843,071,941	844,811,099	-	-	3,687,883,040
Amortization of transaction costs	320,302,013	90,152,299	-	-	410,454,312
Balance at December 31, 2024	**P 230,003,919,315**	**P 20,049,554,649**	**P -**	**P 1,574,159,348**	**P 251,627,633,312**
Balance as of January 1, 2023	P 168,791,946,228	P 45,239,075,510	P -	P 1,537,091,539	P 215,568,113,277
Cash flows from financing activities:					
Payment of borrowings	(32,919,938,375)	(13,607,000,000)	-	-	(46,526,938,375)
Borrowings availed	53,999,985,162	-	-	-	53,999,985,162
Non-cash activities:					
Foreign currency adjustment	1,493,926,439	(613,247,433)	-	-	880,679,006
Amortization of transaction costs	(255,296,558)	95,763,174	-	-	(159,533,384)
Accretion of redeemable preferred shares	-	-	-	37,067,809	37,067,809
Balance at December 31, 2023	P 191,110,622,896	P 31,114,591,251	P -	P 1,574,159,348	P 223,799,373,495
Balance as of January 1, 2022	P 173,412,691,961	P 41,982,042,246	P 151,807,137	P 1,617,238,688	P 217,163,780,032
Cash flows from financing activities:					
Payment of borrowings	(29,902,560,084)	-	-	-	(29,902,560,084)
Borrowings availed	21,473,670,017	-	-	-	21,473,670,017
Redemption of preferred shares	-	-	-	(251,597,580)	(251,597,580)
Non-cash activities:					
Foreign currency adjustment	3,417,178,126	3,167,315,697	-	-	6,584,493,823
Amortization of transaction costs	390,966,208	89,717,567	-	-	480,683,775
Unrealized loss on cash flow hedges	-	-	(151,807,137)	-	(151,807,137)
Accretion of redeemable preferred shares	-	-	-	171,450,431	171,450,431
Balance at December 31, 2022	P 168,791,946,228	P 45,239,075,510	P -	P 1,537,091,539	P 215,568,113,277

**Excluding lease liabilities (see Note 13.3)*

36.2 Supplemental Information on Non-cash Investing and Financing Activities

The following discusses the supplemental information on non-cash investing and financing activities as presented in the consolidated statements of cash flows for the years ended December 31, 2024, 2023 and 2022:

- In 2024, the Group transferred Inventories to Investment Properties with carrying amounts of P458.0 million following a change of use. In 2023, the Group transferred Investment Properties with carrying amounts of P956.4 million to Inventories following a change in use (see Notes 8 and 14).

- The Group recognized additional right-of-use assets and lease liabilities amounting to P936.0 million and P960.6 million, respectively, in 2024, P2,618.9 million and P2,292.3 million, respectively, in 2023, and P2,757.9 million and P2,704.8 million in 2022, respectively (see Note 13.2).

- In 2024, 2023 and 2022, the Group capitalized borrowing costs amounting to P3,737.8 million, P3,971.3 million and P3,005.7 million, respectively, as part of Inventories, Property, Plant and Equipment and Investment Properties (see Notes 18 and 19).

- In 2023, the scheduled sale of Non-current asset classified as held for sale did not materialize due to change in business plans in the use of the assets. Consequently, the related assets amounting to P994.9 million are reclassified back as part of Property, Plant and Equipment, and adjusted for the amount of depreciation expense that would have been recognized had the asset not been classified as held for sale [see Notes 3.1(p) and 16].

- In 2022, property mortgage receivable was reversed upon acquisition of the subject property. This was reclassified as part of Buildings and leasehold improvements under Property, Plant and Equipment (see Note 13.1). The related right-of-use assets and lease liabilities were also terminated and provisions renewed (see Notes 13.2, 13.3 and 21).

- In 2022, the Group transferred Investment Properties with carrying amounts of, P503.1 million, to Property, Plant and Equipment following a change in use (see Notes 13.1 and 14). There was no similar transaction in 2024 and 2023.

37. EVENTS AFTER THE END OF REPORTING PERIOD

37.1 ELS Conversion Period

On February 4, 2025, EMI and Arran mutually extended the conversion period for the issuance of the Tranche 2 ELS shares from February 12, 2025 to August 12, 2025 (see Note 22.8).

37.2 Pillar Two: Qualified Jurisdictions and Further Guidance

On January 15, 2025, the OECD issued administrative guidance that includes a list of jurisdictions that have transitional qualified status for the purposes of IIR and DMTT, including Spain, Luxembourg, and the United Kingdom (see Note 29.4).

The transitional qualified status confirms that a jurisdiction's Pillar 2 legislation is considered to be largely in line with the OECD Pillar 2 rules, achieves results consistent with the Global Anti-Base Erosion ("GLoBE") rules, and is implemented in that local territory in a manner that is consistent with the GLoBE rules. A qualified status would normally be granted following a full legislative review of the local legislation and ongoing monitoring of the application of the rules by the OECD Inclusive Framework on Base Erosion Profit Shifting. However, due to time considerations, a transitional confirmation mechanism is currently in place.

The UK, Luxembourg, and Spain each have a transitional qualified status, which confirms that their local Pillar 2 legislation is consistent with the OECD Pillar 2 rules. As none of these territories is the ultimate parent entity jurisdiction for the Group, and the Philippines is yet to introduce the rules, it means that one of these territories will need to undertake the responsibility for preparing and filing the GLoBE Information Return for the group. This also does not change the other 2024 compliance obligations, such as filing of local returns in some jurisdictions, assessing and paying any top-up taxes due.

37.3 Major Acquisition of a Distillery Company

On January 31, 2025, the Group expands its premium product portfolio with the majority acquisition of 60% of Destileria Los Danzantes S.A. de C.V., through its Mexican subsidiary, Casa Pedro Domecq, a wholly owned subsidiary of DBLC, for 80.0 million Mexican pesos.

37.4 Control Assessment Over GADC

In 2025, GADC was granted by McDonald's Corporation a new license term for another 20 years. Certain changes were also agreed in terms of the shareholder's contractual arrangement. As a result, GADC became an associate of AGI effective on March 17, 2025. Subsequently, the assets and liabilities of GADC will be derecognized at their carrying amounts while the retained investment will be remeasured at fair value, with the resulting difference recognized in profit or loss, which is currently being assessed by management.

P&A Grant Thornton

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and the Stockholders
Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alliance Global Group, Inc. and subsidiaries (the Group) for the year ended December 31, 2024, on which we have rendered our report dated April 28, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of Revised Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Romilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

April 28, 2025

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
LIST OF SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024

A. Statement of Management's Responsibility for the Consolidated Financial Statements

B. Independent Auditors' Report on the SEC Supplementary Schedules Filed Separately from the Basic Consolidated Financial Statements

C List of Supplementary Information

Schedules Required under Annex 68-J of the Revised Securities Regulation Code Rule 68

Other Required Information

Alliance Global Group, Inc. and Subsidiaries
Schedule A - Financial Assets (Marketable Securities)
December 31, 2024

Financial Asset/Name of Banks		Amount Shown in Statement of Financial Position	Income Received and Accrued
Financial Assets at Fair Value Through Profit or Loss			
HSBC Private Bank	P	15,527,833,862	-
Derivative financial assets		526,451,060	-
		16,054,284,922	-
Financial Assets at Fair Value Through Other Comprehensive Income			
Various unquoted equity instruments		172,294,674	-
Various quoted equity instruments		150,094,054	-
Various club shares		315,800,000	-
		638,188,728	-
Total Financial Assets	**P**	**16,692,473,650**	**-**

Alliance Global Group, Inc. and Subsidiaries
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related Parties)
December 31, 2024

				Deductions		Ending Balance								
Name and Designation of Debtor		*Balance at the Beginning of Period*		*Additions*		*Amounts Collected*		*Impairment*		*Current*		*Non-current*		*Balance at the End of Period*
Advances to Officers and Employees:														
Travellers - Officers and employees	P	114,419,281	P	-	P	2,694,031	P	-	P	111,725,250	P	-	P	111,725,250
Travellers - Other related parties		141,099,123		-		20,087,252		-		121,011,871		-		121,011,871
Megaworld - Officers and employees		3,186,630		2,686,968		2,423,064		-		3,450,534		-		3,450,534
Emperador - Officers and employees		359,591,136		579,519,363		906,186,801		-		32,923,698		-		32,923,698
GADC - Officers and employees		321,020,608		22,143,129		-		-		343,163,737		-		343,163,737
	P	**939,316,778**	**P**	**604,349,460**	**P**	**931,391,148**	**P**	**-**	**P**	**612,275,090**	**P**	**-**	**P**	**612,275,090**

Legend:
Megaworld - Megaworld Corporation
Travellers - Travellers International Hotel Group, Inc.
Emperador - Emperador Inc.
GADC - Golden Arches Development Corporation

Alliance Global Group, Inc. and Subsidiaries
Schedule C - Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
December 31, 2024

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written off	Ending Balance: Current	Ending Balance: Not current	Balance at End of Period
Due from Related Parties							
New Town Land Partners, Inc.	P 2,492,427,209	P -	P 463,457,225	P -	P 2,028,969,984	P -	P 2,028,969,984
Venezia Universal, Ltd.	5,417,580,431	-	2,054,945,927	-	3,362,634,504	-	3,362,634,504
Greenspring Investment Holdings Properties Ltd.	1,866,790,062	80,580,866	-	-	1,947,370,928	-	1,947,370,928
Alliance Global Group Cayman Islands, Inc.	606,782,217	-	170,480,295	-	436,301,922	-	436,301,922
McKester Pik-nik International Limited	15,129,919,001	-	2,261,787,141	-	12,868,131,860	-	12,868,131,860
Empire East Land Holdings Inc.	302,912,286	-	39,380,538	-	263,531,748	-	263,531,748
Travellers International Hotel Group, Inc.	2,556,134,304	-	476,567,904	-	2,079,566,400	-	2,079,566,400
	P 28,372,545,510	**P 80,580,866**	**P 5,466,619,030**	**P -**	**P 22,986,507,346**	**P -**	**P 22,986,507,346**

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt
December 31, 2024

Title of Issue and Type of Obligation		*Amount Authorized by Indenture*		*Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position*		*Amount Shown Under Caption "Long-Term Debt" in Related Statement of Financial Position*	
Loans:							
Interest-bearing loans	P	168,257,752,023	P	40,959,319,860	P	94,716,949,586	**a, b, c, d, e, f, g, k, l, m**
Foreign borrowings:							
AG Cayman	$	700,000,000		-		40,371,502,538	**n**
Megaworld	$	380,505,415		4,841,266,461		15,682,325,449	**a**
Emperador	€	310,000,000		-		18,909,997,520	**h**
Emperador	€	16,661,360		679,108,834		337,233,982	**j**
Emperador	£	185,016,645		-		13,506,215,085	**i**
				46,479,695,155		183,524,224,160	
Bonds Payable:				*46,479,695,155.00*		*183,524,224,160.00*	
Issuer:							
Megaworld	$	350,000,000		-		20,049,554,649	**o**
				-		20,049,554,649	
			P	**46,479,695,155**	**P**	**203,573,778,809**	

a *Interest-bearing loans include loans obtained by Megaworld pertaining to the following:*

1.) Seven-year loan amounting to P9,000.0 million obtained by Megaworld in December 2024 from a local bank. The principal is payable quarterly in installment with the first principal payment due in December 2025. Interest is payable quarterly at a floating rate based on a reference rate plus a certain spread.

2.) Seven-year loan amounting to P4,000.0 million obtained by Megaworld in November 2024. The principal is payable quarterly in installment with the first principal payment due in February 2027. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

3.) Five-year loan amounting to P10,000.0 million obtained in two tranches by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in March 2025. Interest is payable semi-annually at a floating rate based on a reference rate plus a certain spread.

4.) Five-year loan amounting to $180.5 million obtained by Megaworld in March 2024. The principal is payable quarterly in installment with the first principal payment due in June 2025. The interest is payable quarterly at a fixed rate. Megaworld entered a cross-currency swap to hedge the U.S. Dollar exchange rate, and a fixed-to-floating interest rate swap based on a 3-month BVAL reference rate plus a certain spread.

5.) Five-year loan amounting to P10,000.0 million obtained by Megaworld from a local bank. Principal is payable quarleterly in installments at the end of the fifth quarter from the drawdown date.

6.) Five-year loan amounting to $200.0 million obtained by Megaworld in April 2023 from a local bank.

7.) Five-year loan amounting to P5,000.0 million obtained by Megaworld inMarch 2023 from a local bank.

8.) Five-year loan amounting to P10,000.0 million obtained by Megaworld inSeptember 2022 from a local bank.

9.) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2020 from a local bank. The loan is payable quarterly for a term of five years with a grace period of two years upon availment. The principal repayments on the loan shall commence in June 2022 and interest is paid quarterly.

10.) Five-year loan amounting to P6,000.0 million obtained by Megaworld in May 2021 from a local bank. The loan is payable quarterly beginning August 2022. Interest is payable quarterly.

11.) Five-year loan amounting to P5,000.0 million obtained by Megaworld in March 2021 from a local bank. The loan is payable quarterly for a term of five years with a grace period of one year upon availment. The principal repayment on the loan shall commence in March 2022.

12.) Five-year loan amounting to P5,000.0 million obtained by Megaworld in August 2021 from a local bank. The loan is payable quarterly for a term of five years with the first principal payment due in November 2022. Interest is payable quarterly.

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt *(continuation)*
December 31, 2024

b *Interest-bearing loans include loans obtained by EELHI pertaining to the following:*

1.) Seven-year loan amounting to P1,000.0 million obtained by EELHI from a local bank in February 2021. The proceeds of the loan were used to fund the development of its various real estate projects. The principal of the loan is payable in 20 equal quarterly payments starting in May 2023 with a two-year grace period and interest is payable quarterly in arrears.

c *Interest-bearing loans obtained by SPI include the following:*

1.) Two six-year loans amounting to P1,000.0 million and P500 million were obtained by SPI from a local bank in November 2023, and December 2023, respectively. The principal amount is payable monthly after a grace period of three years from the date of availment. The loan bears fixed interest rate of 7.13% for both loans.

2.) Seven-year loan obtained by SPI from a local bank. The principal amount is payable on monthly basis after a grace period of three years from date of availment.

3.) Seven-year loan amounting to P300.0 million obtained by SPI in 2020 from a local bank. The loan bears a floating interest and is payable upon maturity.

4.) Six-year loans amounting to P200.0 million, P100.0 million, and P400.0 million obtained by SPI in February 2021, August 2021, and October 2021, respectively, from a local bank. The principal amount is payable on a monthly basis after a grace period of three years from the date of availments.

5.) Seven-year loan amounting to P2,200.0 million obtained by SPI from a local bank in 2018 to fund the acquisition of STLI. Principal repayments is payable on a monthly basis after a grace period of three years from the date of availment.

6.) Loans obtained by SPI from a local bank through assignment of trade receivables. The loans are being paid as the receivables are collected.

d *Interest-bearing loans obtained by GERI include the following:*

1.) Seven-year loan amounting to P1,000 million obtained by GERI from a local bank in October 2024. The interest is payable quarterly in arrears at a floating rate.

2.) Five-year loan amounting to P1,500.0 million and P0.5 million obtained by GERI in December 2023 and April 2024, respectively, from a local bank. The loan is payable quarterly and bears a floating rate and is payable quarterly in arrears.

3.)Five-year loans amounting to P1,000.0 million obtained by GERI in May 2023 from a local bank.

4.) Five-year loans amounting to P1,000.0 million obtained by GERI in October 2023 from a local bank.

5.) Seven-year loan amounting to P500.0 million obtained by GERI in 2020 from a local bank. The principal repayment on the loan shall commence in March 2022.

6.) Six-year loan amounting to P500.0 million obtained by GERI in March 2021 from a local bank. The loan is payable quarterly for a term of six years with a grace period of two years upon availment.

7.) Five-year loan amounting to P1,000.0 million obtained by GERI in 2020 from a local bank payable quarterly for a term of five years with a grace period of two years upon availment. The principal repayment on the loan shall commence in December 2022. The loan bears a fixed interest rate and is payable quarterly.

8.) Four-year loan amounting to P1,000.0 million obtained by GERI in July 2021 from a local bank. The loan is payable quarterly for a term of four years commencing on the beginning of the fifth quarter from the date of availment.

e *Five-year loan amounting to P1,500.0 million obtained by TLC in June 2023 from a local bank which will be used to finance capital expenditures related to various on-going real estate development projects.*

f *Ten-year loan obtained by MREIT from a local bank payable quarterly in installment beginning in the last quarter of the fifth year with a balloon payment at the end of the term. Interest is payable quarterly subject to repricing.*

g *Five-year loan amounting to P3,000.0 million obtained by MBPHI in 2023 from a local commercial bank to support its funding requirements of the construction of various projects.*

h *Five-year foreign-currency denominated loan obtained by EIL in 2023 from a syndicate of foreign financial institutions at a lower margin to prepay existing loans.*

i *Foreign-currency denominated loan obtained by WMG from a foreign bank. The loan is secured by way of floating charge against WMG's inventories.*

j *In 2017, DBLC assumed from BLC unsecured, interest-bearing and foreign currency-denominated loans totalling P3,000.0 million from certain financialinstitutions relating to Domecq Acquisition. In 2024, 2023, 2022 and 2018, DBLC acquired additional loans amounting to P406.2 million, P464.5 million, P467.9 million and P0.1 million, respectively. In 2024, 2023 and 2022, DBLC paid portion of the loans amounting to P900.8 million, P543.5 million and P636.5 million, respectively.*

k *Interest-bearing loans obtained by AGI include the following:*
1.) Five-year loan amounting P3,000.0 million unsecured long-term loan from a local bank. The loan is payable quarterly for a term of five years commencing the following quarter from drawdown date, as provided in the loan agreement.
2.) Seven-year loan amounting to P5,000.0 million obtained by AGI in July 2020 from a local bank. The loan is payable quarterly commencing after the one-year grace period, as provided in th eloan agreement. The loan bears a fixed rate for the first five years, subject to repricing at the end of the fifth year. The interest is payable quarterly in arrears.

l *Interest-bearing loans obtained by GADC include the following:*
1.) Five-year US dollar loan with a principal amount of P1,000.0 million obtained by GADC from a local bank in March 2020. GADC has a Cross Currency Swap (CCS) agreement with the local bank, whereby GADC will receive and settle the dollar loan and its interest at a fixed foreign exchange rate of P50.60 per US$1 or total of P1,000.0 million. The loan is payable quarterly and bears a fixed interest rate.

2.) Five-year loan obtained by GADC from a local bank in June 2020 payable quarterly starting from September 2021. The loan bears a fixed interest.

3.) Five-year loan obtained by GADC from another local bank in June 2020 payable in 20 quarters from September 2020 to June 2025. Interest payments are fixed.

m *Interest-bearing loans also include loans obtained by Travellers which includes the following:*
1.) In prior years, a local bank approved a credit line which grants the Company to borrow P33.5 billion. Total drawdowns made in prior years, which included loans converted into long-term loan, totaled to P31.0 billion. In 2021, the Company rolled the short-term loans to another term amounting to P2.2 billion.

In 2023, the Company settled the rolled P0.5 billion short-term loan and availed an omnibus loan from the same bank amounting to P5.0 billion which shall mature in 2024.

In 2024, the Company obtained another long-term loan from the same bank amounting to P10.0 billion which is scheduled to be repaid in 2031.

2.) In prior years, a local bank approved a credit line which grants Travellers to borrow P33,500.0 million. Total drawdowns made in prior years, which included loans converted into long-term loan, totaled to P31.0 billion. In 2021, the Company rolled the short-term loans to another term amounting to P2.2 billion.

Further, during the year, Travellers settled the rolled P0.5 billion short-term loan and availed an omnibus loan in the same bank amounting to P5.0 billion which will mature next year.

3.) In 2017, Travellers entered into various credit line agreements with a total maximum loanable amount of P10,000.0 million from a local bank. As of December 31, 2018, drawdowns totaled P10,000.0 million, half of which pertains to term loans and the other half to omnibus loans. In 2019, the Group obtained another term loan facility with the bank amounting to P5,000.0 million. This was utilized through the conversion of the P5,000.0 million omnibus loan to a long-term loan. Following the conversion, the Group obtained various short-term loans in 2019 amounting to P3,000.0 million. In 2020, additional omnibus loans amounting to P2,000.0 million were borrowed.

In 2021, the Group availed another long-term facility with the bank amounting to P5.0 billion, which is fully utilized during the year. Following the additions made, the Group obtained other various short-term loans in 2021 amounting to P4.7 billion, resulting to a total unutilized credit line of P0.3 billion as of December 31, 2021.

4.) In 2022, Travellers availed another long-term facility from a local bank amounting to P5,000.0 million.

5.) Travellers obtained various short-term loans totaling to P4.0 billion and remain outstanding as of December 31, 2023.

Alliance Global Group, Inc. and Subsidiaries
Schedule D - Long-Term Debt *(continuation)*
December 31, 2024

n *Five-year U.S. dollar-denominated loans obtained by AG Cayman in 2017 from a foreign bank totaling to US$700.0 million with interest payable semi-annually in arrears. The loans are unconditionally and irrevocably guaranteed. In 2022, these loans were refinanced for another 5 years.*

o *On July 30, 2020, Megaworld issued seven-year term bonds totaling to U.S. $350.0 million. The notes carry a coupon rate of 4.125% per annum and interest is payable semi-annually in arrears on January 30 and July 30 and shall mature on July 30, 2027.*

Legend:
AGI - Alliance Global Group, Inc.
Megaworld - Megaworld Corporation
EELHI - Empire East Land Holdings, Inc.
GERI - Global-Estates Resorts, Inc.
EIL - Emperador International Ltd.
EDI - Emperador Distillers, Inc.
WMG - Whyte and Mackay Group Limited
DBLC - Domecq Bodega Las Copas, S.L.
GADC - Golden Arches Development Corporation
Travellers - Travellers International Hotel Group, Inc.
AG Cayman - Alliance Global Group Cayman Islands, Inc.
SPI - Suntrust Properties, Inc.
STLI - Stateland, Inc.
MBPHI - Manila Bayshore Property Holdings, Inc.

Alliance Global Group, Inc. and Subsidiaries
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2024

Title of issue and type of obligation	***Amount authorized by indenture***	***Balance at the beginning of year***	***Balance at the end***

-nothing to report-

Alliance Global Group, Inc. and Subsidiaries
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2024

Name of Issuing Entity of Securities Guaranteed by the Company for which this statement is Filed	*Title of Issue of Each Class of Securities Guaranteed*	*Total Amount Guaranteed and Outstanding*	*Amount Owned by Person for which this Statement is Filed*	*Nature of Guarantee*
Alliance Global Group Cayman Islands, Inc. by Alliance Global Group, Inc.	US$ 700.0 million, 5-year loans, floating interest rate	P 40,371,502,538	P 40,371,502,538	Guarantee of Principal and Interest

Alliance Global Group, Inc. and Subsidiaries
Schedule G - Capital Stock
December 31, 2024

				Number of shares held by		
Title of Issue	***Number of shares authorized***	***Number of shares issued and outstanding as shown under the related balance sheet caption***	***Number of shares reserved for options, warrants, conversion and other rights***	***Related parties***	***Directors, officers and employees***	***Others***
Common shares - P1 par value	12,950,000,000	8,904,461,679	59,100,000	6,166,846,732	63,688,212	2,673,926,735

ALLIANCE GLOBAL GROUP, INC.
7th Floor, 1880 Eastwood Avenue, Eastwood City CyberPark,
188 E. Rodriguez, Jr. Avenue, Bagumbayan, Quezon City

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended December 31, 2024

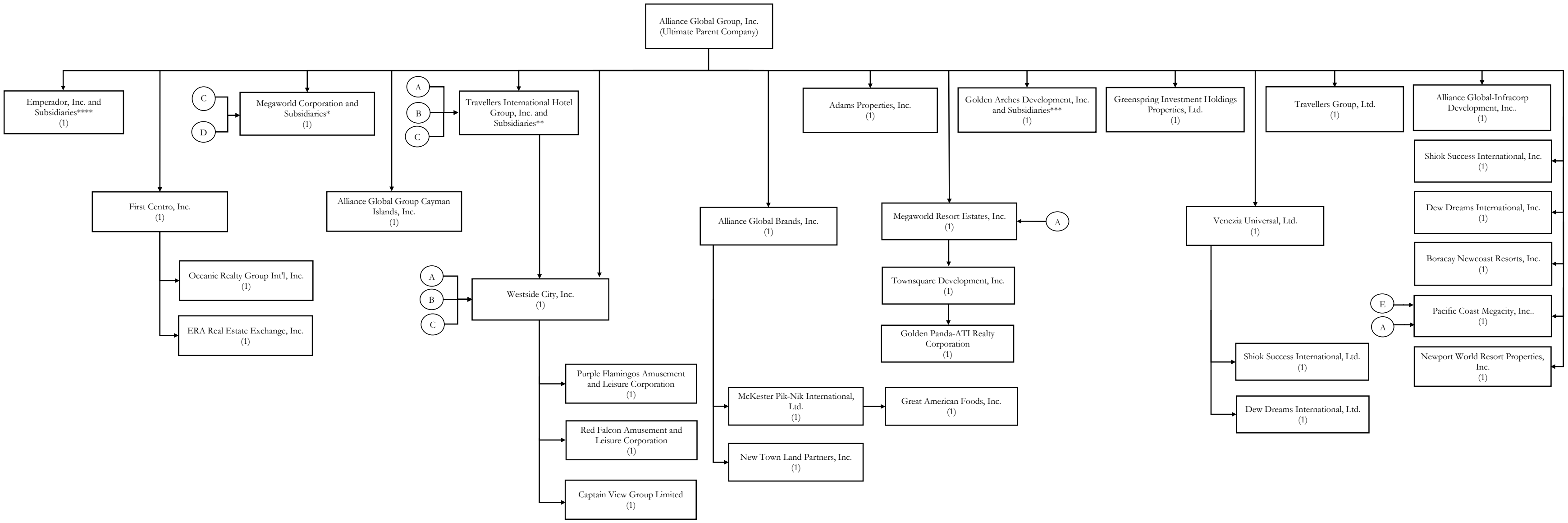
Unappropriated Retained Earnings at Beginning of Year		P 24,443,158,775
Add: Category A: Items that are directly credited to Unappropriated Retained Earnings		
Reversal of Retained Earning Appropriation/s	P -	
Effect of restatements or prior-period adjustments	-	
Others	-	-
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	(890,647,018)	
Retained Earnings appropriated during the reporting period		
Effect of restatements or prior-period adjustments	-	
Others	-	(890,647,018)
Unappropriated Retained Earnings at Beginning of Year, as adjusted		**23,552,511,757**
Add: Net Income for the Current Year		**5,302,126,951**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Equity in net income of associate/joint venture, net of dividends declared	-	
Unrealized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)	112,000	
Unrealized fair value gain of investment property	-	
Other unrealized gains or adjustments to the retained earnings as result of certain transactions accounted for under the PFRS Accounting Standards	-	
Sub-total		112,000
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized foreign exchange gain, except those attributable to cash and cash equivalents	-	
Realized fair value adjustment (mark-to-market gains) of financial instruments at FVTPL	-	
Realized fair value gain of investment property	-	
Other realized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS Accounting Standards	-	
Sub-total		-
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded foreign exchange gain, except those attributable to cash and cash equivalents	-	
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instrument at FVTPL	-	
Reversal of previously recorded fair value gain of investment property	-	
Reversal of other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under PFRS Accounting Standards, previously recorded	-	
Sub-total		-
Balance carried forward		P 28,854,750,708

Balance brought forward		P 28,854,750,708
Add: Category D: Non-actual lossess recognized in profit or loss during the reporting period (net of tax)		
Depreciation on revaluation increment (after tax)	P -	
Sub-total		-
Add/ Less: Category E: Adjustments related to relief granted by the SEC and BSP		
Amortization of the effect of reporting relief	-	
Total amount of reporting relief granted during the year	-	
Others	-	
Sub-total		-
Add/ Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)	(986,299,104)	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	-	
Net movement in deferred tax asset and deferred tax liabilities related to same transaction, e.g., set up of right-of-use of asset and lease liability, set-up of asset and asset retirement obligation, and set-up of service concession asset and concession payable	-	
Adjustment due to deviation from PFRS Accounting Standards/GAAP - gain (loss)	-	
Others	-	
Sub-total		(986,299,104)
Unappropriated Retained Earnings Available for Dividend Distribution at End of Year		**P 27,868,451,604**

Supplemental Information

The Company's BOD has approved a series of share-repurchase programs since 2017. As of December 31, 2024, the Company has repurchased a total of 1.37 billion shares for P15.7 billion, inclusive of transaction costs (see Note 13.3).

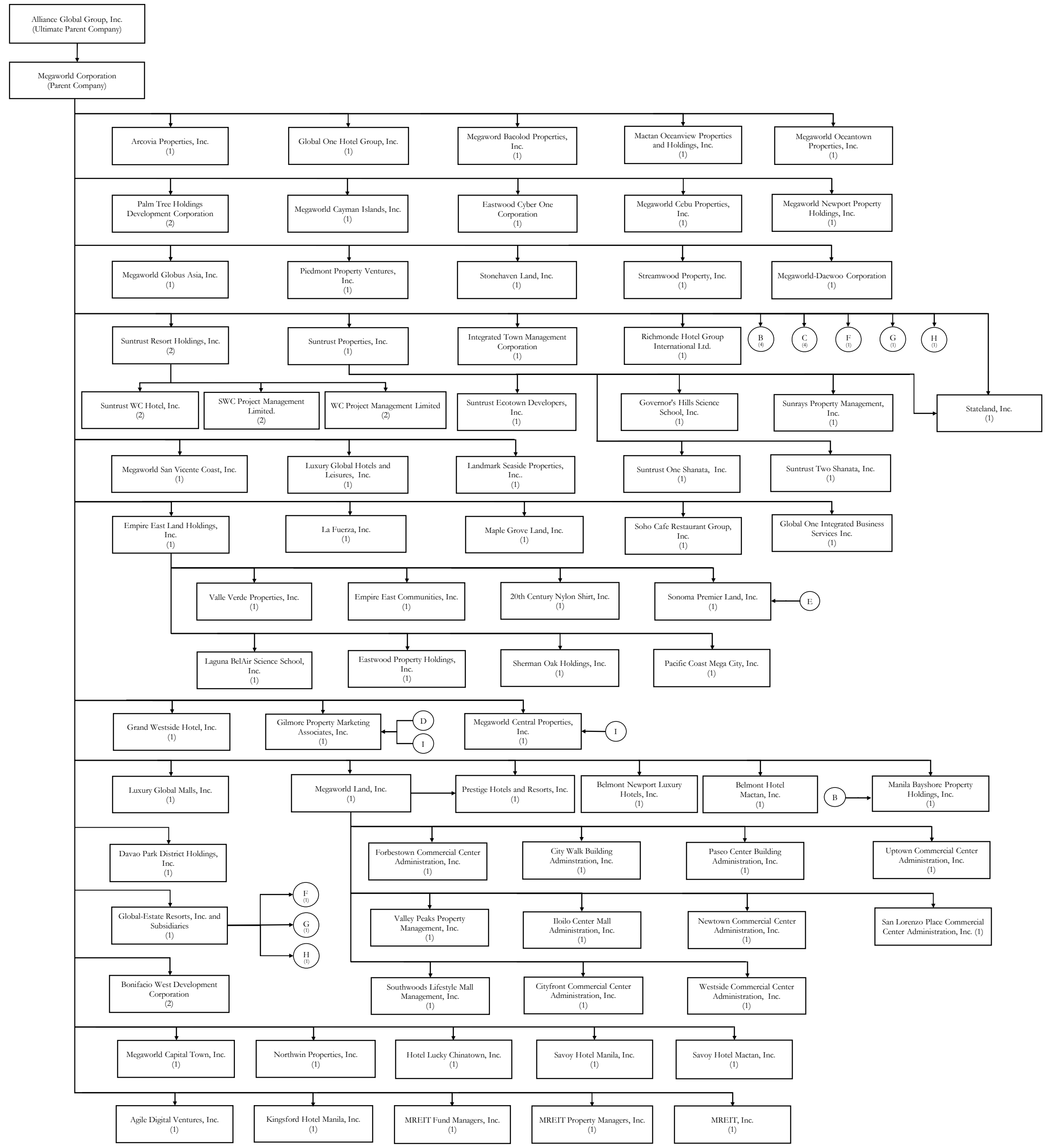
ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and its Related Parties
December 31, 2024



Legend

(1)	Subsidiary	A	Megaworld Corporation
(2)	Associate	B	Adams Properties, Inc.
(3)	Jointly Controlled Entity	C	First Centro, Inc.
		D	Newtown Land Partners, Inc.
		E	Empire East Land Holdings, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Megaworld Corporation Group
December 31, 2024



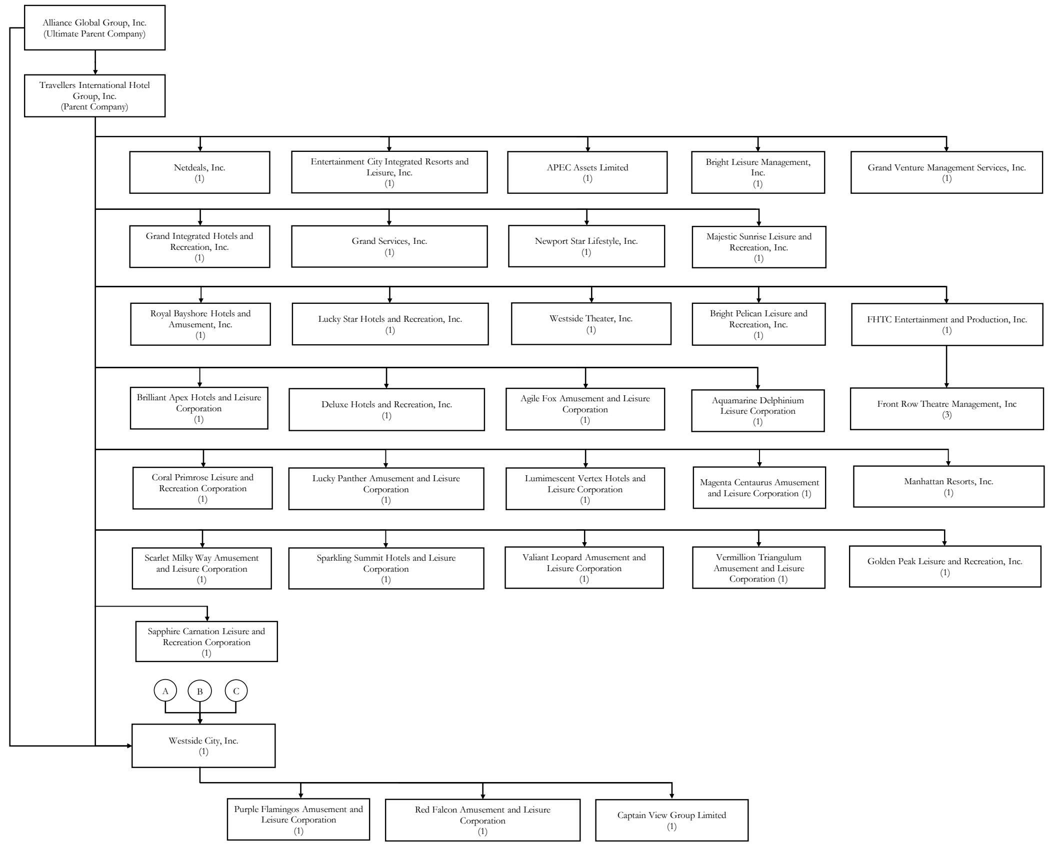
Legend

Relationship with Megaworld Corporation

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	F	Twin Lakes Corporation
B	Travellers International Hotel Group, I	G	Megaworld Global Estates, Inc.
C	Westside City, Inc.	H	Southwoods Mall, Inc.
D	Townsquare Development, Inc.	I	Empire East Land Holdings, Inc.
E	First Centro, Inc.		

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Travellers Group
December 31, 2024



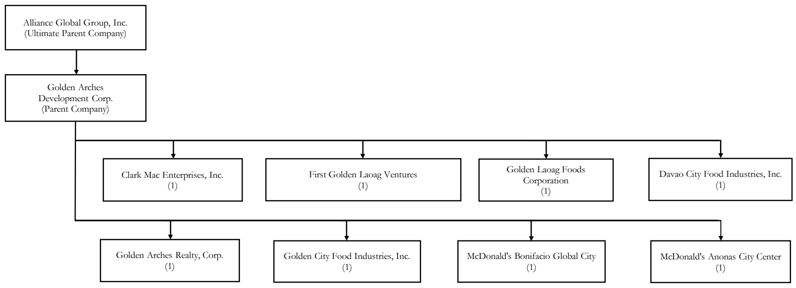
Legend

Relationship with Travellers International Hotel Group, Inc.

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Golden Arches Development Corporation Group
December 31, 2024

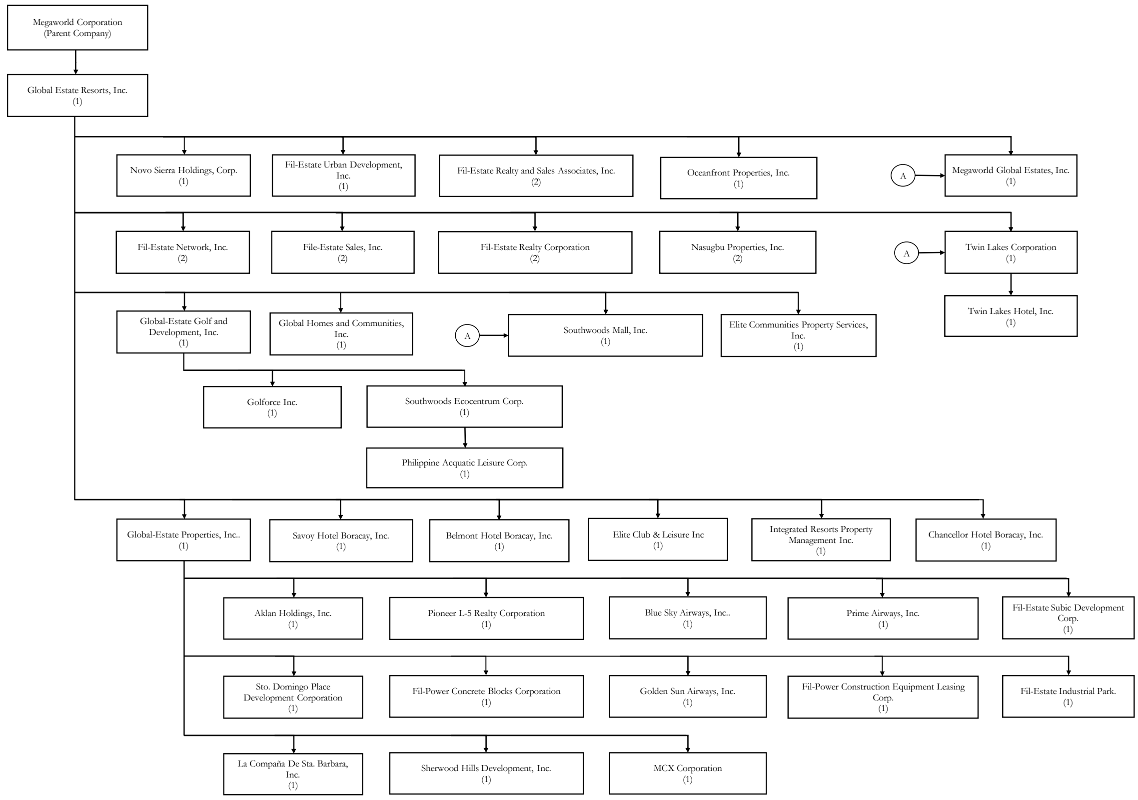


Legend

Relationship with Golden Arches Development Corporation

(1)	Subsidiary		
(2)	Associate		
(3)	Jointly Controlled Entity		
(4)	FVOCI		
A	MegaworldCorporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between and
Among Megaworld and Global Estate Resorts Inc. Group
December 31, 2024

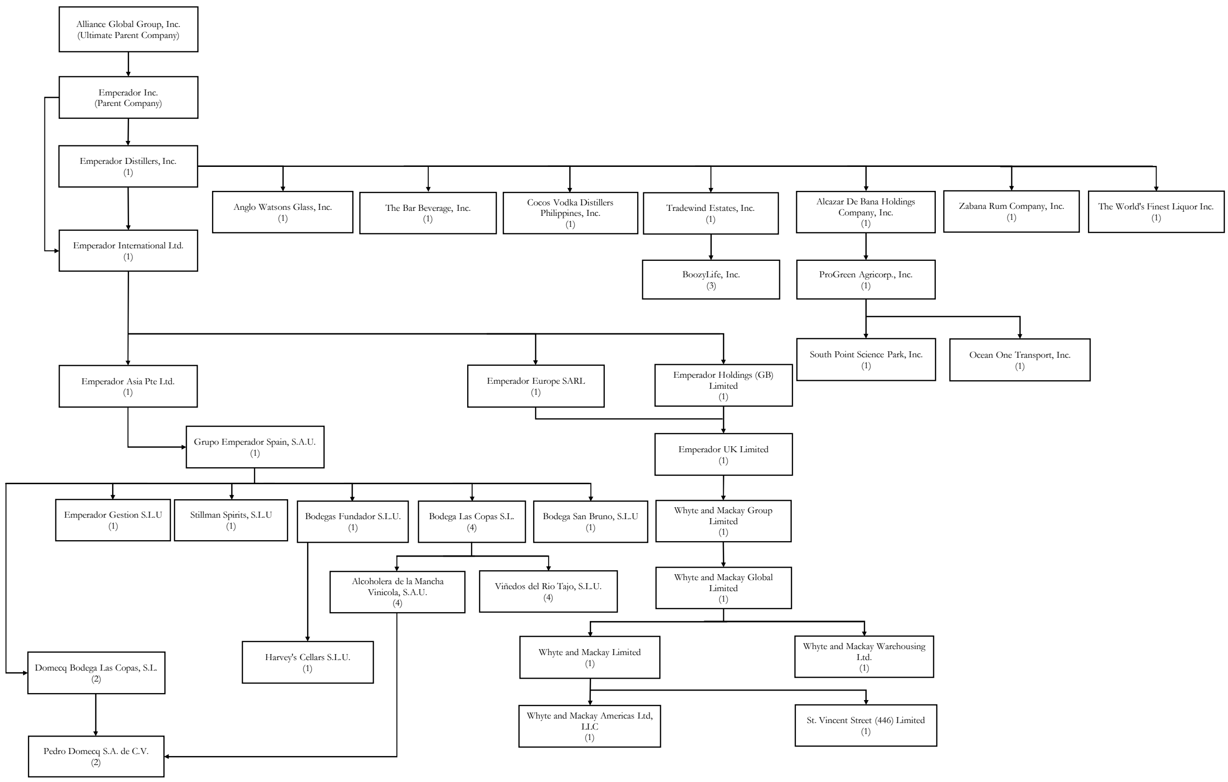


Legend

(1) Subsidiary
(2) Associate
(3) Jointly Controlled Entity
(4) FVOCI

A	Megaworld Corporation	J	Twin Lakes Corporation
B	Adams Properties, Inc.	K	Megaworld Global Estates, Inc.
C	First Centro, Inc.	L	Megaworld Central Properties, Inc.
D	Newtown Land Partners, Inc.	M	Shiok Success International, Ltd.
E	Travellers International Hotel Group, Inc.	N	Dew Dreams International, Ltd.
F	Manila Bayshore Property Holdings, Inc.	O	Southwoods Mall, Inc.
G	Westside City, Inc.	P	Sonoma Premier Land, Inc.
H	Townsquare Development, Inc.	Q	Gilmore Property Marketing Associates, Inc.
I	Megaworld Resort Estates, Inc.	R	Emperador Inc.
S	Empire East Land Holdings, Inc.	T	Suntrust Home Developers, Inc.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Map Showing the Relationship Between Alliance Global Group, Inc.
and Emperador Group
December 31, 2024



Legend
Relationship with Emperador Inc.
(1) Subsidiary (100%)
(2) Subsidiary (50%)
(3) Subsidiary (87%)
(4) Jointly Controlled Entity

Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

The Board of Directors and the Stockholders
Alliance Global Group, Inc. and Subsidiaries
7th Floor, 1880 Eastwood Avenue
Eastwood City CyberPark
188 E. Rodriguez, Jr. Avenue
Bagumbayan, Quezon City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of Alliance Global Group, Inc. and subsidiaries (the Group) for the year ended December 31, 2024 and 2023, on which we have rendered our report dated April 28, 2025. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS Accounting Standards) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS Accounting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) and described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Ramilito L. Nañola
Partner

CPA Reg. No. 0090741
TIN 109-228-427
PTR No. 10465911, January 2, 2025, Makati City
BIR AN 08-002511-019-2023 (until December 10, 2026)
BOA/PRC Cert. of Reg. No. 0002/P-009 (until August 12, 2027)

April 28, 2025

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 December 31, 2024

Ratio	Formula	2024	2023
Current ratio	Current assets / Current liabilities	2.63	2.37
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)	1.06	0.97
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds payable)	0.24	0.27
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings, bonds payable and equity-linked debt securities)	0.60	0.56
Asset-to-equity ratio	Total assets / Total stockholders' equity	1.98	1.98
Interest rate coverage ratio	EBIT / Total Interest (Non-recurring gain or loss is excluded from EBIT)	3.78	4.49
Return on investment	Net profit / Total stockholders' equity	0.07	0.08
Return on investment of equity owners	Net profit attributable to owners of the Parent Company/ equity attributable to the owners of the Parent Company	0.06	0.08
Return on assets	Net profit/ total assets	0.03	0.04
Net profit margin	Net profit / Total revenues	0.12	0.14

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
Supplementary Schedule of External Auditor Fee-Related Information
For the Years Ended December 31, 2024 and 2023
(Amounts in Philippine Pesos)

		2024		2023
Total Audit Fees	**P**	**70,802,930**	P	62,332,896
Non-audit service fees:				
Other assurance service		**1,219,100**		1,002,000
Tax service		**2,865,980**		7,397,600
All other service		**4,981,600**		4,408,000
Total Non-Audit Fees		**9,066,680**		12,807,600
Total Audit and Non-audit Fees	**P**	**79,869,610**	P	75,140,496

2024 Sustainability Report

ALLIANCE GLOBAL

SEC Form 17-A Annex

Contents

Contextual Information

Name of Organization	Alliance Global Group, Inc.
Location of Headquarters	7/F 1880 Eastwood Avenue, Eastwood City CyberPark, Bagumbayan, Quezon City
Location of Operations	Megaworld Corporation (MEG), Travellers International Hotel Group, Inc. (TIHGI), and Golden Arches Development Corporation (GADC) operate in the Philippines, while Emperador Inc. (EMI) operates an integrated business of manufacturing, bottling and distributing distilled spirits and other alcoholic beverages from the Philippines, United Kingdom, Spain, and Mexico, through its subsidiaries.
Report Boundary *Legal Entities (e.g. Subsidiaries) included in this Report*	Megaworld Corporation (MEG), Travellers International Hotel Group, Inc. (TIHGI), Emperador Inc., and Golden Arches Development Corporation (GADC).
Business Model, including Primary Activities, Brands, Products, and Services	AGI is a holding company with interests in the food and beverage business (manufacturing and trading of consumer products), real estate (investment in and development of real estate, lease of properties, hotel operations and tourism estate development), tourism-entertainment and gaming, and quick service restaurant (McDonald's) business. Through its subsidiaries and associates, the Company focuses on providing and developing products and services that cater to its target markets' needs, demands, and aspirations. The Company believes that it is well-positioned to benefit from consumer demand driven by the expected growth of the middle-income sector.
Reporting Period	January 1, 2024 - December 31, 2024
Highest Ranking Person responsible for this report	Kevin Andrew L. Tan

The Board has general oversight over the sustainability-related risks and opportunities of the Company. On 15 April 2025, Alliance Global Group, Inc.'s Board of Directors, under the auspices of the Corporate Governance Committee, convened to review and approve the submission of the Company's Sustainability Report for the fiscal year ending 2024. This review underscores Alliance Global Group, Inc.'s dedication to transparency, accountability, and sustainable business practices, reaffirming its commitment to stakeholders and the broader community.

Sustainability Strategy

Sustainability is deeply embedded in AGI's operations, shaping its growth, innovation, and long-term vision. As the Group expands, it continuously strengthens efforts to integrate sustainability across its diverse businesses. In 2024, this commitment remains central to AGI's strategy, guided by its SustainAGIlity framework and sustainability statement. Aligned with the 17 United Nations Sustainable Development Goals, AGI advances global sustainability through responsible business practices, environmental stewardship, and social progress across its subsidiaries.

AGI Sustainability Statement

As a world-class Filipino conglomerate, AGI is committed to growing its businesses responsibly, contributing to the well-being of society over the long term, and helping sustain the environment for future generations.

AGI continues to refine its sustainability approach, ensuring that commitments align with business needs and stakeholder expectations. In 2024, the Company strengthened its framework by structuring material topics under the SustainAGIlity Pillars — People, Planet, and Prosperity. This enhances how AGI manages ESG risks and opportunities, while ensuring a clear and cohesive sustainability strategy.

The SustainAGIlity framework is now the overarching theme across AGI's subsidiaries, ensuring consistency and easy progress tracking. Centered on People, Planet, and Prosperity, it drives efforts to build thriving communities, achieve carbon neutrality, and uphold ethical growth. Sustainability is embedded in all operations, from tourism estate development to lifestyle communities, strengthening AGI's resilience and preparing it for future challenges.

Pillar 1: People

AGI believes that people are the foundation of sustainable growth. A dynamic and inclusive workforce, supported by continuous learning and well-being programs, strengthens the Company's ability to adapt and thrive. Commitment to providing safe and empowering workplaces, embracing diversity, and promoting equal opportunities supports continued success. Strong relationships with employees and communities help build a culture of collaboration and progress.

Employee Wellness & Empowerment

- **Human Rights and Labor Laws, Diversity, Equal Opportunity, and Non-Discrimination, Employees Training and Development, Workforce Health and Safety**
    - *Comprehensive training, career development programs, and occupational health and safety initiatives enhance workforce resilience and engagement.*
    - *A workplace culture built on well-being and inclusivity fosters collaboration, innovation, and long-term employee retention.*

Community Transformation

- **Community Impacts of New Developments, Community Relations**
    - *Meaningful partnerships with communities ensure that developments contribute positively to local economies and social well-being.*
    - *Social responsibility programs address community needs and create opportunities for sustainable progress.*

Customer Care

- **Customer Health and Safety, Data Privacy and Security**
    - *Stringent safety measures and continuous service improvements ensure that products and facilities exceed regulatory and industry standards.*
    - *Transparent and responsible customer engagement strengthens trust, loyalty, and long-term brand confidence.*

Pillar 2: Planet

Sustainability is embedded in AGI's environmental strategy, focusing on reducing its carbon footprint and conserving natural resources. Responsible environmental practices are integrated into operations to drive long-term success. Investments in greener solutions and climate-resilient infrastructure contribute to a sustainable future for both the business and the communities it serves.

Carbon Neutrality

- **Climate Action and Resilience, GHG Emissions Management**
    - *Renewable energy integration, energy-efficient solutions, and carbon footprint monitoring drive emissions reduction efforts.*
    - *Climate resilience strategies support business continuity while contributing to broader environmental sustainability goals.*

Resource Efficiency

- **Waste Management and Circular Economy, Water and Wastewater Management, Energy Efficiency, Materials Management**
    - *Sustainable resource management initiatives focus on minimizing waste, optimizing energy use, and promoting responsible consumption.*
    - *Conservation strategies reduce environmental impact while enhancing operational efficiency.*

Sustainable Building Operations

- **Land Use and Green Infrastructure**
    - *Thoughtfully designed developments prioritize eco-friendly solutions that integrate with natural ecosystems.*
    - *Smart urban planning enhances climate resilience and improves the quality of life for surrounding communities.*

Pillar 3: Prosperity

Economic success, driven by innovation and responsible business practices, creates lasting value for all stakeholders. Financial resilience, market growth, and strong governance ensure long-term stability. Strategic investments and digital advancements strengthen competitiveness while supporting sustainable expansion.

Impact Growth

- **Economic Performance and Market Presence, Business Model and Product Innovation, Product Quality and Safety, Digitalization**
    - *Expanding market presence and adopting digital solutions enhance operational efficiency and business performance.*
    - *Innovation fuels new opportunities for sustainable growth while ensuring high-quality products and services.*

Good Governance

- **Enterprise Risk Management, Business Ethics and Integrity, Regulatory and Economic Compliance, Procurement Practices and Social and Environmental Responsibility in Supplier Relations**
    - *Transparent financial management, ethical sourcing, and regulatory compliance reinforce AGI's commitment to responsible corporate governance.*
    - *Strong governance structures safeguard business integrity, ensuring accountability and trust among stakeholders.*

AGI's Commitment to Sustainability

Alliance Global Group, Inc. is advancing its sustainability vision through two long-term goals: (1) to become carbon neutral, and (2) to provide 5 million direct and indirect jobs by 2035. These objectives reflect AGI's commitment to responsible growth and meaningful impact across its operations and communities.

Significant progress has been made toward the Group's carbon neutrality target. In 2023, MEG and TIHGI entered into a power purchase agreement under the Retail Competition and Open Access (RCOA) mechanism, committing to shift 100 MW of energy consumption to renewable sources by 2027. As of now, 40 properties — such as malls, office buildings, and hotels consuming over 500 kW — have already transitioned to renewable energy, with 23 more properties slated for conversion by 2025.

To complement this effort, EMI and MEG properties not currently covered under RCOA are preparing to shift to renewable energy as well through the Green Energy Option Program. Scheduled for 2025, this agreement will supply 20 MW of clean electricity to 39 sites across Luzon and Cebu. Alongside these efforts, EMI and TIHGI have begun integrating solar power within their operations by installing rooftop systems to generate their own electricity.

Reforestation is a key component of AGI's decarbonization strategy. MEG's ***Project Tree Point Five Million*** has expanded across the Group, with EMI and TIHGI now actively contributing to the initiative. The companies aim to reforest over 1,500 hectares of land as part of their shared commitment to offset emissions and restore ecosystems.

In parallel with its environmental efforts, AGI is laying the foundation for its jobs creation goal. The Company currently employs 62,278 individuals directly. Across the Group's nationwide footprint, AGI's operations have contributed to the creation of more than 535,000 indirect jobs across its value chain. These developments reflect AGI's growing momentum toward its 2035 vision — delivering inclusive growth, environmental restoration, and sustainable value across industries and communities.

Stakeholder Engagement

AGI takes a proactive and people-centered approach to stakeholder engagement, recognizing that strong relationships are essential to sustainable progress. Whether through direct communication, formal dialogues, or collaborative initiatives, the Company ensures that key stakeholders are involved in shaping its business decisions and sustainability efforts.

- **Business partners and suppliers** are key contributors to AGI's value chain. To promote fairness and integrity, the Company maintains a clear and consistent procurement process. Digital bidding platforms, structured accreditation procedures, and supplier training help ensure that partners meet AGI's ethical, environmental, and labor standards. Open communication and regular coordination allow for better alignment on performance, compliance, and sustainability expectations.
- **Employees** are engaged through a wide range of initiatives designed to support their development, well-being, and sense of purpose. AGI continuously strengthens internal communication through platforms like DZHR and Kamustahan sessions. Leadership programs such as TEN Talks and learning sessions promote career growth, while sustainability awareness is encouraged through campaigns like MEGreen. Regular engagement surveys, wellness programs, and recognition activities help build a workplace culture that values collaboration and growth.
- Within the **community and broader society**, AGI works with nonprofit organizations, local governments, and educational institutions to support initiatives focused on education, livelihood, and social inclusion. Internship programs, labor insertion agreements, and volunteerism promote opportunity for marginalized sectors. Long-standing partnerships with groups like Caritas and the Red Cross strengthen AGI's contributions to poverty reduction and disaster response. The Company also supports heritage conservation and local culture, particularly around its operating sites, through community events and revitalization programs.
- **Customers** are actively engaged across AGI's operations. The Company maintains open feedback channels through after-sales support, surveys, and service hotlines. Customer experience is continually enhanced through dedicated follow-ups, alignment meetings, and township-wide coordination via the Township Alignment Group (TAG). These efforts ensure that services, events, and experiences meet evolving expectations while reinforcing customer trust and satisfaction.
- **Government and regulatory bodies** are engaged through ongoing coordination to ensure full compliance with laws, permits, and certifications. AGI maintains transparent relationships with local and national agencies, aligning its practices with policy updates and industry standards. Physical and virtual meetings, regular reporting, and participation in consultations allow AGI to stay ahead of regulatory requirements while contributing to national development goals.
- For **shareholders and investors**, AGI offers consistent and transparent communication through annual stockholders' meetings, investor briefings, press releases, and its sustainability reporting cycle. Key concerns such as climate-related risk disclosures, emissions accounting, and progress toward carbon neutrality are addressed through verified audits and strategic initiatives—including renewable energy transitions and carbon offset programs. Investors also have access to senior management through structured engagements, ensuring concerns are acknowledged and addressed in a timely, informed manner.

Across every stakeholder group, AGI's approach is rooted in collaboration, listening, and continuous improvement. Whether through strategic partnerships, grassroots initiatives, or corporate disclosures, the Company remains committed to strengthening stakeholder trust while advancing its sustainability goals.

Sustainability Team

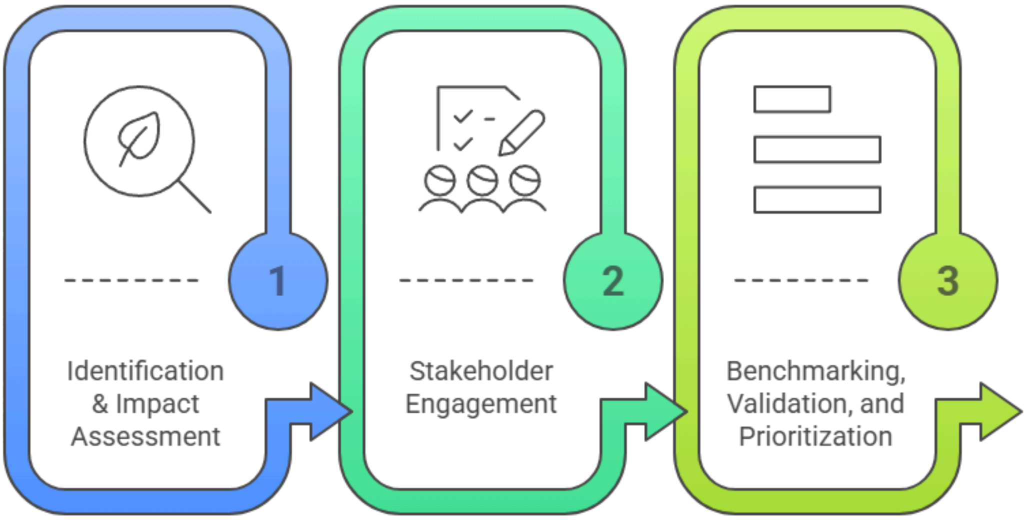
AGI's sustainability efforts are managed through a structured leadership setup. The overall program is led by a Sustainability Head, with each business unit assigning a Sustainability Lead to oversee initiatives within their respective areas. Sustainability champions are also appointed within teams to support specific programs and assist with on-the-ground implementation.

Materiality Process

Sustainability at AGI goes beyond compliance; it is a strategic commitment to identifying, assessing, and managing the Company's most significant economic, environmental, and social impacts. The materiality process provides a structured approach to ensure that AGI's sustainability initiatives align with both business priorities and stakeholder expectations. Integration with internationally recognized standards such as the GRI Standards enhances transparency, accountability, and continuous improvement across operations.

A comprehensive assessment framework enables AGI to recognize both actual impacts — demonstrating tangible contributions — and potential risks that require proactive management. Direct engagement with employees, customers, investors, suppliers, and communities helps identify and address the most relevant sustainability topics.

AGI's Materiality Process



- **Identification and Impact Assessment:** AGI conducts a thorough review of topics that influence the economy, environment, and society across its subsidiaries. Positive impacts — such as contributions to local development, innovation, or environmental progress — are recognized as current achievements, while potential risks and adverse impacts are flagged for proactive management. This process is informed by previous materiality assessments, peer benchmarks, and relevant industry trends.

- **Subsidiary-Level Stakeholder Engagement:** After identifying potential material topics, AGI's sustainability team representatives from each subsidiary assess and verify the significance of these impacts. The material topics are then extracted from the list of significant impacts and are approved by top management within each subsidiary to ensure alignment with strategic objectives.

  While the engagement process is primarily internal, involving management, sustainability teams, and functional units, it ensures that each topic reflects the operational context and sustainability priorities of each business unit.

- **Benchmarking and Prioritization:** AGI consolidates the validated topics across subsidiaries and benchmarks them against industry standards and internal sustainability goals. The Green Council and senior leadership review the consolidated list to identify common themes and cross-cutting issues. A final materiality matrix is developed, prioritizing topics based on their significance to the Group and their relevance to stakeholders. These are now categorized under AGI's SustainAGIlity Pillars—People, Planet, and Prosperity—to guide sustainability reporting and performance monitoring across the organization.

For 2024, AGI builds on prior assessments while adapting to new challenges and opportunities. The materiality evaluation encompasses impacts across all subsidiaries, with sustainability representatives validating these insights to distinguish between immediate priorities and emerging issues. This approach reinforces AGI's commitment to sustainable development, ensuring that business decisions create long-term value for both the Company and society.

Unified Impact: An ESG Blueprint

AGI continues to refine its sustainability approach, ensuring that its commitments align with evolving business needs and stakeholder expectations. In 2024, the Company strengthened its sustainability framework by structuring its material topics under the SustainAGIlity Pillars — People, Planet, and Prosperity. This classification enhances AGI's ability to manage ESG risks and opportunities while creating a more strategic and cohesive sustainability roadmap.

PEOPLE	PLANET	PROSPERITY
• Human Rights and Labor Laws • Diversity, Equal Opportunity, and Non-Discrimination • Employee Training and Development • Workforce Health and Safety • Community Impact of New Developments • Community Relations • Customer Health and Safety • Data Privacy and Security	• Climate Actions and Resilience • GHG Emissions Management • Waste Management and Circular Economy • Water and Wastewater Management • Energy Efficiency • Materials Management • Land Use and Green Infrastructure	• Economic Performance • Market presence • Business Model and Product Innovation • Product Quality and Safety • Digitalization • Enterprise Risk Management • Business Ethics and Integrity • Regulatory and Economic Compliance • Procurement Practices and Social and Environmental Responsibility in Supplier Relations
		

United Nations Sustainable Development Goals

AGI integrates sustainability into its operations, aligning with the United Nations Sustainable Development Goals (UN SDGs). Through its subsidiaries — MEG, EMI, TIHGI, and GADC — the Company drives economic growth, environmental sustainability, and community development.

Its diverse portfolio spans real estate, hospitality, retail, food & beverage, and commercial services, creating jobs, supporting local businesses, and promoting responsible urban development. MEG leads in township and mixed-use developments, integrating green infrastructure and energy efficiency. EMI implements sustainable sourcing and eco-friendly packaging in brandy and whisky manufacturing. TIHGI strengthens Philippine tourism, while GADC promotes waste reduction and sustainable sourcing.

Beyond business operations, the Company invests in corporate social responsibility (CSR) programs, including education, healthcare, livelihood, and disaster relief initiatives. These programs improve lives and create economic opportunities in the communities it serves. Efforts in climate action, energy efficiency, and waste reduction include renewable energy adoption, green building designs, and emissions reduction strategies. These initiatives reinforce AGI's commitment to sustainable business growth while delivering high-quality products and services.

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Human Rights and Labor Laws AGI upholds labor rights, fair employment practices, and ethical workplace policies to protect employees and ensure compliance with labor standards.	**GRI 406** *Non-discrimination* **GRI 407** *Freedom of Association and Collective Bargaining* **GRI 408** *Child Labor* **GRI 409** *Forced or Compulsory Labor*	• Provides fair wages, ethical employment, and social protections. • Ensures safe and discrimination-free workplaces. • Upholds employee rights through collective bargaining agreements.	• Risks of workplace discrimination, harassment, or labor rights violations. • Challenges in monitoring and ensuring supplier compliance with labor laws.	• Implements strict non-discrimination, fair labor, and anti-harassment policies. • Strengthens employee grievance mechanisms. • Conducts regular labor compliance training for HR and management.	8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES
Diversity, Equal Opportunity, and Non-Discrimination AGI promotes a diverse and inclusive workplace where individuals are valued regardless of gender,	**GRI 405** *Diversity and Equal Opportunity*	• Gender equality in leadership and workforce. • Fair compensation and career advancement for all employees. • Workplace inclusivity	• Unconscious bias in hiring and promotions. • Gender pay gap and disparities in career progression.	• Bias awareness training and structured diversity programs. • Transparent salary benchmarking and	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
ethnicity, or background. Policies ensure fair compensation and equal opportunities for all employees.		and respect for diverse backgrounds.	• Limited representation of marginalized groups.	equitable pay policies. • Employee resource groups to foster inclusion.	10 REDUCED INEQUALITIES
Employee Training and Development AGI invests in continuous learning and professional growth to develop a skilled workforce, enhance innovation, and maintain industry leadership.	**GRI 404** *Training and Education*	• Career growth and skills enhancement. • Leadership development for future-ready employees. • Employee retention and engagement.	• Gaps in access to training and learning resources. • Rapid skill shifts leaving employees unprepared for evolving job demands.	• Comprehensive training programs and upskilling initiatives. • Regular career development reviews and mentorship programs. • Digital learning platforms for accessibility.	4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
Workforce Health and Safety AGI maintains a strong safety culture, ensuring compliance with occupational health standards and prioritizing employee well-being in all operational sites.	**GRI 403** *Occupational Health and Safety*	• Safe working environments reducing accidents and health risks. • Lower absenteeism and improved productivity. • Employee health and well-being programs.	• Workplace hazards leading to injuries or illnesses. • Costs associated with occupational health risks.	• Strict adherence to Occupational Safety and Health (OSH) standards. • Mandatory safety training and risk assessments. • Employee wellness programs and access to healthcare.	3 GOOD HEALTH AND WELL-BEING 8 DECENT WORK AND ECONOMIC GROWTH
Community Relations and Impact of New Developments AGI integrates community development programs and stakeholder engagement into its expansion projects to ensure positive socio-economic contributions.	**GRI 413** *Local Communities*	• Local economic growth and job creation. • Infrastructure development, improving community well-being. • Social programs enhancing education, health, and livelihoods.	• Displacement of communities due to urban expansion. • Environmental concerns affecting local ecosystems.	• Community consultations and impact assessments before developments. • Corporate social responsibility (CSR) programs addressing local needs. • Sustainable design and green	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES

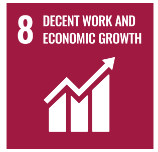
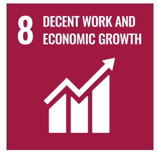
Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
				infrastructure projects.	
Customer Health and Safety AGI ensures its products and services comply with stringent health and safety standards, prioritizing customer well-being across all subsidiaries.	**GRI 416** *Customer Health and Safety*	• Ensures safe and high-quality consumer products. • Strengthens customer confidence and brand reputation. • Complies with food safety and health regulations.	• Risks of product recalls, contamination, or safety concerns. • Reputational damage due to service-related issues.	• Strict adherence to product safety certifications and FDA regulations. • Regular audits and quality control measures. • Customer feedback systems for service improvements.	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Data Privacy and Security AGI safeguards customer and stakeholder information through strict data governance, cybersecurity protocols, and compliance with privacy laws.	**GRI 418** *Customer Privacy*	• Protects customer data and prevents cyber threats. • Ensures ethical and transparent data processing. • Enhances consumer trust and regulatory compliance.	• Risks of data breaches, hacking, and unauthorized access. • Regulatory challenges in complying with evolving data privacy laws.	• Strengthens data encryption and cybersecurity frameworks. • Conducts regular privacy training and audits. • Implements incident response protocols for breaches.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Climate Action and Resilience AGI reduces its environmental footprint through carbon management strategies, sustainable construction, and renewable energy integration. **GHG Emissions Management** AGI actively reduces carbon emissions across its operations.	**GRI 305** *Emissions*	• Lowers Scope 1, 2, and 3 emissions through sustainable building designs and operational efficiency. • Implements renewable energy solutions to transition to low-carbon operations. • Enhances climate resilience by reducing dependency on fossil fuels.	• High carbon emissions from real estate development, energy consumption, and logistics. • Challenges in transitioning fully to renewable energy. • Costs of investing in emissions reduction technologies.	• Tracks and reports GHG emissions using international frameworks to set reduction targets and improve operational efficiency. • Promotes green mobility initiatives, such as EV charging stations in MEG townships, to reduce Scope 3 emissions from transport.	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 13 CLIMATE ACTION

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
				• Installs solar panels and energy-efficient HVAC systems in select developments to reduce Scope 2 emissions. • Increases renewable energy integration in operations.	
Waste Management and Circular Economy AGI promotes responsible waste disposal, recycling, and resource efficiency to support circular economy principles.	**GRI 306** *Waste*	• Reduction of landfill waste through recycling programs. • Sustainable packaging and resource conservation. • Responsible supply chain waste management.	• Improper waste disposal leading to environmental harm. • Limited recycling infrastructure in some locations. • Increased costs of waste management initiatives.	• Waste diversion programs and landfill reduction targets. • Collaboration with suppliers for sustainable materials. • Circular economy initiatives promoting reusability.	
Water and Wastewater Management AGI ensures responsible water use, wastewater treatment, and conservation across its developments to support long-term water security.	**GRI 303** *Water and Effluents*	• Reduces freshwater consumption through rainwater harvesting and water recycling. • Treats and reuses wastewater in cooling systems, landscaping, and facility maintenance. • Complies with DENR and LLDA effluent standards to prevent water pollution.	• High water consumption in real estate, tourism, and manufacturing operations. • Risk of contamination if wastewater is not properly treated. • Regulatory compliance challenges in wastewater discharge.	• Uses low-flow fixtures and greywater reuse systems in properties. • Ensures 100% compliance with wastewater discharge permits. • Monitors water quality through regular testing and audits.	  
Energy Efficiency AGI reduces energy consumption and integrates renewable	**GRI 302** *Energy*	• Reduces carbon emissions through smart energy systems and renewable energy adoption.	• High energy demand across real estate, hospitality, and manufacturing sectors.	• Implements LED lighting, solar panels, and automated energy controls.	

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
energy solutions to enhance sustainability.		• Improves energy efficiency with LEED- and EDGE-certified green buildings. • Partners with MPower and Meralco to transition contestable properties to renewable energy by 2027.	• Dependence on non-renewable energy sources in some operations. • Upfront investment costs for energy-efficient infrastructure.	• Shifts to 100% renewable energy for TIHGI and other business units. • Conducts regular energy audits to optimize consumption.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
Materials Management AGI promotes sustainable material sourcing, increased recycled material use, and responsible procurement.	**GRI 301** *Materials*	• Uses eco-friendly and recycled materials in construction and packaging. • Supports local small businesses by sourcing sustainable office and cleaning supplies. • Reduces waste by recycling construction materials, reusing wood, and repurposing old textiles.	• Environmental impact from raw material extraction. • Increased waste generation if materials are not sourced responsibly. • Supply chain disruptions affecting sustainable material availability.	• Sources certified sustainable construction materials from accredited suppliers. • Tracks recycled input materials in production. • Conducts supplier assessments for environmental compliance.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Land Use and Green Infrastructure AGI integrates green spaces, biodiversity conservation, and sustainable urban planning into its developments.	**GRI 101 and 304** *Biodiversity*	• Preserves biodiversity by incorporating green spaces and native vegetation in developments. • Enhances climate resilience with tree-lined streets, parks, and nature-based solutions. • Improves urban sustainability through eco-friendly building designs and green rooftops.	• Land conversion affecting natural ecosystems. • Increased urban heat island effect due to excessive land development. • Risk of non-compliance with environmental land-use regulations.	• Ensures Environmental Impact Assessments (EIAs) for all projects. • Establishes wildlife-friendly zones and conservation programs. • Promotes low-impact development strategies in township planning.	11 SUSTAINABLE CITIES AND COMMUNITIES 15 LIFE ON LAND

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
Economic Performance and Market Presence AGI drives economic growth through job creation, local investments, and strong market positioning in various industries.	**GRI 201** *Economic Performance* **GRI 202** *Market Presence*	• Contribution to national GDP and job creation. • Resilient business growth, ensuring long-term stability. • Financial sustainability for continued investments.	• Economic downturns affecting profitability. • Inflation and market fluctuations impacting revenues.	• Diversifies investment portfolio and revenue streams. • Implements financial risk management and compliance frameworks. • Engages in long-term economic planning and market analysis.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Business Model and Product Innovation AGI drives sustainable economic growth through infrastructure investments, digital transformation, and product innovations across its subsidiaries. The Company continuously enhances its offerings in real estate, hospitality, food & beverage, and retail to remain competitive.	**GRI 203** *Indirect Economic Impacts*	• Supports economic growth by investing in infrastructure and innovation. • Expands access to high-quality real estate, hospitality, and consumer goods. • Develops smart cities and sustainable townships that integrate green infrastructure and digitalization.	• High capital expenditures for innovation and expansion. • Risk of market saturation or demand fluctuations. • Challenges in scaling new technologies and sustainability solutions.	• Invests in research & development (R&D) for sustainable products and smart technologies. • Engages in public-private partnerships for infrastructure expansion. • Adopts green building certifications and sustainable design principles.	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Product Quality and Safety AGI ensures that all products and services meet stringent health, safety, and quality standards across its real estate, hospitality, and food and beverage sectors. The Company adheres to local and international regulations to guarantee customer well-being.	**GRI 416** *Customer Health and Safety*	• Protects consumer health and safety by maintaining high product quality standards. • Ensures compliance with food safety regulations, beverage industry laws, and pharmaceutical product safety. • Enhances customer confidence through third-party certifications	• Risks of non-compliance with health and safety regulations, leading to product recalls or legal penalties. • Potential customer complaints or lawsuits due to product-related incidents. • High costs of maintaining stringent	• Implements Good Manufacturing Practices (GMP) in EMI's production facilities. • Conducts third-party safety audits and regulatory compliance checks across all subsidiaries. • Ensures food and beverage products meet FDA and	3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
		and regulatory approvals.	quality control and testing.	international safety certifications. • Strengthens customer feedback mechanisms to track and resolve safety concerns.	
Digitalization AGI leverages digital transformation to enhance operational efficiency, customer experience, and business resilience across its real estate, hospitality, and food and beverage sectors. The Company integrates smart technologies, digital platforms, and automation to streamline processes and improve stakeholder engagement.	**Not applicable**	• Improves service efficiency and customer convenience through AI-driven customer support, smart buildings, and digital payment systems. • Increases productivity and operational resilience by automating business processes. • Strengthens data-driven decision-making for long-term growth.	• Cybersecurity risks from data breaches, system vulnerabilities, and hacking threats. • Potential job displacement due to automation in customer service and operations. • Digital divide concerns as some communities lack access to digital infrastructure.	• Implements advanced cybersecurity measures, including encrypted transactions and AI-driven fraud detection. • Provides digital skills training for employees to adapt to evolving technologies. • Expands digital accessibility initiatives to ensure all stakeholders benefit from technology-driven solutions.	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Enterprise Risk Management AGI implements a comprehensive risk management framework to ensure business resilience, financial stability, and regulatory compliance across all operations. The Company actively identifies,	**GRI 2** *General Disclosures*	• Strengthens financial and operational resilience against external shocks. • Enhances business continuity planning and risk governance. • Ensures transparency and accountability in decision-making.	• Exposure to economic downturns, market volatility, and global disruptions. • Risks related to supply chain disruptions, cybersecurity threats, and regulatory changes.	• Implements enterprise-wide risk assessment and mitigation strategies. • Conducts regular risk scenario analyses and stress testing. • Strengthens board oversight on risk management and	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
assesses, and mitigates financial, operational, and environmental risks.			• Potential conflicts of interest and governance risks.	corporate governance.	
Business Ethics and Integrity AGI upholds strong corporate governance, anti-corruption policies, and ethical business practices to maintain trust among stakeholders and ensure compliance with global standards.	**GRI 205** *Anti-corruption*	• Promotes fair business practices and anti-corruption initiatives. • Builds long-term stakeholder trust and investor confidence. • Ensures responsible and transparent corporate governance.	• Risks of bribery, corruption, and ethical misconduct. • Reputational damage due to non-compliance with corporate governance standards. • Challenges in enforcing ethical standards across a diverse business landscape.	• Enforces strict anti-corruption policies and ethical business codes. • Conducts mandatory ethics training for employees and leadership. • Implements whistleblower protection programs and independent audits.	
Regulatory and Economic Compliance AGI ensures compliance with local and international regulatory frameworks, tax policies, and economic governance requirements to operate responsibly.	**GRI 207** *Tax*	• Contributes to national and local economic development through tax compliance. • Strengthens stakeholder engagement in regulatory matters. • Maintains legal and financial stability across global markets.	• Risks of non-compliance with tax and economic regulations. • Exposure to financial penalties and legal disputes. • Complexity in navigating multiple regulatory environments.	• Adopts transparent financial reporting and regulatory compliance programs. • Implements internal audit and compliance teams. • Engages government agencies and industry associations on regulatory matters.	 
Procurement Practices and Supplier Responsibility AGI ensures responsible sourcing and supplier compliance with social, ethical, and environmental standards to promote fair	**GRI 204** *Procurement Practices* **GRI 308** *Supplier Environmental Assessment* **GRI 414** *Supplier Social*	• Supports local suppliers and SMEs, strengthening economic growth. • Ensures ethical supply chain practices by screening suppliers for social and environmental	• Risk of labor rights violations in supplier operations, including forced labor, child labor, or poor working conditions. • Environmental impacts from	• Implements supplier screening using social and environmental criteria. • Conducts regular supplier audits to ensure compliance with labor laws and	 

Material Topic and Description	Relevant GRI Indicators	Societal Value/ Contribution to UN SDGs	Potential Negative Impact of Contribution	Management Approach to Negative Impact	SDGs
labor, sustainable materials, and ethical supply chain management.	*Assessment*	responsibility. • Reduces supply chain risks related to human rights violations.	unsustainable material sourcing. • Potential reputational risks from supplier non-compliance with ethical standards.	sustainability policies. • Strengthens contracts requiring ethical sourcing, fair wages, and environmental responsibility.	

ECONOMIC

Economic Performance

AGI drives economic growth through its diverse businesses in real estate, spirits, integrated tourism, quick-service restaurants, and infrastructure. Despite global economic uncertainties and inflationary pressures, the Company remained resilient, adapting to market conditions while maintaining steady growth. Investments in innovation, responsible operations, and community development will continue, ensuring long-term value creation for stakeholders. Its businesses generated employment, supported local suppliers, and contributed to national and local economies through wages, service payments, dividends, and taxes. Communities in host barangays and townships, students, senior citizens, indigenous peoples, and small businesses also benefited from AGI's initiatives in health, education, sustainability, environmental protection, and livelihood development.

Direct Economic Value Generated and Distributed

Disclosure (in Php millions)	2022	2023	2024
Direct Economic Value Generated (Revenue)	183,612	210,814	**223,564**
Direct Economic Value Distributed:			
a. Operating Costs	93,607	105,170	**111,140**
b. Employee Wages and Benefits	15,419	19,081	**21,557**
c. Payments to Suppliers, Other Operating Costs	30,321	34,164	**37,257**
d. Dividends given to Stockholders and Interest Payments to Loan Providers	9,621	12,289	**13,919**
e. Taxes given to Government	8,104	9,610	**10,526**
f. Investments to Community (e.g. Donations, CSR)	130	122	**154**

AGI continued to demonstrate resilience and responsible growth in 2024, creating sustainable economic value for its stakeholders. Direct economic value grew by 6%, reflecting the strength of its diversified business segments.

Operating costs rose by 6%, reflecting AGI's continued reinvestment into project developments, digitalization, and operational expansion. Employee wages and benefits saw a 13% increase, reinforcing the Group's commitment to supporting talent attraction, employee retention, and workforce well-being. Payments to suppliers and other operating costs grew by 9%, supporting AGI's extensive network of local and international partners. Dividends and interest payments rose by 13%, reflecting its strong financial standing and return of value to shareholders. Taxes paid to the government increased by 10%, supporting public services and national development, while community investments grew by 27%, further advancing the Group's mission of inclusive prosperity.

MEG contributed 36% of the Group's financial momentum, driven by its continued expansion in the real estate sector. In 2024, the Company strengthened its presence by launching four new townships, increasing its total to 35 as it celebrated 35 years in the industry. EMI accounted for 27%, strengthening its global footprint by expanding its premium spirits portfolio and international market presence. TIHGI drove 14% of the growth, boosting tourism and hospitality through enhanced integrated resort operations. GADC delivered 22% of the Group's growth, widening McDonald's

Philippines' store network, creating jobs, and increasing local sourcing despite challenges such as rising input costs and shifting consumer behavior.

Overall, AGI's 2024 performance reflects a clear focus on sustainable growth, operational resilience, and stakeholder value creation. Through careful management of resources, strong subsidiary performance, and strategic investments, AGI continues to reinforce its position as one of the Philippines' leading conglomerates, building a future-ready organization grounded in economic responsibility and shared prosperity.

Our Management Approach

Growth Beyond Numbers

To sustain its momentum, AGI drives economic performance through a holistic approach that goes beyond financial results. The Group remains focused on building business resilience, expanding market presence, and deepening its commitment to sustainability that supports long-term value creation for all stakeholders. Innovation, operational excellence, and responsible investment are central to AGI's strategy, ensuring that economic growth contributes meaningfully to national development, job creation, and community empowerment.

Subsidiary Highlights and Integration

MEG's growth is supported by strong demand across real estate, leasing, and hospitality, alongside continuous reinvestment in project developments. The company's strategic expansion initiatives reinforce its role in shaping dynamic urban centers and contributing to broader economic development.

EMI remains focused on delivering stakeholder value through operational efficiency, sustainable practices, and global market expansion. Emphasis on cost optimization and supplier sustainability strengthens the company's ability to maintain resilient business platforms despite evolving market conditions.

TIHGI enhances its economic contribution through the expansion of its tourism and hospitality portfolio, investments in operational improvements, and active support for local workforce development. Growth strategies are aligned with efforts to boost the Philippines tourism sector and diversity service offerings.

GADC continued to strengthen its economic impact through an expanding store network, continuous product innovation, and improved digital engagement. McDonald's Philippines opened 65 new stores and reimagined 69 existing locations to modernize customer experiences. Enhanced delivery services, strong growth in mobile app engagements, and improvements in chicken product quality further boosted customer satisfaction. These recovery efforts also supported overall procurement activities, increased local sourcing, and improved employee retention further reinforcing GADC's commitment to fostering inclusive prosperity and supporting sustainable community development.

Safeguarding Creditors' Rights

AGI as a group understands the significance of maintaining strong and trustworthy relationships with its creditors. Particularly, the Group prioritizes the protection of its creditors to foster a secure and mutually beneficial financial environment.

Among the measures taken by the Group to safeguard the interests of its creditors include transparent communication on key matters such as progress of projects, financial health, and potential industry challenges. The Group commits itself to sound financial management including rigorous budgeting, cost controls, and risk assessments. It also maintains a disciplined approach to debt management, ensuring that its debt levels are sustainable and aligned with the Group's financial capabilities.

For 2024, these policies were applied by the review of the Group's loan agreements, which include provisions on the disclosure to lenders of matters that could adversely and materially affect the financial condition and operations of its subsidiaries, as well as submission of their respective financial statements and certifications on non-occurrence of an event of default.

Each member of the Group continuously monitors their respective loans and financial obligations to ensure compliance with the payment obligations and loan covenants.

At AGI, the commitment to financial integrity extends beyond the success of its principal subsidiaries. The pivotal role that the creditors play in the Group's operations is constantly recognized and upheld to the highest standards.

Climate-related risks and opportunities

AGI recognizes the critical role of climate-related risks and opportunities in shaping its long-term sustainability and resilience. The Company has integrated climate considerations into its governance structure, business strategy, risk management framework, and performance metrics. Through proactive investments in renewable energy, carbon reduction initiatives, and sustainable infrastructure, AGI is positioning itself to mitigate climate risks while capitalizing on emerging opportunities in the green economy.

TCFD Pillar	Disclosure
Governance	The Board and management oversee climate-related risks and ensure their integration into AGI's broader governance framework. Sustainability initiatives align with corporate objectives, with formal monitoring systems in place. Management ensures compliance with environmental regulations and reporting standards.
Strategy	AGI has identified climate-related risks and opportunities that influence its business operations: • **Short-term Risks** Regulatory changes that require stricter compliance with emissions reductions and sustainability reporting. • **Medium-term Risks** Higher operational costs associated with the transition to renewable energy. • **Long-term Risks** Physical impacts on real estate holdings and business continuity due to extreme weather events. To address these risks, AGI focuses on reducing its carbon footprint, shifting to renewable energy, and improving energy efficiency across its subsidiaries. The Company aims to achieve carbon neutrality by 2035 and continues to explore sustainable alternatives to fossil fuels.
Risk Management	AGI's risk management framework includes scenario analysis, stress testing, and continuous monitoring of key risk indicators. Mitigation strategies include adopting green building standards, reducing waste, and transitioning to renewable energy sources. • **Identification and Assessment** Conducting regular risk assessments to evaluate the impact of climate-related factors on operations. • **Mitigation Measures** Implementing green building standards, waste reduction programs, and investments in renewable energy. • **Integration with Enterprise Risk Management** Incorporating climate risk considerations into the Company's overall risk

TCFD Pillar	Disclosure
	management strategy to support long-term resilience.
Metrics and Targets	AGI tracks key performance indicators (KPIs) such as reductions in greenhouse gas emissions, improvements in energy efficiency, and water conservation. Measurable targets: • **GHG Emissions Reduction** Tracking and reducing Scope 1, 2, and 3 emissions. • **Energy Transition Goals** Transitioning contestable properties to renewable energy by 2027. Contestable properties under Retail Competition and Open Access (RCOA). • **Carbon Offset Initiatives** Establishing *Carbon Forests*, including 1,500 hectares of reforested land, with 350,000 trees planted in various sites in the Philippines. The Group currently aims to plant a total of 3.5 million trees by 2035 as part of its long-term carbon offset strategy, with possible expansion in the future. • **Water and Waste Management** Reducing overall water consumption and enhancing recycling efforts to improve resource efficiency.

Procurement Practices

AGI's supply chain extends across local and international markets, ensuring the seamless movement of goods and services essential to its operations. While this network drives business performance, it also carries economic, environmental, and social responsibilities. Managing these impacts is critical, as sourcing and procurement decisions influence local economies, carbon footprints, and workforce conditions. AGI remains committed to responsible sourcing, ensuring its suppliers uphold high standards in sustainability, ethics, and quality.

Proportion of Spending on Local Suppliers

Subsidiary	Unit	2022	2023	2024
MEG	%	98	100	**100**
TIHGI	%	83	73	**80**
EMI	%	Not reported	Not reported	**Not reported**
GADC	%	78	78	**80**

AGI subsidiaries implement rigorous measures to enhance supply chain sustainability while strengthening local economies. MEG sustained 100% local sourcing in 2024, reinforcing its commitment to sustainable supply chain management. Both TIHGI and GADC achieved a local procurement rate of 80% in 2024, reflecting their increased focus on sourcing goods and services from local suppliers. This shift supports regional economies, reduces environmental impact, and aligns with their sustainability goals. Meanwhile, EMI has yet to report its procurement data, as it is still in the process of gathering the necessary information.

Our Management Approach

Building a Responsible Supply Chain

AGI is committed to developing a resilient and ethically responsible supply chain that upholds the highest standards in environmental stewardship, labor rights, and governance compliance. Across its subsidiaries, the Group enforces structured supplier accountability measures through rigorous screening protocols, regular quality assurance audits, and third-party evaluations. These initiatives aim to ensure that business partners share AGI's values of transparency, sustainability, and social responsibility.

Subsidiary Highlights and Integration

At **MEG**, ISO 9001-certified quality management systems support consistent monitoring of supplier performance in terms of safety, cost-efficiency, and process reliability. This foundational system is a key element in reinforcing AGI's group-wide emphasis on quality and accountability.

EMI implements supplier integrity protocols through its Business Ethics and Integrity Policy and Supplier Policy on Accountability and Liability. Its subsidiaries further expand this by embedding sustainability in sourcing practices.

- Bodegas Fundador requires key suppliers to submit annual sustainability reports and undergo compliance validation as part of its New Supplier Selection Procedure.
- Whyte & Mackay Group (WMG) leads in integrating environmental standards into procurement through its 'Green Print' initiative, which mandates environmental audits and certifications such as FSC, PEFC, and ISO from its suppliers.

TIHGI aligns its procurement with global sustainability frameworks. It sources organic cage-free eggs for its restaurant outlets and promotes local, low-impact agriculture through its partnership with BoomGrow, a smart urban farming initiative. Hotel partners are required to adhere to responsible sourcing policies that reinforce global ESG benchmarks.

GADC ensures supplier compliance through its Supplier Workplace Accountability (SWA) process. This mechanism enforces fair labor practices and integrates routine QA audits and third-party reviews to check supplier alignment with labor, environmental, and anti-corruption standards.

Anti-Corruption

AGI upholds the highest standards of integrity and transparency, ensuring ethical business practices across all subsidiaries. The Board of Directors sets the tone by integrating anti-corruption principles into the Code of Conduct and overseeing a company-wide compliance program. Transparent reporting on anti-corruption efforts enhances investor confidence, strengthens regulatory compliance, and fosters a culture of accountability while minimizing legal, financial, and reputational risks.

Training on Anti-Corruption Policies and Procedures

Anti-corruption policies and procedures are communicated to all employees and business partners, achieving 100% coverage in 2024, consistent with previous years. Training is integrated into onboarding and refresher sessions, ensuring continued awareness. All directors and management undergo mandatory anti-corruption training to reinforce ethical leadership, achieving 100% completion in 2024. Subsidiaries implement proactive compliance measures, including regular assessments and stakeholder engagement.

Disclosure	2022	2023	2024
Percentage of Employees to whom the organization's Anti-corruption policies and procedures have been communicated to	100	100	100
Percentage of Business Partners to whom the organization's Anti-corruption policies and procedures have been communicated to	100	100	100

Disclosure	2022	2023	2024
Percentage of Directors and Management that have received Anti-corruption training	100	100	100
Percentage of Employees that have received Anti-corruption training	100	100	100

Incidents of Corruption

In 2024, there were no reported incidents of corruption leading to the removal or discipline of directors, employee dismissals, or contract terminations with business partners. This reflects consistent adherence to AGI's anti-corruption policies.

Disclosure	2022	2023	2024
Number of incidents in which Directors were removed or disciplined for corruption	0	0	0
Number of incidents in which Employees were dismissed or disciplined for corruption	0	0	0
Number of incidents when Contracts with Business Partners were terminated due to incidents of corruption	0	0	0

Our Management Approach

Ensuring a Corruption-Free Organization

AGI adopts measures aligned with global best practices, national regulations, and corporate governance principles, including zero-tolerance policies, compliance training, whistleblowing mechanisms, and stringent enforcement frameworks. . Each subsidiary enforces policies that are aligned with global best practices, national laws, and corporate governance principles. These policies are subject to regular review to ensure effectiveness in preventing corruption, mitigating risks, and reinforcing a culture of transparency and accountability.

Subsidiary Implementation Highlights

- **MEG** implements a Money Laundering and Terrorist Financing Prevention Program, supported by a strict Anti-Corruption and Non-Acceptance of Gifts Policy, and a Conflict of Interest Policy. An Ethics Committee ensures accountability by investigating misconduct involving employees and senior management.
- **EMI** adopts a multi-tiered approach through its Code of Business Conduct and Ethics, Whistleblowing Mechanism, and Know-Your-Customer (KYC) protocols. It enforces a Criminal Compliance Policy, Anti-Corruption provisions embedded in its Code of Conduct, and annual training on tax fraud prevention in line with international standards.
- **GADC** ensures full compliance with the Philippine Anti-Graft and Corrupt Practices Act, U.S. Foreign Corrupt Practices Act (FCPA), and U.K. Bribery Act. Employees are required to annually certify their compliance with the Standards of Business Conduct, and 100% completed annual ethics training in 2024.

To strengthen its anti-corruption framework, AGI is enhancing digital compliance tools, expanding training modules, and improving policy implementation monitoring. Moving forward, the organization will focus on deeper stakeholder engagement, real-time risk flagging, and technology-supported audit trails. These measures reinforce the Group's commitment to ethical governance and long-term business resilience.

ENVIRONMENT

Resource Management

Efficient use of energy, water, and materials guides AGI's approach to resource management. Subsidiaries adopt sustainable practices such as renewable energy integration, water recycling, and responsible sourcing. These efforts reduce environmental impact, improve operational efficiency, and support sustainability goals.

Energy Consumption Within the Organization

AGI's diverse operations — including commercial, residential, and hospitality developments — require substantial energy use, primarily for cooling, lighting, and facility maintenance. Without effective energy management, rising consumption can lead to higher operational costs, increased carbon emissions, and regulatory pressures, affecting both profitability and sustainability. Recognizing this, AGI prioritizes energy efficiency as part of its climate action strategy, as reducing energy demand directly contributes to lower greenhouse gas emissions. Key initiatives include renewable energy adoption, green building standards, and operational efficiency improvements across its subsidiaries.

Disclosure	Energy Consumption (GJ)		
	2022	2023	2024
Renewable sources	752,993.66	1,266,767.72	**1,292,034.30**
Gasoline	7,216.46	8,729.14	**8,998.64**
LPG	308,123.77	312,460.94	**291,453.19**
Diesel	220,505.62	269,200.34	**273,392.72**
Natural gas	417,498.60	415,717.07	**419,906.60**
Fuel oil	357,706.89	281,628.24	**226,070.20**
Gas oil	60,975.86	77,602.57	**63,128.09**
Coal	375,261.99	61,344.93	**1,195,167.89***
Petrol	2,124.20	2,110.03	**623.60**
Burning oil	No data available	No data available	**92.65**
Electricity	1,511,470.04	1,609,813.55	**1,890,229.41**
Total energy consumption	4,013,877.09	4,305,374.52	**5,661,097.29**

Note: Data for FY 2022 and 2023 was restated following the implementation of Diligent.
**Discrepancies were observed in the coal data; figures are currently pending validation.*

In 2024, AGI's total energy consumption rose by 31%, reflecting varying operational demands across its subsidiaries. MEG accounted for 17% of the total, driven by the energy needs of its commercial and residential developments. However, the continued expansion of LEED- and EDGE-certified buildings helped temper this growth through the use of energy-efficient lighting, and optimized HVAC systems. EMI contributed the largest share at 60%, primarily due to energy-intensive distillation and bottling operations. Ongoing equipment upgrades and fleet optimization helped manage both electricity and non-renewable fuel consumption. TIHGI and GADC each accounted for approximately 12% of total consumption. TIHGI's energy use was largely from hotel, casino, and entertainment operations, but its transition to 100% renewable energy — including on-site solar generation — marked a significant step in reducing dependence on conventional energy sources.

Reduction of Energy Consumption

AGI continues to advance its energy efficiency and carbon neutrality targets by actively transitioning to cleaner energy sources. A major step in this direction is its partnership with MPower, the retail electricity supply arm of Meralco, to shift all contestable properties to renewable energy by 2027. This collaboration marks a significant milestone in AGI's sustainability strategy, reinforcing its commitment to achieving carbon-neutral operations by 2035.

Our Management Approach

Efficiency by Design

AGI focuses on energy efficiency and sustainability by adopting green building standards, renewable energy, and smart infrastructure to cut costs and environmental impact. Regular audits and upgrades ensure compliance, while operational optimizations and energy-efficient solutions enhance performance and sustainability.

Energy Initiatives Across the Group

- At **MEG**, environmental design and operational optimization go hand–in-hand. The company has developed a network of LEED- and EDGE-certified buildings, most notably its LEED Gold-certified offices and Uptown Modern — its first LEED residential tower equipped with EV charging stations, energy-efficient systems, and thermal glass features that lower energy usage. These innovations are complemented by system-wide upgrades and the implementation of the Department of Energy's Efficiency Index, ensuring MEG's consistent compliance with RA 11285.
- **EMI** strengthens the Group's energy transformation efforts through targeted manufacturing enhancements and renewable integration. Across its facilities, energy efficiency is being improved through the installation of variable speed drives, LED lighting, and smart sensors. Its EDI manufacturing plant now generates over 832,000 kWh of solar energy annually, cutting more than 590 metric tons of carbon emissions. The company is also pioneering carbon capture, with two units already deployed, and its subsidiaries are actively transitioning to clean power sources — including AWGI's shift to 100% renewable electricity and the full conversion of the Invergordon Distillery to biomass-powered energy.
- **TIHGI's ILoveEarth campaign** represents the Group's most comprehensive clean energy transition in hospitality. By 2025, more than 9,000 solar panels will be installed onsite, supporting the goal of powering its integrated property with renewable energy. This transition reduces reliance on traditional power sources and supports the company's sustainability targets. Energy-saving measures, such as the Low Temp Laundry System, have also helped lower emissions and cut related costs.

AGI is expanding renewable energy, improving building efficiency, and using smart monitoring to cut energy costs and emissions. Future plans include scaling up solar, automating energy controls, and reducing fuel use for cost-efficient growth.

Water and Effluents

Water is essential to business operations, employee well-being, and community support. Managing consumption efficiently helps reduce risks and ensures long-term sustainability. AGI subsidiaries source water from third-party suppliers and groundwater for operations, construction, and community supply. To minimize impact, the organization maintains strict controls over withdrawals, storage, and discharges.

Disclosure	Total Water Consumption (in Megaliters)		
	2022	2023	2024
Water withdrawal	18,636.15	17,687.41	**21,781.57**
Water consumption	6,110.33	5,378.84	**6,606.40**
Water discharge	11,419.84	10,445.57	**15,175.16**
Water recycled and reused	134.75	345.93	**382.74**

Note: Water consumption and discharge data do not include TIHGI for FY 2022-2023.

Water recycling and reuse remain key strategies in optimizing resource efficiency and reducing environmental impact across AGI's operations. Treating and repurposing water help minimize freshwater withdrawals while supporting sustainability goals.

In 2024, total water consumption reflected an increase, influenced by expanded operations and higher occupancy rates across AGI's subsidiaries. MEG contributed 67%, primarily due to the growth of residential and commercial developments and increased tenant activity. Nonetheless, the implementation of water-saving fixtures and estate-level conservation initiatives helped moderate usage. TIHGI, through its ILoveEarth initiative, accounted for 4%, with consumption shaped by ongoing upgrades in water recycling systems and the expansion of hospitality and entertainment facilities. EMI represented 27% of total consumption, driven by production adjustments in distillation and bottling, alongside investments in water-efficient technologies and process optimization. GADC recorded 2%, reflecting steady operational needs and continued efforts to integrate water conservation measures across stores and commissaries.

Ongoing efforts focus on enhancing wastewater treatment, expanding rainwater harvesting, and improving recycling infrastructure to support long-term water sustainability. AGI continues to strengthen water management practices to balance operational demands with environmental responsibility.

Our Management Approach

The Ripple Effect

To improve operational efficiency and reduce environmental impact, AGI adopts a comprehensive approach to water conservation and wastewater management across its business units. Subsidiaries implement resource-saving measures such as rainwater harvesting, greywater reuse, and treatment facility upgrades to reduce dependence on freshwater sources and maintain strict compliance with evolving local and national water regulations. These initiatives are backed by continuous monitoring, system improvements, and transparency in reporting, ensuring responsible water stewardship throughout the Group.

Water Sustainability Across the Group

- **MEG** incorporates low-flow fixtures and greywater systems across its developments to minimize water use and alleviate pressure on freshwater sources. Greywater is reused for non-potable applications such as cooling systems, restrooms, and landscaping. Compliance with wastewater regulations is ensured through the acquisition of Wastewater Discharge Permits (WWDP), regular monitoring, and the deployment of Pollution Control Officers. Effluent standards under DAO 2016-08, DAO 2021-19, and related DENR-EMB and LLDA guidelines are strictly met across all sites.
- **EMI** strengthens internal water recycling by repurposing washing water from its must rectifier, resulting in a reduction of 10,000 cubic meters in water use. The addition of sump water lines across facilities further increases the efficiency of water reuse, supporting responsible production practices in its distilleries.
- **TIHGI** conserves water through greywater recycling systems that channel water from sinks, showers, and laundry to non-potable uses such as flushing and irrigation.

Water-saving fixtures are installed throughout its hotels to further reduce consumption without compromising guest comfort or operational efficiency.

- **GADC** integrates water conservation into its restaurant operations through in-store wastewater treatment systems that help minimize pollution and ensure compliance with the Clean Water Act and Philippine National Standards for Drinking Water. Rainwater harvesting systems have been deployed in several stores, and water treatment practices are extended through supplier partnerships that align with the company's environmental standards.

AGI remains dedicated to enhancing its water management practices through better tracking, reporting, and transparency. The Company monitors water usage to assess consumption trends, identify inefficiencies, and implement resource-saving measures that support conservation efforts.

Materials Used by the Organization

AGI subsidiaries rely on both renewable and non-renewable materials to support their large-scale operations across various industries. Sectors such as real estate, hospitality, and food and beverage have significant environmental impacts due to high resource consumption and waste generation. Recognizing the need for sustainable resource management, AGI is integrating circular economy principles by maximizing material reuse, minimizing waste, and promoting the design of durable, reusable products.

Disclosure	Unit	Total Materials Used		
		2022	2023	2024
Materials used by weight/volume				
Renewable	MT	28,431.68	20,095.57	**14,561.46**
Non-Renewable	MT	292,356.31	436,691.71	**474,054.38**
Percentage of recycled input materials used to manufacture the organization's primary products and services	%	0.51%	0.00%	**4.75%**

Total material consumption increased in 2024, primarily due to expanded operations and activity of the Group's real estate developments. Renewable materials made up 3% of total usage, while non-renewable materials accounted for 97%, primarily used in construction, building systems, office supplies, furnishings, packaging, alcohol and glass bottle production, food supplies, dry goods, and transport materials. Recycled input materials used in primary products and services reached 5%, reflecting AGI's commitment to minimizing environmental impact and supporting circular resource practices.

MEG contributed 65% of total material usage, largely due to ongoing construction and interior development across its townships. The company continues to scale up its use of sustainable building materials, implement recycling initiatives, and adopt waste reduction strategies. EMI accounted for 32%, with materials primarily used in packaging, bottling, and manufacturing. The company actively pursues sustainable sourcing and material efficiency programs to reduce consumption and waste.

TIHGI and GADC combined accounted for approximately 3%. TIHGI's material footprint reflects its ILoveEarth initiative, which includes replacing single-use plastics with biodegradable options, shifting to bulk amenities, and bottling water in-house using reusable glass containers. GADC, meanwhile, has integrated 90% renewable and 10% recycled content into its packaging fiber, significantly reducing reliance on virgin materials and advancing sustainable packaging practices.

Our Management Approach

Optimizing Every Input

Efficient resource management remains a priority, with AGI subsidiaries utilizing both renewable and non-renewable materials to support diverse operations.

Sustainable Materials Practices Across the Group

- **MEG** supports sustainable construction by sourcing materials from ISO 14001-certified suppliers and prioritizing local procurement to reduce transportation-related emissions. Direct sourcing is conducted when sustainability objectives call for more tailored solutions. Ongoing supplier assessments ensure environmental compliance, while recycling practices are actively promoted, especially for construction components like rebars, plastics, and wood. The company also supports small and medium enterprises by procuring cleaning materials from local businesses and incorporates recycled office supplies to reinforce circular economy goals.
- **EMI** demonstrates leadership in sustainable glass production through the use of cullet, achieving a 70% utilization rate that exceeds the global average and significantly reduces the demand for virgin materials. A materials requirements planning (MRP) system is used to manage inventories efficiently and prevent overconsumption. Through its Green Print strategy, EMI emphasizes reducing, reusing, and recycling as core consumption behaviors, applying these principles throughout its operations to minimize material waste.
- **TIHGI** promotes waste reduction in the hospitality sector by transitioning from single-use items to bulk amenities and biodegradable packaging. Plastic water bottles have been eliminated in hotel rooms and banquet areas, with in-house bottling using reusable glass containers now in place. These initiatives align with its broader environmental standards and customer-facing sustainability goals.
- **GADC** reinforces circularity through packaging innovations. Ethical sourcing is also prioritized, ensuring that products such as coffee beans and cooking oils are procured in a manner that supports both environmental sustainability and responsible production standards.

AGI continues to advance circular economy initiatives by increasing the use of renewable and recycled materials while reducing reliance on non-renewable resources.

Ecosystem and Biodiversity

Ecosystem and biodiversity are not material topics for AGI, but the Company is committed to sustainable land use and integrating eco-friendly solutions into development projects. Through initiatives like SeedQuest, AGI promotes planting native and endemic trees, with local communities actively involved.

While MEG has led reforestation efforts, planting 350,000 trees across 413 hectares in Miag-ao, Iloilo and San Jose, Tarlac since 2021, AGI supports similar efforts across its subsidiaries. Future plans include expanding reforestation projects in partnership with government and environmental groups. MEG still has a pipeline of 1,087 hectares of land to reforest for a total of 1,500 hectares.

AGI also focuses on sustainable construction, eco-friendly materials, and biodiversity monitoring, aligning with regulatory goals and reinforcing its commitment to environmental stewardship.

Environmental Impact

Environmental impact is managed through continuous efforts to reduce emissions, conserve resources, and promote sustainable operations. AGI monitors its carbon footprint, air quality, and waste generation while implementing green technologies and eco-friendly practices. These measures help minimize environmental risks and support long-term climate resilience.

Air Emissions

AGI is committed to minimizing its environmental footprint by addressing both greenhouse gas (GHG) emissions and air pollutants across its operations. As part of its sustainability roadmap, the Company actively monitors, manages, and implements reduction strategies to align with national regulations and global climate goals.

GHG Emissions

GHG emissions, categorized into Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity), stem from diverse business activities, including property development, manufacturing, hospitality, food and beverage, and tourism operations. Through an operational control approach, the Company ensures accountability in tracking emissions across all owned and managed facilities. With a commitment to sustainability, AGI aims to achieve full carbon neutrality in its commercial real estate operations by 2035.

Disclosure	Total Emissions (tCO_2e)		
	2022	2023	2024
Direct (Scope 1)	191,136.63	182,479.51	**205,173.49**
Energy indirect (Scope 2)	313,858.39	350,844.53	**405,085.69**
Other indirect (Scope 3)	228,179.90	468,468.17	**934,992.84**
Emissions of ozone-depleting substances (ODS)	Not available	Not available	**Not available**

Note: Data for FY 2022 and 2023 was restated following the implementation of Diligent.

Total GHG emissions in 2024 reflected an increase compared to the previous year, driven by business expansion and higher energy demand across AGI's subsidiaries. Scope 1 emissions, which accounted for 13% of total emissions, were primarily generated from fuel combustion in operations. These were influenced by variations in fuel usage across logistics, manufacturing, and service operations. Scope 2 emissions—mainly from purchased electricity—represented 26%, reflecting the continued dependence on grid-supplied power despite growing investments in energy-saving initiatives and on-site renewable energy systems.

MEG contributed 69% of total emissions, largely due to the energy demands of its commercial properties and estate developments. While building upgrades and the expansion of green-certified developments have helped improve efficiency, energy use continues to rise with occupancy and new site operations. TIHGI accounted for 8% of total emissions, with efforts focused on optimizing hotel energy use through the ILoveEarth initiative, which includes on-site solar power, LED lighting, and building automation systems. EMI contributed 14%, with emissions influenced by ongoing building efficiency improvements and partial integration of renewable energy in operations.

In 2024, MEG and MREIT purchased voluntary carbon offsets to balance out their emissions. As a result, MEG's 100%-owned buildings and malls achieved carbon neutrality for the second consecutive year, while MREIT's buildings reached carbon neutral status for the first time.

Air Pollutants

AGI subsidiaries actively monitor and manage air emissions to ensure compliance with environmental regulations and minimize their impact on climate and public health. Regular assessments are conducted to track pollutants such as SOx, NOx, CO_2, CO, and particulate matter (PM) across facilities. Annual tests evaluate ambient air and stack emissions, ensuring compliance with the Clean Air Act through regular maintenance of pollution control equipment. These measures contribute to reducing pollution-related health risks and mitigating climate change impacts.

Disclosure	Unit	2022	2023	2024
NOX	kg/Ncm	0.000857	0.0002546	0.00000086
SOX	kg/Ncm	0.0009826	0.0008068	0.000003
Persistent Organic Pollutants (POPs)	kg/Ncm	No data	No data	No data
Volatile Organic Compounds (VOCs)	kg/Ncm	No data	No data	No data
Hazardous Air Pollutants (HAPs)	kg/Ncm	No data	No data	No data
Particulate Matter (PM)	kg/Ncm	0.0001409	0.0001946	0.00023
Carbon Monoxide	kg/Ncm	No data	No data	0.000649

Note: Data for 2024 only includes MEG's subsidiary, GERI.

Total air emissions increased for 2024, primarily due to higher concentrations of carbon monoxide and particulate matter resulting from a broader scope of emissions testing at the Belmont Hotel, which covered both diesel boilers and diesel-fired generator sets. In contrast, the previous year's data reflected testing limited to generator sets at Twin Lakes Shopping Village. The inclusion of additional equipment in this year's assessment contributed to the higher emission levels. For this period, emissions data were sourced solely from GERI, as data from EMI were not collected.

Our Management Approach

Recalibrating Our Footprint

AGI continues to address GHG and air pollutant emissions through decarbonization efforts, operational improvements, and investments in renewable energy. Emissions reduction strategies focus on minimizing Scope 1, 2, and 3 impacts while ensuring compliance with national environmental laws and global climate targets.

As part of these efforts, AGI is entering into power purchase agreements to transition more of its operations to renewable energy sources. These agreements support the Company's broader ambition to reduce its carbon footprint, improve air quality, and build environmental resilience across all subsidiaries. These initiatives reflect AGI's proactive approach to environmental stewardship and sustainable business growth.

Low-Carbon Strategies Across the Group

- **MEG** applies a multifaceted approach to emissions reduction through energy-efficient developments and sustainable transport initiatives. Carbon neutrality has been declared across 100-owned malls and office buildings, supported by retrofitting projects and green infrastructure. More than 80% of roving motorcycles within townships now operate on electric power, while the **Park. Charge. Drive. program** is expanding EV charging capacity for customers and tenants. These initiatives position MEG as a trailblazer in low-emission urban ecosystems.
- **EMI** introduces low-carbon technologies across its manufacturing and distillery operations. The Jura Distillery has adopted a biomass boiler that is expected to cut 5,000 tonnes of CO_2 annually, while Invergordon Distillery now operates independently from the grid using biomass-generated electricity. A Bioenergy Center has been launched to convert by-products into biomethane, reducing emissions by up to 60% and creating a sustainable internal energy loop. These transformations reflect EMI's strong momentum toward cleaner, closed-loop industrial systems.
- **TIHGI** integrates renewable energy systems and smart energy management to reduce emissions in its hotel and entertainment properties. Thousands of on-site solar panels now support energy needs, supplemented by LED lighting, HVAC optimization, and building automation technologies. These measures reduce fossil fuel reliance while enhancing

operational efficiency, reinforcing TIHGI's commitment to climate-conscious hospitality.

AGI remains committed to achieving carbon neutrality by 2035, continuously investing in cleaner technologies, expanding renewable energy adoption, and enhancing efficiency across all business units. Each initiative contributes to a cohesive, group-wide effort to reduce environmental impact and strengthen AGI's position as a climate-responsible business leader.

Solid and Hazardous Wastes

AGI is committed to responsible waste management by integrating waste reduction, recycling, and sustainable disposal across its subsidiaries. The Company aligns its approach with circular economy principles, minimizing landfill waste, increasing recycling efforts, and promoting upcycling initiatives.

AGI enforces strict waste segregation policies, reducing residual waste and improving material recovery. Solid waste is managed through composting, recycling, and partnerships with accredited waste processors, while hazardous waste is handled under RA 6969 (Toxic Substances, Hazardous, and Nuclear Wastes Act), ensuring safe collection, transport, and disposal through DENR-accredited service providers.

Solid Waste

AGI's solid waste strategy focuses on segregation at source, landfill diversion, and promoting recyclable material use. The Goal Zero Waste Program drives efforts to reduce residual waste, enhance circular economy practices, and engage communities in sustainable waste initiatives.

Disclosure	Total Solid Waste Generated (in MT)		
	2022	2023	2024
Reusable	2,576.50	197,354.80	**616.51**
Recyclable	20,118.59	29,394.89	**91,417.82**
Composted	501.30	2,489.97	**1,690.57**
Incinerated	10.26	234.44	**No data**
Residuals/Landfilled	38,433.94	72,533.10	**148,929.47**
Landfill diversion	No data	No data	**91.33**
Recovered	197.80	No data	**817.65**
Other disposal methods	233,710.20	816,101.78	**274.19**
Total solid waste generated	295,548.59	1,118,108.98	**243,837.56**

Total solid waste generation in 2024 showed a 78% decrease, influenced by improved waste segregation, expanded recycling efforts, and enhanced operational waste management practices across AGI's subsidiaries. MEG contributed 96% of the total solid waste generated, the scale of its township and commercial developments. Despite this significant share, MEG has taken a leading role in waste reduction through its comprehensive Goal Zero Waste Program. The program significantly reduced residual waste by enhancing waste diversion efforts, strengthening partnerships with sustainable waste solution providers, and scaling up recycling initiatives. Megaworld Lifestyle Malls, in collaboration with Restore, deployed Smart E-Collection Bins to repurpose plastic sachets into eco-plyboards, while 3,500 kilograms of old tarpaulins were creatively upcycled into fashion bags and accessories.

Hazardous Waste

AGI ensures strict compliance with hazardous waste regulations by adhering to RA 6969 and working exclusively with DENR-accredited transporters and disposal facilities. Hazardous waste is generated from various operations, including used oils from generator sets, spent batteries, grease waste from grease traps, and electronic waste.

Disclosure	Total Hazardous Waste Generated (in MT)		
	2022	2023	2024
Hazardous waste generated	8,451.63	10,290.21	**58,054.73**
Hazardous waste transported	821.68	565.19	**47,093.35**

Total hazardous waste generation in 2024 reflected a significant increase compared to the previous years, driven primarily by expanded operations, improved reporting accuracy, and stricter waste classification standards across its subsidiaries. Despite the increase, a significant portion of hazardous waste was safely transported for proper treatment. Through continuous improvements in waste tracking, treatment, and reduction initiatives, AGI ensures that its environmental impact remains effectively managed as the business continues to grow.

MEG continues to strictly adhere to hazardous waste management regulations. Each property maintains a registered Hazardous Waste Generator ID and works exclusively with accredited transporters and treatment facilities. In compliance with the Extended Producer Responsibility (EPR) Act of 2022, MEG has implemented systems to manage post-consumer waste more effectively, with a third-party auditor engaged to ensure ongoing compliance. These efforts reflect AGI's commitment to responsible waste management and environmental stewardship.

Our Management Approach

From Use to Reuse

AGI promotes responsible waste management through circular economy practices, enhanced material recovery, and the reduction of landfill-bound residuals. Subsidiaries implement structured programs focused on proper segregation, recycling, composting, and reuse of materials, while also partnering with accredited recyclers and processors. These efforts are supported by education, infrastructure upgrades, and monitoring tools designed to reinforce a zero-waste culture across the Group.

Waste Reduction Strategies Across the Group

MEG leads waste reduction efforts through its Goal Zero Waste program, which emphasizes source segregation and landfill diversion. The company collaborates with Trash to Cashback, Plastic Credit Exchange, and Rezbin to enhance recyclable waste collection and provide plastic offsetting, while township stakeholders are rewarded through environmental incentive systems.

- Over 178,000 kilograms of recyclables collected through Trash to Cash, significantly reducing landfill-bound waste.
- Construction waste intensity reduced by 40–50% from the 2023 baseline, with 15% of construction waste recycled on-site.
- More than 3,500 kilograms of tarpaulins upcycled into functional products and fashion accessories through partnerships with Side B Upcycling and Restore.

These efforts are reinforced through strict enforcement of the No Segregation, No Collection policy, daily waste monitoring systems, and tenant training facilitated by mall and property managers. Through the MEGreen Program, all new employees receive onboarding on waste management practices, ensuring early alignment with MEG's sustainability culture. Together, these actions reflect MEG's comprehensive, creative, and community-integrated approach to circular waste solutions.

EMI focuses on material recovery and reuse within its production ecosystem. Over 43 tons of flint glass bottles were collected and recycled in coordination with MEG properties, and residual waste sent to landfill dropped from 0.7% to 0.5% in one year. Plastic reduction efforts cut the company's plastic footprint by 12%, alongside the recycling of 1.2 metric tons of paper waste. Organic by-products such as wine sludge, bagasse, and mud press are repurposed into fertilizers and plantable materials, while old wooden pallets have been transformed into classroom chairs and containers for livelihood initiatives. WMG achieved 0% landfill-bound waste through structured programs that are regularly reviewed using monthly site-specific reports. These initiatives are anchored in the Green Print Strategy, which promotes Mindful Consumption through staff education, behavior change, and close coordination with waste service providers. All distillery sites have been transitioned to a new waste contractor to further align operational practices with sustainability goals. These efforts reinforce EMI's philosophy of extending product life and maximizing resource value in its operations.

TIHGI strengthens hotel waste management through its ILE platform, which promotes reform, reduction, recycling, and repurposing. The program removed 270,000 plastic bottles from circulation, recycled 98,000 kilograms of used oil, 127 metric tons of e-waste, and 14 metric tons of old batteries. On-site composting systems and a centralized Organic Refuse Conversion Alternative (ORCA) digester convert food waste into usable organic material, helping reduce operational waste volumes. These in-house programs represent TIHGI's proactive approach to integrating sustainability into the hospitality experience.

AGI remains dedicated to reducing landfill waste, increasing recycling rates, and enhancing material recovery efforts. Through ongoing partnerships, technology-driven solutions, and strengthened compliance with environmental laws, the Company continues to lead in responsible waste management.

Environmental Compliance

AGI remains committed to strict adherence to environmental laws and regulations across all its subsidiaries. The Company upholds sustainable business practices, regulatory compliance, and proactive environmental management to prevent violations and mitigate potential risks. All AGI subsidiaries undergo regular environmental monitoring, internal audits, and compliance assessments to ensure alignment with government policies and industry standards.

Disclosure	Unit	2022	2023	2024
Total amount of monetary fines for non–compliance with Environmental Laws and/or Regulations	PHP	0	0	0
No. of non–monetary sanctions for non–compliance with Environmental Laws and/or Regulations	#	0	0	0
No. of cases resolved through dispute resolution mechanism	#	0	0	0

For 2024, environmental compliance remained consistent, with no recorded monetary or non-monetary sanctions for environmental non-compliance, and no cases requiring resolution through dispute mechanisms. This reflects the Company's dedication to maintaining high environmental standards, implementing corrective measures, and working closely with regulatory bodies to uphold best practices.

Our Management Approach

Progress Through Compliance

AGI enforces a high standard of environmental compliance through rigorous monitoring, regulatory alignment, and site-specific mitigation practices. Subsidiaries implement structured environmental management systems to ensure full adherence to national laws, permitting requirements, and international best practices. From environmental impact assessments (EIAs) to third-party audits and ecosystem protection, each business unit contributes to maintaining AGI's integrity as a responsible corporate citizen.

Compliance Practices Across the Group

MEG maintains strong environmental oversight through proactive impact assessments, continuous monitoring, and regulatory compliance. All development projects undergo Environmental Impact Assessment (EIA) under PD 1586 to evaluate potential effects on water sources, ecological balance, and local communities. Environmental Critical Projects (ECPs) and those located within Environmental Critical Areas (ECAs) are required to secure Environmental Compliance Certificates (ECC) from DENR-EMB prior to implementation.

- 100% compliance with water quality and effluent standards, secured through Wastewater Discharge Permits (WWDP) across all sites, with discharges monitored monthly or quarterly under DAO 2016-08 and DAO 2021-19.
- Biodiversity protection in project sites through identification of sensitive habitats and implementation of restoration measures for species listed on the IUCN Red List and national conservation registries.
- Third-party audits for Extended Producer Responsibility (EPR) Law compliance, reinforcing MEG's waste reduction, recycling, and material efficiency initiatives.

EMI supports environmental compliance through field-based action and habitat rehabilitation. The company has carried out clean-up efforts including a river clean-up and a coastal initiative that resulted in the collection of over 200 bags of garbage. A mangrove planting program added over 800 saplings to local shorelines, while 55 artificial coral reefs were deployed to support marine biodiversity. In addition, a seagrass restoration project in the Cromarty Firth has contributed to reviving natural marine ecosystems and enhancing coastal resilience. These initiatives reinforce EMI's commitment to ecosystem protection as a core component of its environmental management.

TIHGI aligns its environmental programs with global standards, earning its third EarthCheck Silver Certification. This milestone affirms the subsidiary's adherence to a structured sustainability framework that guides environmental performance and compliance practices across hotel and entertainment operations. Ongoing monitoring, staff engagement, and systems integration help ensure that operations not only meet local environmental regulations but also reflect international best practices.

AGI continues to strengthen its environmental governance, risk management strategies, and sustainability commitments to maintain full regulatory compliance and uphold its environmental responsibility.

SOCIAL

Employee Management

Fair treatment, career growth, and employee well-being are central to workforce management across AGI. Employees receive equal opportunities, competitive benefits, and access to training and development programs. Inclusive hiring practices and strong labor relations help create a productive, engaged, and empowered workforce that supports sustainable business growth.

Employee Hiring and Benefits

AGI is committed to building a thriving and inclusive workforce where employees receive fair compensation, opportunities for career growth, and a safe, supportive environment. The Company prioritizes employee empowerment, ensuring they have the skills and resources needed to succeed.

As part of its long-term vision, AGI aims to generate at least five million direct and indirect jobs by 2035, solidifying its role as a major contributor to employment across multiple industries. With operations in both local and international markets, the Company creates diverse job opportunities that support economic growth, reduce unemployment, and uplift communities. Inclusive hiring practices ensure equal access to employment for students, senior citizens, and underrepresented groups. A strong focus on diversity, equity, and inclusion (DEI) helps AGI create a workplace where every individual feels valued and contributes to shared success.

Employee Data

AGI promotes a diverse and inclusive workforce, ensuring equitable hiring practices across genders and backgrounds. The Company continues to expand employment opportunities across various industries, building a workforce aligned with AGI's mission of growth, sustainability, and innovation. In 2024, the workforce maintains an equal gender distribution, with an attrition rate of 0.26, reflecting strong employee retention and engagement. Entry-level salaries are equal for male and female employees, underscoring AGI's commitment to gender pay equity, labor compliance, and a fair, supportive work environment.

Disclosure	Units	2022	2023	2024
Total Number of Employees	#	47,536	56,954	**62,278**
a. Number of Male Employees	#	25,644	28,496	**31,388**
b. Number of Female Employees	#	21,892	28,458	**30,890**
Percentage of female Employees	%	46%	50%	**50%**
Percentage of male Employees	%	54%	50%	**50%**
Attrition Rate		0.26	0.28	**0.26**
Ratio of Lowest Paid Employee Against Minimum Wage	Ratio	Not available		

Note: The 2022 and 2023 employee headcount was updated to include manpower from a MEG subsidiary property that was previously not consolidated.

Employee Benefits

AGI is dedicated to providing competitive employee benefits that support the holistic well-being of its workforce. The Company ensures internal equity in benefits, continuously reviewing policies to promote a fair and transparent work environment. A multi-generational workforce is supported through innovative programs focused on talent attraction, development, and retention, helping enhance engagement across all employee groups.

Disclosure	Y/N	Female	Male
SSS	Y	14.07%	10.12%
PhilHealth	Y	10.57%	8.17%
Pag - IBIG	Y	14.38%	12.25%
Parental Leaves	Y	1.34%	0.51%
Vacation Leaves	Y	20.54%	15.82%
Sick Leaves	Y	16.98%	15.82%
Medical Benefits *(Aside from PhilHealth)*	Y	13.76%	13.78%
Retirement Fund *(Aside from SSS)*	Y	0.03%	0.06%
Housing assistance *(Aside from Pag-IBIG)*	Y	0.03%	0.15%
Flexible – Working Hours	Y	10.11%	7.61%
Life insurance	Y	8.97%	7.55%
Disability and invalidity coverage	Y	8.54%	6.70%
Further education support	Y	0.01%	0.02%
Telecommuting	Y	0.36%	0.32%
Savings Fund*	Y	0.19%	0.23%

Note: Data from TIHGI covers NWR and HIEX only.
**Data includes EMI only.*

Our Management Approach

Investing in People

AGI is committed to building a diverse, capable, and values-driven workforce. Across its subsidiaries, the Group runs workforce programs that fit their specific needs while promoting fair hiring, equal opportunity, and compliance with labor standards. These efforts support inclusive growth and help create stable, meaningful jobs.

Workforce Development Across the Group

- **MEG** promotes employee engagement and cultural alignment through its Love, MEG program, which highlights appreciation and teamwork. The Operations Division contributes significantly to employment generation, creating around 21,000 jobs each month in various roles. This scale reflects MEG's strong role in driving inclusive job creation through its township projects.
- **EMI** encourages a multi-generational workforce and ensures fair access to benefits. In 2024, the company launched a digital hiring platform to improve recruitment efficiency. It also performs regular audits on recruitment partners to make sure hiring practices stay ethical and transparent.
- **TIHGI** invests in future talent by connecting with schools and students. The company joins job fairs and partners with universities to help graduates transition into the workforce. Newport World Resorts took part in the LPU Cavite Graduate Recruitment and Employment Fair, offering opportunities in hospitality and entertainment.
- **GADC** supports fair employment through its Go Hire Day initiative, which offers direct hiring and regular jobs for part-time workers. In 2024, the company reported no labor cases and achieved 100% staffing efficiency, fully staffing all 65 new stores opened during the year.

AGI continues to strengthen its workforce through programs that promote fairness, inclusion, and opportunity. These efforts support sustainable business growth while reinforcing the Group's position as a trusted and responsible employer.

Employee Training and Development

AGI places a strong emphasis on continuous learning and skill development, ensuring that employees are well-equipped to adapt to industry advancements and contribute effectively to business growth. Training programs are designed to enhance both technical expertise and leadership capabilities, reinforcing AGI's commitment to building a highly skilled and engaged workforce.

Structured learning opportunities support career progression, improve employee retention, and strengthen internal talent pipelines. These efforts help reduce recruitment costs, maintain workforce stability, and ensure employees stay competitive, motivated, and ready for evolving workplace challenges.

Disclosure	Units	2022	2023	2024
Total Training Hours Provided to Employees		397,963	1,451,710	1,121,771
a. Female Employee	Hours	193,901.97	729,492.31	532,914
b. Male Employee	Hours	204,061.33	722,217.36	588,857
Average Training Hours Provided to Employees		8.37	25.49	18.01
a. Female Employees	Hrs/Employee	8.86	25.63	17.25
b. Male Employees	Hrs/Employee	7.96	25.34	18.76

In 2024, employees completed an average of 18.01 training hours, a decrease from 25.49 hours in 2023. This shift reflects AGI's continued workforce expansion, with training programs adjusting to accommodate a larger talent pool. Despite the change, the Group remains committed to strengthening employee development through structured and evolving learning initiatives that ensure teams are equipped for long-term growth and success.

Our Management Approach

Lead through Learning

AGI invests in training programs that help employees grow their skills and adapt to changing business needs. Each subsidiary offers learning opportunities suited to different roles, ensuring employees across all levels are supported in their development.

Capability Building Across the Group

- **MEG** delivers leadership and functional training through the Megaworld Learning Academy. In 2024, more than 2,700 employees joined 67 training programs, with an average satisfaction rating of 4.85 out of 5. Courses covered topics like customer service and managing difficult interactions, based on MEG's core values. Operational teams also joined the Masterclass Program, while the Uplifted Initiative shared employee success stories to promote a culture of learning and growth.
- **EMI** aligns its training programs with business goals. All people managers go through a Leadership and Management Program focused on values-based leadership and team culture. Compliance training is mandatory for all employees to meet industry standards. The company's Talent and Career Development Program offers clear growth paths and is

shaped by regular employee feedback.
- **TIHGI** prepares employees for leadership roles through programs like Leadership 101 and Supervisory Skills Training. Staff stepping into new roles receive targeted training under the Career Advancement Policy, which matches learning with business needs. Employees can also access sponsored education in exchange for service commitments. The company is aiming for 800 training hours and an 85% satisfaction rate in 2025.
- **GADC** builds skills through daily training across its McDonald's operations. Training includes operational skills, leadership, and sustainability topics such as energy use, waste, and pollution control. The Restaurant Department Management (RDM) model guides leadership development, helping managers improve team performance. Feedback, audits, and performance data help track training effectiveness.

AGI continues to build employee capability through structured training, practical learning, and leadership development. Supporting people with the right skills and knowledge helps the Group stay competitive and create a strong, future-ready workforce.

Labor-Management Relations

AGI promotes fair and open labor-management relations, ensuring a stable and productive workplace where employees and management collaborate effectively. Strong labor relations contribute to business continuity, efficiency, and employee engagement.

Subsidiary labor policies follow local and international labor laws, ensuring fair wages, reasonable work hours, and safe working conditions. Open communication, employee representation, and joint decision-making help create a trust-based, inclusive environment. AGI also offers grievance mechanisms, mental health support, and work-life balance initiatives to improve overall employee satisfaction.

Disclosure	2022	2023	2024
Percent of employees covered with collective bargaining agreements	29.69%	49.76%	**48.84%**
Number of consultations conducted with employees concerning employee–related policies	0	0	**0**

Note: Data includes EMI only.

In 2024, 48.84% of EMI employees were covered by collective bargaining agreements, ensuring fair labor practices and strong employee representation. Zero consultations were conducted regarding employee-related policies, indicating stable labor relations, effective communication channels, and proactive employee engagement that minimized the need for formal discussions.

Our Management Approach

Workplace Synergy

AGI supports respectful and cooperative relationships between employees and management through structured labor frameworks. Subsidiaries focus on open communication, fair treatment, and clear policies that protect employee rights and support workplace well-being.

Collaborative Workplace Practices Across the Group

- **MEG** maintains a zero-tolerance stance on labor violations and human rights abuses, with strict policies covering harassment, bullying, and discrimination. Employee welfare is supported through programs on breastfeeding, family care, and workplace health. In EELHI, part of the MEG group, serious offenses like intimidation are addressed under a strict Code of Discipline to ensure workplace integrity.

- **EMI** encourages active dialogue between staff and management. Employee feedback helps shape policy updates, and labor representatives are included in decision-making. Legal compliance, dispute resolution, and safety improvements guide the company's labor approach. In 2024, Whyte & Mackay Group updated its union recognition agreements to strengthen collective bargaining and introduced a Sexual Harassment and Bullying Policy aligned with UK legislation. Risk assessments and manager training help enforce the policy.
- **TIHGI** promotes respectful workplace behavior through clear conduct policies. Sexual harassment, discrimination, and other violations are addressed through tools like its Code of Conduct, Business Conduct Guide, and anti-harassment policies. These ensure that professionalism and safety remain priorities across all teams.
- **GADC** supports communication and feedback through surveys, hotlines, and an open-door policy. Clear grievance procedures and wellness programs help address concerns early and maintain a safe, fair environment. Exit interviews, retention tracking, and internal audits help the company continually improve its labor practices.

AGI remains committed to building fair and responsive workplaces. Through open communication, responsible management, and strong employee protections, the Group fosters trust and stability across its workforce.

Diversity, Equal Opportunity, and Anti-Discrimination

AGI promotes DEI, ensuring a fair and respectful workplace where everyone has equal opportunities. A diverse workforce strengthens innovation, job satisfaction, and employee retention. All employees, regardless of gender, age, background, or beliefs, receive fair pay, benefits, training, and career growth opportunities. Subsidiaries follow DEI-focused hiring, training, and retention strategies to maintain an inclusive work environment. AGI ensures transparency and open communication to address concerns and continuously improve DEI initiatives, creating a workplace where all employees feel valued and supported.

Disclosure	Unit	2022	2023	2024
Percent of female workers in the workforce	%	46.05%	49.97%	**49.60%**
Percent of male workers in the workforce	%	53.95%	50.03%	**50.40%**
Number of employees from indigenous communities and/or vulnerable sector	#	0	0	**0**

In 2024, AGI's workforce was composed of 50% females and 50% males, demonstrating the Company's continued commitment to promoting gender balance and providing equal opportunities in recruitment, career advancement, and employee development.

Our Management Approach

Embracing Diversity

AGI promotes a workplace culture that values diversity, equity, and inclusion through clear policies and inclusive practices. Subsidiaries support fair hiring, equal opportunity, and a respectful environment where employees of all backgrounds can succeed. These efforts help build stronger teams, improve employee satisfaction, and support ethical and people-focused business practices.

Inclusive Workplace Practices Across the Group

- **MEG** ensures equal opportunity at all levels, valuing different perspectives and experiences that contribute to innovation and strong team dynamics. Inclusivity is built into hiring and development programs, supported by fair HR practices and merit-based growth. In 2024, the company reported zero complaints related to gender inequality, showing that these efforts are translating into positive outcomes on the ground.

- **EMI** supports its DEI goals through an Equality and Inclusion Charter and an internal steering group of senior leaders. The company tracks progress through gender pay gap reports and inclusive hiring initiatives, helping create a more balanced and diverse workforce. DEI is viewed as a key part of how the business grows and evolves.
- **TIHGI** follows labor standards and maintains a Code of Conduct that encourages professionalism and respect. It hosted a women-led forum during Women's Day to highlight female leadership and dialogue across industries. Newport World Resorts, a TIHGI subsidiary, became the first integrated resort to join the Philippine Financial Inter-Industry Pride, and is now developing a formal DEI policy to guide future efforts.
- **GADC** tracks diversity metrics regularly, including gender distribution, promotions, and retention. The company has achieved a 50/50 gender balance and is expanding inclusive hiring to reach more diverse talent. Engagement activities like surveys, town halls, and recognition programs help ensure employees feel involved and valued across all levels.

AGI remains focused on building inclusive workplaces where all employees feel respected, supported, and given equal opportunity to grow. These efforts continue to shape a culture of fairness, collaboration, and trust across the Group.

Workplace Conditions, Labor Standards, and Human Rights

A safe, fair, and inclusive workplace is upheld across all AGI subsidiaries. The Company enforces strict policies against child and forced labor, complies with labor laws, and supports employee rights. Occupational health and safety, equal opportunity, and ethical treatment are prioritized to protect people and build a culture of responsibility and respect.

Occupational Health and Safety

AGI remains committed to ensuring workplace safety and employee well-being across all subsidiaries. The Company upholds strict occupational health and safety (OHS) policies to reduce risks, prevent accidents, and create a secure and productive work environment. A structured safety management system supports hazard prevention, risk assessment, and continuous safety training to minimize workplace injuries and health concerns. Employees are provided with proper training, protective measures, and access to medical support, ensuring compliance with local and international safety standards.

A safe workplace reduces medical costs, absenteeism, and operational disruptions, while increasing productivity, morale, and efficiency. AGI prioritizes regular safety audits, employee engagement in safety programs, and continuous improvement of OHS initiatives.

Disclosure	Units	2022	2023	2024
Safe Man-Hours	Man-hours	54,310,647.38	135,216,872	**246,198,046**
No. of work–related injuries	#	255	435	**785**
No. of work–related fatalities	#	0	1	**0**
No. of work–related ill-health	#	409	7910	**13,069**
No. of safety drills	#	89	168	**373**

Note: Data for FY 2024 excludes GADC.

In 2024, AGI recorded over 246 million safe man-hours, an 82% increase from the previous year. This improvement reflects the Group's strengthened commitment to workplace safety through enhanced protocols, regular training, and active monitoring across its subsidiaries. There were 785 work-related injuries and 13,069 cases of work-related ill-health, primarily within construction activities under the MEG conglomerate. To support safety awareness and preparedness, AGI conducted 373 safety drills across its operations, reinforcing its commitment to a safe and responsive work environment.

Our Management Approach

Protecting Our People

AGI ensures a safe and healthy work environment by enforcing safety protocols, conducting risk assessments, and preparing employees for emergencies. Each subsidiary follows structured OHS programs to meet legal standards and protect workers across various job sites and industries.

Safety Programs Across the Group

MEG continued to show strong safety performance in 2024, reporting zero fatalities. The company runs daily toolbox meetings, conducts regular site audits, and provides COSH training. Employees are trained in emergency response, hazard identification, and PPE use. First aid stations and medical staff are present at major project sites to provide immediate care when needed.

- **GERI** supports employee safety through regular drills and training. Employees completed first aid training with the Red Cross and mandatory DOLE-compliant safety courses. The EHSS team shares monthly updates to keep everyone informed, while annual inspections monitor safety standards across all properties.

EMI identifies and addresses workplace risks through audits, employee feedback, and incident reporting. Dedicated safety teams lead assessments and ensure hazards are resolved. Employees receive OHS training and on-site medical support, while external specialists help track and manage compliance. The program also includes wellness efforts to promote employee health.

- **TWFL** follows national safety laws under Republic Act No. 11058 and Department Order 198-18. Routine workplace inspections, wellness talks, and health assessments help maintain safe conditions. Employees also have access to medical support through partnerships with healthcare providers and wellness centers.
- **Bodegas Fundador** uses an ISO 45001-certified safety system to manage risks and prepare for emergencies. Employees are trained in hazard identification, reporting, and emergency response. Safety practices are reviewed regularly through internal and external audits to maintain high standards.
- **WMG** enforces strict safety protocols in its high-risk distilling operations, including compliance with Control of Major Accident Hazards (COMAH) regulations. Staff receive monthly training and take part in emergency drills. Workplace data is tracked using the SIRC system to monitor risks and incidents in real time.
- **AWGI** emphasizes accident prevention through regular hazard assessments, job hazard analysis, and safety meetings. Employees take part in fire prevention training, first aid certification, and health workshops. All regular staff receive HMO coverage and medical consultations to support their well-being.

TIHGI strengthens workplace safety through inspections, risk reviews, and daily toolbox meetings. Fire drills, safety orientations, and emergency response training are held regularly for employees and contractors. Department-led safety committees help ensure compliance with policies.

GADC applies a full safety framework across its restaurants. Over 100 locations underwent risk assessments and follow-up audits. The MSafe Playbook was developed to guide best practices. Training on first aid, hazard awareness, and emergency response is mandatory, while awareness campaigns like MSafe Reminders keep safety top of mind.

AGI remains focused on building a strong safety culture across all business units. Consistent training, risk prevention, and wellness support lead to safer, more efficient workplaces—reinforcing the Group's commitment to employee health and operational resilience.

Labor Standards and Human Rights

AGI upholds ethical labor practices in line with ILO conventions and the UDHR, ensuring fair wages, safe conditions, and equal opportunities. A zero-tolerance policy against forced labor, child labor, and discrimination protects employees' rights. Strict compliance with local and international labor laws ensures a safe and fair workplace. AGI monitors compliance, evaluates suppliers, and provides grievance mechanisms to uphold human rights and labor protections.

Disclosure	2022	2023	2024
No. of legal actions or employees grievance involving forced or child Labor	0	0	**0**

In 2024, AGI and its subsidiaries remained consistent in reporting zero legal actions or employee grievances involving forced or child labor, reinforcing the Company's commitment to ethical labor practices and human rights. AGI enforces strict policies to prevent labor law violations and human rights abuses, ensuring a safe, fair, and compliant workplace.

Policies	Y/N	Reference in Company Policy
Forced Labor	Y	Employment and Labor Laws and Policies
Child Labor	Y	
Human Rights	Y	

Our Management Approach

Respecting Worker Rights

AGI upholds labor rights through clear policies, regular monitoring, and strong internal controls. Subsidiaries are committed to preventing violations, protecting employee welfare, and ensuring full compliance with labor laws in all operations.

Labor Practices Across the Group

MEG enforces a zero-tolerance approach to labor violations, including harassment and bullying. Policies cover sexual harassment prevention, workplace safety, family welfare, and special leave for women employees. The Employee Code of Discipline treats intimidation and similar offenses as grounds for suspension or termination, ensuring a safe and respectful workplace.

EMI complies fully with Philippine labor laws, ensuring fair pay, safe working conditions, and protection of employee rights. No complaints involving forced or child labor have been recorded. Employee records are regularly updated to confirm legal working status and compliance across teams.

- **AWGI** strictly prohibits child labor and requires PSA-authenticated birth certificates before employment. No underage hires or DOLE labor complaints were reported. GES and Bodegas Fundador follow a Code of Conduct that bans forced and child labor while also requiring third-party service providers to meet ethical labor standards. Pedro Domecq goes beyond legal requirements by setting 18 as the minimum hiring age, even though the local legal age is lower. All staff and suppliers must comply with labor laws and fair wage

policies, with no violations recorded in 2024.
- **WMG** supports labor rights by following international standards and limiting underage hiring to approved apprenticeship programs. The company provides modern slavery awareness training, audits suppliers, and verifies employment records. A whistleblowing system is in place to report any concerns.

TIHGI embeds labor protections in workplace policies such as its Associate Handbook, Business Conduct Guide, and Harassment-Free Workplace Policy. Employees receive regular training on ethics and respectful conduct, reinforcing a culture of fairness and inclusion.

GADC promotes a safe and respectful environment through its Prevention of Violence in the Workplace Policy. Labor rights protections are built into supplier agreements and internal policies to prevent exploitation or abuse at any level of the workforce.

AGI remains fully committed to protecting labor rights and promoting ethical practices. Through clear policies, employee training, and regular compliance checks, the Group ensures every workplace is safe, fair, and aligned with national and international labor standards.

Supply Chain Management

AGI ensures that its supply chain operates responsibly and ethically, aligning with social, environmental, and governance (ESG) standards. Suppliers are expected to comply with ethical labor practices, environmental sustainability, and anti-corruption measures to ensure fair and responsible business operations.

AGI is currently consolidating supplier accreditation policies across its subsidiaries to strengthen social and environmental responsibility in supplier relations. All accredited suppliers must meet standards for human rights, environmental performance, and fair labor practices to be eligible for partnerships.

Sustainability Topics when Accrediting Suppliers	Y/N	If Yes, cite reference in the supplier policy
Environmental Performance	Y	Code of Business Conduct and Ethics
Forced Labor	Y	
Child Labor	Y	
Human Rights	Y	
Bribery and Corruption	Y	

Our Management Approach

Sustainable Sourcing

AGI maintains a diverse supply chain that spans local and international markets. Aware of the potential environmental and social impacts of procurement, the Group prioritizes sourcing from partners that align with its values on sustainability and ethical practices.

Suppliers are required to meet environmental and social standards, and recent improvements include the launch of digital bidding platforms and contractor-consultant portals to improve transparency and efficiency. MEG subsidiaries like EELHI also attend supplier summits to explore sustainable materials and keep procurement teams updated on product innovations.

At **TIHGI**, sustainability is embedded in operations through farm-to-table practices. Urban farms now supply fresh greens to hotel kitchens, reducing transport emissions. The company also partnered with BoomGrow to establish a smart hydroponic farm, which uses 95% less water and land, reinforcing AGI's commitment to responsible sourcing.

Relationship with Community

Significant Impacts on Local Communities

AGI and its subsidiaries engage in operations that intersect with local communities, particularly in education, real estate development, and social services. These activities—while beneficial—may influence access to basic rights, especially among vulnerable groups. The Group ensures that such impacts are addressed through proactive measures that promote community well-being and inclusion.

Subsidiary	Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
MEG	Real estate development in areas near Indigenous Peoples (e.g., Paragua Coastown, Pampanga)	Access to education and cultural preservation for Indigenous youth	Established Hope Schools with dedicated support for Aeta communities; scholarship and learning programs for Indigenous youth.
	Township development in urban and semi-urban areas (e.g., Mactan Newtown, McKinley Hill, Arcovia City)	Access to basic healthcare, education, and livelihood during community transitions	Conducted free medical missions, scholarship grants, and community literacy sessions to support access to services.
	Reforestation and livelihood support projects in Miag-ao, Iloilo and San Jose, Tarlac	Right to environmental restoration and sustainable income	Partnered with farmer groups to plant trees on 240 hectares, combining reforestation with local livelihood support.
GADC	Ronald McDonald Read to Learn program in South Cotabato, Sultan Kudarat, and Kidapawan	Right to education for children with low literacy levels	Distributed books to 259 schools; conducted teacher training and formed partnerships with private sponsors for monograde schools.
	Ronald McDonald Bahay Bulilit Learning Centers in 40+ locations nationwide	Children's right to early education and safe learning environments	Built and operated 46 learning centers through LGU land donations and partnerships with NGOs; trained social workers.
	Kindness Kitchen disaster meal distribution across multiple provinces	Right to food security and access to emergency support services	Served 16,220 hot meals; coordinated with LGUs and PDRF for disaster response support.
	Distribution of Happy Meal books and toys nationwide	Right to educational and recreational materials for children	Distributed over 531,700 toys and books through partnerships with LGUs and NGOs to reach underserved areas.
	Reclassification of school beneficiaries in Isabela, Zamboanga, and Agusan del Sur	Right to education and quality learning facilities	Provided 500 school chairs to 8 schools; expanded partnerships to reach more LGUs.

Subsidiary	Operations with significant impacts on local communities	Collective or individual rights that have been identified that or particular concern for the community	Mitigating measures or enhancement measures
	Support for DepEd's Brigada Eskwela nationwide	Right to quality education and safe school environments	Assisted 2,250 public schools by providing supplies, maintenance support, and volunteer coordination with DepEd.

Certificates for Activities Impacting Indigenous Peoples (IPs)

AGI upholds the rights of Indigenous Peoples by ensuring that any project with potential impact follows the Free, Prior, and Informed Consent (FPIC) process. In 2024, there were no FPIC processes initiated and no Certification Preconditions (CPs) secured, as none of the Group's operations directly affected Indigenous communities during this period. No incidents involving violations of IP rights were reported. In line with its commitment to respectful engagement, Megaworld Foundation provides support to IP communities exclusively through partnerships with accredited organizations, ensuring programs are delivered with sensitivity and cultural awareness.

Certificates	2022	2023	2024
No. of FPIC process still undergoing	0	0	0
No. of CP secured	0	0	0

Our Management Approach

Community-driven Growth

AGI's management ensures that community initiatives align with the Company's sustainability and social responsibility goals. Subsidiaries assess the social and environmental impacts of their operations to develop programs that enhance benefits and mitigate any negative effects on communities. Engagement with stakeholders, including local government units, non-government organizations, and Indigenous groups, remains essential to ensuring fair and inclusive implementation of projects.

Each initiative undergoes continuous monitoring and evaluation to measure its effectiveness and identify areas for improvement. Through active community participation, responsible business practices, and ongoing enhancement of programs, AGI strives to create meaningful and lasting positive impacts on local communities while minimizing any potential adverse effects.

Customer Management

AGI ensures high-quality products and services that meet both local and international standards through continuous innovation, quality assurance, and proactive customer engagement. Customer experience remains a priority, with subsidiaries implementing customer feedback mechanisms, third-party audits, and strict health and safety protocols to maintain trust and satisfaction.

Customer Satisfaction

AGI subsidiaries focus on service excellence, product innovation, and market research to ensure a positive customer experience. Consumer insights and feedback guide business improvements and support ongoing product development.

Disclosure	2022	2023	2024
Customer Satisfaction Score	Not available	68%	**96%**

Note: Data includes MEG only.

In 2024, MEG achieved 96% customer satisfaction, attributed to enhanced service quality, expanded consumer engagement efforts, and continuous improvements in product offerings.

Customer Health & Safety

Customer health and safety remain a top priority across AGI subsidiaries, supported by strict product safety protocols, industry certifications, and full compliance with regulatory standards. In 2024, enhanced feedback channels and greater customer engagement led to a significant increase in reported concerns — an encouraging sign of growing consumer trust in AGI's responsiveness and transparency.

While only a portion of these cases has been resolved to date, the insights gained are helping AGI identify improvement areas and reinforce safety protocols across all touchpoints. These efforts reflect the Company's ongoing commitment to continuous improvement and a more proactive, customer-focused approach across all operations.

Our Management Approach

Commitment to Service Integrity

AGI ensures customer well-being through strict safety standards, quality control systems, and responsive feedback channels. Each subsidiary follows practices that prioritize health, safety, and satisfaction at every stage of the customer experience.

Safety and Quality Across the Group

- **MEG** builds safety and wellness into every phase of development — from planning and construction to day-to-day operations. All buildings use certified-safe materials and comply with structural and safety codes. Fire and disaster drills are conducted regularly for staff and residents to improve emergency readiness. Community wellness is also encouraged through fitness programs, health seminars, and wellness centers. Hygiene protocols like temperature checks, disinfection stations, and routine sanitation remain in place, even after national restrictions were lifted.
- **EMI** guarantees consumer safety through full compliance with FDA regulations. All products carry valid Certificates of Product Registration, and manufacturing sites in Biñan and Santa Rosa operate under Good Manufacturing Practices. These standards ensure that all products meet international health and safety requirements before reaching the market.
- **TIHGI** protects guest health through a mix of advanced technology and quality service. Contactless check-in systems, upgraded air filtration, and other safety features are installed across its properties. A dedicated Customer Care Center handles all health and safety concerns, with no reported violations in 2024. The company follows a clear complaints resolution process that ensures transparency, timely response, and customer trust.
- **GADC** leads in food safety through continuous training, external audits, and alignment with regulatory and certifying bodies. Employees receive regular training on food hygiene, while Food Safety Week extends these efforts to suppliers and partners to keep standards consistent across the chain.

AGI maintains a strong focus on customer safety and product quality through constant monitoring, compliance, and service improvement. These practices help build trust, reduce risks, and deliver consistent value across all brands.

Marketing and Labelling

While marketing and labelling are not classified as material topics for AGI, the Company remains committed to responsible and transparent practices across its subsidiaries. Each subsidiary ensures that marketing communications are clear, truthful, and comply with industry regulations. EMI upholds responsible advertising for its alcoholic beverages, GADC adheres to strict food labeling and marketing standards, and MEG and TIHGI maintain transparency in promoting real estate and hospitality services, empowering consumers to make informed decisions.

AGI continues to prioritize ethical marketing practices, reinforcing consumer trust and maintaining brand integrity across all its businesses.

Customer Privacy and Data Security

Preventing data breaches and unauthorized access protects customers from financial and reputational harm while ensuring compliance with privacy laws and ethical business practices. Strengthening data security enhances customer confidence, business credibility, and industry competitiveness. Failing to protect personal data could lead to customer distrust, legal penalties, and financial losses, while a data breach exposing sensitive information would result in regulatory scrutiny, reputational damage, and potential business disruption.

AGI remains committed to upholding the highest data privacy and security standards across all subsidiaries. The Company complies with the Data Privacy Act of 2012 and implements comprehensive data protection policies, cybersecurity measures, and privacy governance frameworks to safeguard customer information. Through continuous risk assessments, employee training, and compliance with regulatory standards, AGI ensures that all personal data under its control is securely managed and protected from unauthorized access.

Disclosure	2022	2023	2024
No. of Substantiated Complaints on Customer Privacy	0	0	0
No. of Complaints Addressed	0	0	0
No. of Customers, Users, and Account Holders whose Information is Used for Secondary Purposes	0	0	0
No. of Data Breaches, including Leaks, Thefts, and Losses of Data	0	0	0

In 2024, there were no reported complaints on customer privacy and data breaches, attributed to strict compliance with data protection laws, enhanced cybersecurity measures, and proactive monitoring of potential risks across all subsidiaries.

Our Management Approach

Responsible Data Handling

AGI protects customer data through strict privacy policies, risk assessments, and employee training. Each subsidiary follows privacy laws and uses secure systems to prevent unauthorized access and build customer trust.

Privacy Practices Across the Group

- **MEG** secures customer data through encrypted databases, strong access controls, and regular system audits by internal and external experts. Employees are trained to handle data responsibly and support customer rights, including access, correction, or deletion of personal information. Privacy protocols are updated regularly to stay ahead of cybersecurity threats and new regulations.
- **EMI** registers its data systems with the National Privacy Commission (NPC) and keeps them up to date. Data Sharing and Outsourcing Agreements are in place to protect customer and employee information. The company regularly assesses risks in its systems and processes, while employees receive ongoing training on privacy and cybersecurity. Cyber threats are actively monitored, and education efforts help strengthen internal awareness.
- **TIHGI** complies with the Data Privacy Act of 2012 and protects data from guests, vendors, and partners. Data governance is managed jointly by Legal, Surveillance, and Security teams, particularly for sensitive assets like CCTV footage, which is only

released after internal review. The company is also working to formalize protocols for external data requests across its hotel and gaming operations.

- **GADC** enforces its privacy policies through a dedicated Data Privacy Manual, security protocols, and accessible customer privacy notices. Data is processed only with consent or a legitimate basis. A registered Data Protection Officer oversees compliance with NPC requirements, and a Data Governance Team manages breach responses. Privacy risk assessments are conducted regularly, and all third-party data sharing is governed by formal agreements.

AGI ensures customer privacy is protected across all operations. Through secure systems, strong oversight, and continuous employee training, the Group maintains compliance, reduces data risks, and reinforces public trust.