COVER SHEET

AS093-7946

S.E.C. Registration Number

ALLIANCE GLOBAL GROUP, INC.
AND SUBSIDIARIES

(Company's Full Name)

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

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

DINA INTING	8709-2038 to 41
Contact Person	Company Telephone Number

12	31	17-Q	3rd Thursday of June
Month	*Day*	FORM TYPE	Annual Meeting
Fiscal Year		(QUARTERLY REPORT FOR MARCH 31, 2020)	

Certificate of Permit to Offer Securities for Sale

Secondary License Type, If Applicable

SEC	N/A
Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

1,006		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. *For the quarterly period ended* **March 31, 2020**

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

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

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

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

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

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

8. **(632) 870920-38 to -41**
Registrant's telephone number, including area code

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

Title of Each Class	*Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding*
Common	**9,818,915,379** (net of 450,912,600 buyback shares held by AGI)

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

11. *(a) AGI has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months.*

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

PART I – FINANCIAL INFORMATION

1. FINANCIAL STATEMENTS

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

The interim consolidated financial statements ("ICFS") have been prepared in accordance with the Philippine Financial Reporting Standards ("PFRS") and Philippine Accounting Standard 34, *Interim Financial Reporting*. As such, they do not include all of the information and disclosures required for full annual consolidated financial statements, and thus should be read in conjunction with the audited consolidated financial statements of the Group as at and for the year ended December 31, 2019 ("ACFS"). The accounting policies and methods used in the ICFS are consistent with those applied in ACFS. Accounting estimates, assumptions and judgments are used in preparing these statements; and while these are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates (see Note 3 to both the ACFS and ICFS).

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

Business Segments

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

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

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

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

During the first quarter of the year, the world has seen the rapid spread of a novel strain of coronavirus ("COVID-19") that has reached a pandemic magnitude as it continues to affect more and more countries and territories. To contain the further spread of COVID-19 and stem its transmission in their places, the governments across the world, including the Philippines, have implemented extensive measures such as travel bans/restrictions, lockdowns, curfews, home isolation (stay-at-home orders), social distancing, gathering limitations and closing of non-essential businesses (all types of recreational venues and most public places included). The entire Luzon and almost the whole country were under the strickest form of lockdown ('ECQ') from the second half of March, which paralyzed all non-essential business activities and public transportation. The Philippines was declared under a state of calamity from March 17. Earlier in January, the Taal Volcano eruption immediately put Batangas and Cavite under a state of calamity and a month later, the whole of Calabarzon. It is in this general backdrop that the Group operated in the first quarter.

Key Performance Indicators – Top Five

	Qtr 2020	Qtr 2019	YoY	YoY %
REVENUES	38,034	41,048	(3,014)	-7.3
NET PROFIT	3,987	6,523	(2,536)	-38.9
NET PROFIT TO OWNERS	2,960	4,352	(1,392)	-32.0
Net profit rate	10.5%	15.9%		
NP Attributable to Owners	7.8%	10.6%		
Return on investment/assets [NP/TA]	0.6%			
	March 31, 2020	Dec 31, 2019	Growth	%
TOTAL ASSETS	648,193	644,476	3,717	0.6
CURRENT ASSETS	301,036	301,176	(140)	-0.1
CURRENT LIABILITIES	130,372	130,699	(327)	- 0.2
Current ratio	2.3	2.3		
Quick ratio	1.02	1.05		

	Qtr 2020	Qtr 2019	YoY	YoY %
Profit before tax and interest	7,390	9,867	(2,476)	-25.1
Interest expense	1,675	1,479	196	13.2
Interes coverage rate	4.3	6.7		

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

Results of Operations – First Quarter 2020 vs 2019

The Group consolidated P38.0 billion revenues in the first three months of the current year, 7% less than the P41.0 billion in the same period last year. As costs and expenses almost flatlined at P32.3 billion this year from P32.7 billion a year ago, net profit during the current interim period contracted 39% year-on-year to P4.0 billion from P6.5 billion. Net profit to owners decreased

32% or P1.4 billion to about P3.0 billion as compared to P4.3 billion a year ago. These stunted results were attributed to the Taal Volcano eruption and pandemic-related lockdowns and implementing protocols.

By business segments, as represented by the major subsidiary groups below:

In Million Pesos	MEG	EMP	RWM	GADC	Others	TOTAL
2020						
Revenues	15,081	10,610	5,406	6,775	413	38,285
Intercompany/ Adjusment	(105)	(5)	(2)	-	(139)	
Consolidated	**14,976**	**10,605**	**5,404**	**6,775**	**274**	**38,034**
% contribution	39%	28%	14%	18%	1%	100%
Costs and expenses	9,888	8,901	6,385	6,649	614	**32,437**
Intercompany/ Adjustment	-	(38)	(50)	(26)	(5)	
Consolidated	**9,888**	**8,863**	**6,335**	**6,623**	**609**	**32,318**
Tax Expense	**1,392**	**289**	**27**	**21**	**-**	**1,729**
Net profit	3,801	1,420	(1,006)	105	(201)	4,119
Intercompany/ Adjustment	(105)	33	48	26	(134)	
Consolidated	**3,696**	**1,453**	**(958)**	**131**	**(335)**	**3,987**
% contribution	93%	36%	-24%	3%	-8%	100%
Net profit to owners	3,507	1,457	(1,005)	108	(201)	3,866
Intercompany/ Adjustment	(1,100)	(199)	556	(29)	(134)	
Consolidated	**2,407**	**1,258**	**(449)**	**79**	**(335)**	**2,960**
% contribution	81%	42%	-15%	3%	-11%	100%
2019	MEG	EMP	RWM	GADC	Others	TOTAL
Revenues	14,893	11,025	6,912	7,520	743	41,093
Intercompany/ Adjustment	(40)		(3)		(2)	
Consolidated	**14,853**	**11,025**	**6,909**	**7,520**	**741**	**41,048**
% contribution	36%	27%	17%	18%	2%	100%
Costs and expenses	9,369	9,005	6,659	6,976	698	32,707
Intercompany/ Adjustment		(10)	(11)	(24)	(2)	
Consolidated	**9,369**	**8,995**	**6,648**	**6,952**	**696**	**32,660**
Tax Expense	**1,409**	**278**	**10**	**162**	**6**	**1,865**
Net profit	4,115	1,742	243	382	39	6,521
Intercompany/ Adjustment	(40)	10	8	24	-	
Consolidated	**4,075**	**1,752**	**251**	**406**	**39**	**6,523**
% contribution	62%	27%	4%	6%	1%	100%
Net profit to owners	3,836	1,738	245	383	38	6,240
Intercompany/ Adjustment	(1,300)	(290)	(127)	(171)	-	
Consolidated	**2,536**	**1,448**	**118**	**212**	**38**	**4,352**
% contribution	58%	33%	3%	5%	1%	100%
Year-on-year Change	MEG	EMP	RWM	GADC	Others	TOTAL
2020 vs 2019						
Revenues	0.8%	-3.8%	-21.8%	-9.9%	-63.0%	-7.3%
Costs and expenses	5.5%	-1.5%	-4.7%	-4.7%	-12.4%	-1.0%
Tax Expense	-1.2%	4.0%	-87.1%	-87.1%	-99.6%	-7.3%
Net profit	-9.3%	-17.0%	-482%	-67.8%	-972%	-38.9%
Net profit to owners	-5.1%	-13.1%	-481%	-62.7%	-969%	-32.0%

Notes: - Numbers may not add up due to rounding. Percentages are taken based on full numbers, not from the presented rounded amounts.
- At AGI consolidated level, as presented above, revenues and costs and expenses may differ from the totals separately reported by subsidiaries as there may be items reclassified from/to revenues to/from costs or expenses at AGI consolidated level

Megaworld, the country's largest developer and pioneer of integrated urban townships, reported P15.1 billion revenues in the interim period, inching barely 1% from P15.0 billion a year ago, buoyed by its rental and real estate businesses. Net profit and the portion attributed to owners both sank by 8% and 9% to P3.8 billion and P3.5 billion, respectively, as costs and expenses paced at a faster rate of 4% .

Real estate sales, which accounted for about two-thirds of revenues, went up just 1% to P9.6 billion as it felt the impact of the Taal Volcano eruption on the sales of Calabarzon projects at the start of the year and of COVID-19 on its supply chain that caused delays in project turnover. The current product mix for Megaworld-GERI-Empire East-Suntrust/SLI brands was 68%-11%-13%-8%. Sales growth were recorded the highest in QuezonCity/Pasig City projects which swept the lost sales in Calabarzon area. **Leasing** revenues, which accounted for 28% of revenues, particularly from Megaworld Premier Offices and Megaworld Lifestyle Malls, grew 8% to P4.2 billion from P3.9 billion a year ago, driven by office lease rentals from BPO clients which were allowed to operate during the lockdown, while non-essential mall tenants temporarily closed shop during the lockdown. **Hotel** revenues were dampened 4% year-on-year to P551 million from P574 million as check-ins dropped, particularly from international guests, because of the travel bans and lockdowns.

These operating results brought in 39%, 93% and 81% to AGI's consolidated revenues, net profit and net profit attributable to owners, respectively.

Emperador, the world's largest brandy company and owner of the world's 5th largest Scotch whisky manufacturer, ended the first quarter of the year with P10.7 billion revenues slipping 3% from P11.0 billion a year ago, which resulted in net profit to owners sliding 16% year-on-year to P1.5 from P1.7 billion. This was mainly attributed to the lockdown and travel restrictions that hampered sales growth.

The **Brandy segment** realized a 5% year-on-year uptick in net profit to owners, reported at P1.1 billion this year, inspite of a 1% slash in revenues to external customers recorded at P7.6 billion as compared to P7.7 billion a year ago. 'Emperador' was experiencing a good quarter growth when it was halted by the lockdown implemented from mid-March which caused Emperador to suspend production and distribution in compliance with government mandate. Liquor bans were also imposed by most localities. Spain was in a similar lockdown situation at about the same time. Bodegas Fundador, however, was able to continue its regular production and distribution in Jerez while its head office in Madrid was under lockdown. The segment's gross profit margin improved to 32% as compared to 30% a year ago due to product mix, inspite of higher Philippine excise taxes which took effect at the start of the year. The **Scotch Whisky** segment registered 8% less revenues to external customers which totaled P3.1 billion this quarter as compared to P3.3 billion a year ago, out of which it tucked in net profit to owners of P323 million. Its international sales slowed down due to travel restrictions and lockdowns in most countries. In UK, Whyte and Mackay was able to continue its off-premise distribution to a certain degree as well as its production because alcohol production is considered a critical industry by the government, while head office remained closed and travel restricted as of end-March. Also, last year's sales got a push from Brexit contingency orders. The segment made gross profit margin of 34% as compared to 42% a year ago due to sales mix as the low-margin products sold popularly in UK during the first quarter

For the first three months of the year, Emperador group contributed 28% to AGI's consolidated revenues, 36% to consolidated net profit, and 42% to consolidated net profit attributable to AGI owners.

Travellers, the owner and operator of Resorts World Manila (RWM), among all the business segments, was hit the hardest by the pandemic-related measures imposed by the government/s that closed most businesses it has in RWM, including the gaming, theater and meeting areas from mid-March. The hotels were able to receive guests, only as allowed under the government rules. These disruptions resulted in revenue fall of 22% or P1.5 billion year-on-year to P5.4 billion, and net profit descalating 5times from P243 million a year ago, ending the first quarter with P1.0 billion in the red.

Gaming net revenues slid 23% year-on-year to P4.0 billion as gaming operations were supended from mid-March in compliance with the lockdown measures set by the government. **Non-gaming** revenues downscaled 18% to P1.0 billion due to foot traffic decline. The theater, cinemas and retail outlets were closed and MICE activities stopped during the ECQ. Hotel operations continued at limited capacity, following government-mandated restrictions Occupancy rates of the five hotels ranged 55% to 67% for the first quarter.

Travellers group accounted for 14% of AGI's consolidated revenues, but took away 24% and 15% of consolidated net profit and consolidated net profit attributable to owners of AGI, respectively.

GADC, the master franchise holder of McDonald's in the Philippines, reached P6.8 billion revenues during the quarter which is 10% lower than a year ago, with systemwide sales decelerating 8% from a year ago and same-store sales dipping 14% year-on-year. These were trimmed down by the 5% savings on costs and expenses that resulted in net profit of P105 million during the quarter which was only about a third of net profit a year ago. The low results were attributed to the Taal Volcano eruption that affected restaurants in Calabarzon until February and to the COVID-19 pandemic protocols starting mid-March that cut customer traffic. Being in the food service, McDonald's restaurants operated for delivery, drive-through and take-out orders at limited hours (due to curfew) and menu (due to available ingredients) during the lockdown. Dine-in and large gatherings were not allowed so about two-fifths of stores were temporarily closed. McDelivery service and drive-through accounted for about 27% of systemwide sales, as it leveraged the shift in customer behavior. Digital channels through McDonald's app, Grab Food and Food Panda showed good support.

Total count of **restaurants** remained at 669 by the end of March, as 5 new restaurants were opened and 5 closed during the first quarter. **New promotional campaigns** during the period were Breakfast Silog Bowls continued from late last year; McSavers featured McFloat and Sundae starting January; McCafe Iced Coffee featuring Iced Chocolate Coffee by end-January; Fish and Fries started on Valentine's Day; and the McDo App promo from late February. These created additional trial and repeat visits from customers during the period.

These operating results translated into 18%, 3% and 3% contribution to the consolidated revenues, net profit and net profit to owners of AGI, respectively.

The preceding discussions are reflected in the profit and loss accounts, as follows:

ThreeMonths - In Million Pesos	2020	2019	YoY	%
REVENUES				
Sale of goods	20,238	20,577	(339)	-1.65%
Consumer goods	10,628	11,103	(475)	-4.28%
Revenues from real estate (RE) sales	9,610	9,474	136	1.44%
Rendering of services	16,952	18,893	(1,941)	-10.28%
Gaming	5,551	6,894	(1,343)	-19.48%
Less: Promotional allowance	1,495	1,591	(96)	-6.02%
Net Gaming	4,056	5,303	(1,247)	-23.52%
Sales by company-operated			-	
quick-service restaurant	6,093	6,724	(631)	-9.38%
Franchise revenues	660	733	(73)	-10.00%
Rental income	4,326	4,046	280	6.91%

ThreeMonths - In Million Pesos	2020	2019	YoY	%
Other services	1,817	2,087	(270)	-12.94%
Hotel operations	1,562	1,808	(246)	-13.58%
Other services	255	279	(24)	-8.77%
Share in net profits of associates and			-	
joint ventures	56	95	(39)	-40.54%
Finance and other income	788	1,483	(695)	-46.86%
TOTAL	38,034	41,048	(3,014)	-7.34%
COSTS AND EXPENSES				
Cost of goods sold	12,395	12,438	(43)	-0.35%
Consumer goods sold	7,131	7,331	(200)	-2.73%
RE sales	5,264	5,107	157	3.08%
Cost of services	9,012	9,753	(741)	-7.60%
Gaming	2,252	2,403	(151)	-6.28%
Services	6,760	7,350	(590)	-8.03%
Other operating expenses	8,929	8,775	154	1.75%
Selling and marketing	3,643	3,450	193	5.59%
General and administrative	5,286	5,325	(39)	-0.73%
Finance costs and other charges	1,982	1,694	288	17.01%
TOTAL	32,318	32,660	(342)	-1.05%
TAX EXPENSE	1,729	1,865	(136)	-7.29%
NET PROFIT	3,987	6,523	(2,536)	-38.88%
NET PROFIT ATTRIBUTABLE TO OWNERS	2,960	4,352	(1,392)	-31.98%

Note: Numbers may not add up due to rounding off.

Revenues for the first quarter went down 7% to P38.0 billion as compared to P41.0 billion a year ago. **Sales of goods** (real estate, alcoholic beverages and snack products) decreased 2% or P339 million as sales of consumer goods contracted 4% while real estate sales expanded 1%. **Service revenues** (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) descalated 10% or P1.9 billion due to combined reductions in businesses, except for rental business which managed to grow by 7%. **Share in net profits of associates and joint ventures** was 40% or P39 million lower this interim period, reflecting lower net profit by associates and joint ventures.

Costs and expenses fell by 1% year-on-year to P32.3 billion during the current year from P32.7 billion a year ago. While **cost of goods sold** remained flat at P12.4 billion, the Group saved 8% on **cost of services** which brought combined gross profit margin to 42% in the current year as compared to 44% a year ago. **Other operating expenses** inched 2% to P8.9 billion from higher selling and marketing spending during the quarter, particularly in Megaworld's commissions.

Finance and other income depleted 47% to P788 million from one-time gain by Megaworl and foreign exchange gains, both from last year. **Finance costs and other charges**, on the other hand, surged 17% to about P2.0 billion from lower interest rates and foreign currency gains during the period.

Income tax dwindled 7% to P1.7 billion due to lower taxable income of GADC and Megaworld.

Earnings before interest, taxes, depreciation and amortizations (EBITDA), computed as net profit before income taxes, interest expense, depreciation and amortizations descalated 16% year-on-year to P9.9 billion this year as compared to P11.9 billion a year ago, exhibiting 26% and 29% EBITDA rate, respectively.

Net profit attributable to owners amounted to close to P3.0 billion from P4.3 billion a year ago, slashed 32% year-on-year as a result of the foregoing.

Financial Condition

Consolidated total assets amounted to P648.2 billion at end of the interim period from P644.5 billion at beginning of year. The Group is strongly liquid with **current assets** exceeding **current liabilities** 2.3times at both dates. Current assets amounted to P301.0 billion while current liabilities amounted to P130.4 billion at end of the interim period.

Cash and cash equivalents grew by P2.4 billion or 5% ending at P53.6 billion from P51.3 billion at the beginning of the year, primarily from collection of receivables and availment of new loans. Cash flows from operating, financing and investing activities during the period were presented in the interim consolidated statements of cash flows.

Current trade and other receivables decreased 8% or P6.0 billion from collections mostly from debtors of Emperador, who had larger balances at year-end due to purchases in the lead up to the Christmas period; while **non-current** increased 12% or P2.0 billion from new debtors of Megaworld.

Other current assets went up 5% or P840 million from deferred commissions and creditable withholding taxes of Megaworld, and timing of prepayments of Emperador.

Financial assets at fair value through other comprehensive income dwindled 30% or P127 million due to changes in fair value of financial instruments held by Megaworld.

Other non-current assets increased 8% or P581 million from higher deferred commissions of Megaworld and additional advances to suppliers of Travellers.

Current lease liabilities grew 12% or P153 million fom new leases entered during the year.

Contract liabilities represent MEG's excess of collection over the progress of work with **current** portion decreasing 10% or P175 million as projects get completed.

Advances from related parties were reduced 6% or P128 million from recordings of MEG.

Other current liabilities decelerated 5% or P1.0 billion from Emperador's conversion of currently due equity-linked security's Tranche 1 into equity (-P1.8 billion), as offset by the increase in Megaworld's other liabilities (+P1.0 billion), mainly on commissions.

Retirement benefit obligation contracted 9% or P194 million mainly from the actuarial gains booked in UK in the interim period.

The **changes in equity components** are presented in detail in the consolidated statements of changes in equity.

Liquidity and Capital Resources

The consolidated statements of financial position showed strong liquidity with current assets exceeding current liabilities 2times. The interim period opened and closed with 1.2:1 total-liabilities-to-equity ratio and 0.7:1 interest-bearing-debt-to-equity ratio. Assets exceeded liabilities nearly 2times, and equity 2times as well.

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

Amounts in Million Pesos	March 31, 2020	Dec 31, 2019
Cash and equivalents	53,634	51,271
FVTPL/AFS financial assets	12,413	12,462
Total Available	66,048	63,732
Interest-bearing debt –current	41,401	40,870
Interest-bearing debt- noncurrent	163,539	162,907
Equity-linked securities- non- current*	3,444	5,280
Total Debt	208,383	209,057
Net cash (-debt)	-142,335	-145,325
Available Cash and financial assets to Total Debt	32%	30%
Total Debt to total equity	69%	70%

*Presented under Other Non-current liabilities

Prospects for the future

As the disruptions brought about by COVID-19 continue in the second quarter, similar to most businesses in the country, the Group is expecting to see degrowths in second quarter results year-on-year. The Group is anticipating to continue its various operations in a very challenging and unpredictable environment henceforth, where the impact of the pandemic is highly uncertain and evolving .

Considering the government actions to mitigate the economic, social and health risks associated with the pandemic, the Group is putting measures in place to ensure the safety and well-being of its employees, customers, suppliers and other stakeholders and to adapt in this new norm. The Group is accelerating its innovation and digital transformation strategies across businesses as the Group embraces the new reality. These involve investments in e-commerce applications, interactive customer service management, and contactless online transactions, among others.
The Group is ever vigilant for new opportunities as it taps on its innovative knack in this trying period.

The Group has a proven track record of creating value over time and is confident in its ability to deliver sustainable profitable growth and value for its stakeholders. AGI looks forward to resume the growth trajectory of all the business segments soon towards the Group's success backed by its overall resilience and adaptability and strong financial foundation.

Others

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

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

There are no other known events that will trigger direct or contingent financial obligation that is currently considered material to the Company, including any default or acceleration of an obligation.

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

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

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

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

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

SIGNATURE

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

Alliance Global Group, Inc.
Issuer
By:

DINA D.R. INTING
Chief Financial Officer/
Corporate Information Officer/
Principal Accounting Officer
June 26, 2020

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
March 31, 2020

Ratio	Formula	3/31/2020	12/31/2019
Current ratio	Current assets / Current liabilities	2.31	2.30
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)	1.02	1.05
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings, bonds payable and equity-linked debt securities)	0.69	0.70
Asset-to-equity ratio	Total assets / Total stockholders' equity	2.16	2.17
		3/31/2020	3/31/2019
Interest rate coverage ratio	EBIT / Total Interest (Non-recurring gain is excluded from EBIT)	4.41	6.54
Solvency ratio	EBITDA / Total debt (Total debt includes interest bearing loans and borrowings and bonds payable)	0.05	0.06
Return on investment	Net profit / Total stockholders' equity	0.01	0.02
Return on investment of equity owners	Net profit attributable to owners of the Parent Company / Equity attributable to the owners of the Parent Company	0.02	0.02
Return on assets	Net profit / Total assets	0.01	0.01
Net profit margin	Net profit / Total revenues	0.10	0.16

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2020 AND DECEMBER 31, 2019
(Amounts in Philippine Pesos)

		March 31, 2020 (UNAUDITED)		December 31, 2019 (AUDITED)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	P	53,634,418,094	P	51,270,580,951
Trade and other receivables - net		67,758,972,453		73,766,084,747
Contract assets		11,149,154,012		10,857,180,128
Financial assets at fair value through profit or loss		12,123,853,139		12,045,110,108
Inventories - net		138,162,214,759		135,869,915,236
Other current assets		18,207,441,858		17,367,583,144
Total Current Assets		301,036,054,315		301,176,454,314
NON-CURRENT ASSETS				
Trade and other receivables - net		18,434,662,026		16,406,358,749
Contract assets		8,018,309,124		7,785,824,559
Advances to landowners and joint operators		7,099,770,020		7,058,884,461
Financial assets at fair value through other comprehensive income		289,392,817		416,657,341
Investments in associates and joint ventures		6,592,129,976		6,558,943,348
Property, plant and equipment - net		136,900,254,987		136,262,546,247
Investment properties - net		114,142,561,141		112,338,187,564
Intangible assets - net		38,588,327,856		39,943,371,103
Deferred tax assets - net		5,459,086,782		5,477,329,211
Other non-current assets		7,602,954,527		7,021,891,772
Total Non-current Assets		343,127,449,256		339,269,994,355
NON-CURRENT ASSET HELD FOR SALE		4,029,879,798		4,029,879,798
TOTAL ASSETS	P	648,193,383,369	P	644,476,328,467

- 2 -

		March 31, 2020 (UNAUDITED)		December 31, 2019 (AUDITED)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**61,267,037,599**	P	61,394,887,255
Interest-bearing loans		**41,400,802,964**		40,869,676,836
Lease liabilities		**1,449,977,486**		1,297,248,962
Contract liabilities		**1,879,406,535**		1,703,947,321
Income tax payable		**2,469,810,514**		2,387,377,900
Redeemable preferred shares		**251,597,580**		251,597,580
Advances from related parties		**2,116,641,391**		2,244,180,653
Other current liabilities		**19,536,515,433**		20,550,029,609
Total Current Liabilities		**130,371,789,502**		130,698,946,116
NON-CURRENT LIABILITIES				
Interest-bearing loans		**138,835,872,808**		138,283,436,876
Bonds payable		**24,702,637,562**		24,623,883,690
Lease liabilities		**14,575,639,083**		14,623,215,469
Contract liabilities		**3,478,841,982**		3,509,607,722
Retirement benefit obligation		**2,007,251,429**		2,201,371,108
Redeemable preferred shares		**1,606,913,210**		1,580,915,329
Deferred tax liabilities - net		**16,862,052,676**		16,374,273,704
Other non-current liabilities		**15,670,465,587**		15,463,882,949
Total Non-current Liabilities		**217,739,674,337**		216,660,586,847
Total Liabilities		**348,111,463,839**		347,359,532,963
EQUITY				
Equity attributable to owners of the parent company		**181,602,967,208**		179,373,807,626
Non-controlling interest		**118,478,952,322**		117,742,987,878
Total Equity		**300,081,919,530**		297,116,795,504
TOTAL LIABILITIES AND EQUITY	**P**	**648,193,383,369**	P	644,476,328,467

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

	2020	2019
REVENUES AND INCOME		
Sale of goods	**P 20,238,391,751**	P 20,577,513,140
Rendering of services	**16,951,291,987**	18,893,191,518
Share in net profits of associates and joint ventures - net	**56,356,917**	94,788,237
Finance and other income	**787,918,004**	1,482,860,579
	38,033,958,659	41,048,353,474
COSTS AND EXPENSES		
Cost of goods sold	**12,394,755,305**	12,438,128,194
Cost of services	**9,012,171,043**	9,753,381,328
Other operating expenses	**8,929,181,180**	8,775,413,977
Finance costs and other charges	**1,981,825,816**	1,693,659,406
	32,317,933,344	32,660,582,905
PROFIT BEFORE TAX	**5,716,025,315**	8,387,770,569
TAX EXPENSE	**1,728,981,662**	1,864,838,959
NET PROFIT	**3,987,043,653**	6,522,931,610
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that will not be reclassified subsequently to profit or loss		
Actuarial gain on remeasurement of retirement benefit obligation	**104,066,351**	243,273,029
Net unrealized fair value gain (loss) on financial assets at fair value through other comprehensive income	**78,667,732**	(2,418,501)
Deferred tax expense relating to components of other comprehensive income	**(4,643,355)**	(33,645,788)
	178,090,728	207,208,740
Items that will be reclassified subsequently to profit or loss		
Translation adjustments	**(2,015,728,947)**	622,779,386
Net unrealized fair value loss on cash flow hedge	**(39,701,660)**	(99,621,042)
	(2,055,430,607)	523,158,344
TOTAL COMPREHENSIVE INCOME	**P 2,109,703,774**	P 7,253,298,694
Net profit attributable to:		
Owners of the parent company	**P 2,960,469,942**	P 4,352,343,684
Non-controlling interest	**1,026,573,711**	2,170,587,926
	P 3,987,043,653	P 6,522,931,610
Total comprehensive income attributable to:		
Owners of the parent company	**P 1,918,975,176**	P 4,927,784,504
Non-controlling interest	**190,728,598**	2,325,514,190
	P 2,109,703,774	P 7,253,298,694
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company:		
Basic	**P 0.3053**	P 0.4408
Diluted	**P 0.3053**	P 0.4399

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Owners of the Parent Company														
										Retained Earnings					
	Capital Stock	Additional Paid-in Capital	Treasury Shares – at cost	Net Actuarial Losses on Retirement Benefit Plan	Net Fair Value Gains (Losses) on Financial Assets at FVOCI	Accumulated Translation Adjustments	Revaluation Reserves on Cash Flow Hedge	Share Options	Other Reserves	Appropriated	Unappropriated	Total	Total	Noncontrolling Interest	Total Equity
Balance at January 1, 2020	10,269,827,979	34,518,916,029	(6,793,114,766)	(237,089,623)	399,058,137	(4,510,575,970)	(72,970,297)	620,625,162	11,001,806,871	3,931,650,000	130,245,674,104	134,177,324,104	179,373,807,626	117,742,987,878	297,116,795,504
Transactions with owners:															
Change in percentage ownership	-	-	-	-	-	-	-	-	398,916,559	-	-	-	398,916,559	540,785,284	939,701,843
Acquisition of treasury shares	-	-	(44,215,614)	-	-	-	-	-	-	-	-	-	(44,215,614)	-	(44,215,614)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	4,450,562	4,450,562
	-	-	(44,215,614)	-	-	-	-	-	398,916,559	-	-	-	354,700,945	545,235,846	899,936,791
Changes in legal reserves during the period	-	-	-	-	-	-	-	-	(44,516,539)	-	-	-	(44,516,539)	-	(44,516,539)
Total comprehensive income	-	-	-	-	369,156,314	(1,383,913,295)	(26,737,784)	-	-	-	2,960,469,941	2,960,469,941	1,918,975,176	190,728,598	2,109,703,774
Balance at March 31, 2020	**P 10,269,827,979**	**P 34,518,916,029**	**(P 6,837,330,380)**	**(P 237,089,623)**	**P 768,214,451**	**(P 5,894,489,265)**	**(P 99,708,081)**	**P 620,625,162**	**P 11,356,206,891**	**P 3,931,650,000**	**P 133,206,144,045**	**P 137,137,794,045**	**P 181,602,967,208**	**P 118,478,952,322**	**P 300,081,919,530**
Balance at January 1, 2019	P 10,269,827,979	P 34,395,380,979	(P 4,130,664,509)	(P 37,087,081)	P 292,038,325	(P 4,186,081,933)	P 124,320,576	P 744,676,052	P 17,189,184,985	P 3,520,080,000	P 114,011,796,687	P 117,531,876,687	P 172,193,472,060	P 118,379,191,399	P 290,572,663,459
Transactions with owners:															
Acquisition of treasury shares	-	-	(568,712,424)	-	-	-	-	-	-	-	-	-	(568,712,424)	-	(568,712,424)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	5,465,811	5,465,811
Additions	-	-	-	-	-			-	(348,768,635)	-	-	-	(348,768,635)	(58,997,482)	(407,766,117)
Change in percentage ownership	-	-	-	-	-	-	-	-	-	-	-	-	-	(21,061,180)	(21,061,180)
	-	-	(568,712,424)	-	-	-	-	-	(348,768,635)	-	-	-	(917,481,059)	(74,592,851)	(992,073,910)
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	3,034,080,000	(3,034,080,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,034,080,000)	3,034,080,000	-	-	-	-
Total comprehensive income	-	-	-	136,032,494	(149,936,260)	656,339,737	(66,995,151)	-	-	-	4,352,343,684	4,352,343,684	4,927,784,504	2,325,514,190	7,253,298,694
Balance at March 31, 2019	P 10,269,827,979	P 34,395,380,979	(P 4,699,376,933)	P 98,945,413	P 142,102,065	(P 3,529,742,196)	P 57,325,425	P 744,676,052	P 16,840,416,350	P 3,520,080,000	P 118,364,140,371	P 121,884,220,371	P 176,203,775,505	P 120,630,112,738	P 296,833,888,243

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(Amounts in Philippine Pesos)
(UNAUDITED)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	P 5,716,025,315	P 8,387,770,569
Adjustments for:		
Depreciation and amortization	2,529,448,599	2,006,486,029
Interest expense	1,674,513,259	1,478,830,490
Interest income	(593,534,499)	(830,708,481)
Unrealized foreign currency gain - net	(87,967,636)	(503,169,640)
Share in net profits of associates and joint ventures and invesment properties	(56,356,917)	(94,788,237)
Net loss (gain) on disposal of assets	(35,813,329)	5,092,984
Reversal of impairment losses	(36,232,966)	(1,019,445)
Stock option benefit expense	4,450,562	5,465,811
Gain on sale of investments in an associate	-	(188,514,452)
Dividend income	-	(4,935,758)
Operating profit before working capital changes	9,114,532,388	10,260,509,870
Decrease (increase) in trade and other receivables	6,197,881,200	(1,843,993,801)
Increase in inventories	(2,021,449,918)	(1,532,391,598)
Decrease (increase) in contract assets	(524,458,449)	1,377,668,511
Decrease in financial assets at fair value through profit or loss	103,725,955	36,782,901
Increase in other current assets	(976,684,216)	(546,156,730)
Increase (decrease) in trade and other payables	(804,525,062)	2,004,888,329
Increase (decrease) in contract liabilities	144,693,474	(61,315,727)
Decrease in retirement benefit obligation	(194,119,679)	(45,169,834)
Decrease in other current liabilities	(1,013,514,176)	(512,942,155)
Increase in other non-current liabilities	227,781,046	249,862,340
Cash generated from operations	10,253,862,563	9,387,742,106
Cash paid for taxes	(1,046,567,613)	(1,101,435,942)
Net Cash From Operating Activities	9,207,294,950	8,286,306,164
Balance carried forward	P 9,207,294,950	P 8,286,306,164

- 2 -

	2020	2019
Balance brought forward	P 9,207,294,950	P 8,286,306,164
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Property, plant and equipment	(2,987,295,029)	(3,495,654,373)
Investment properties	(1,936,700,828)	(2,358,348,095)
Intangible assets	(13,345,925)	(12,934,124)
Proceeds from:		
Disposal of property, plant and equipment and intangible assets	94,610,798	147,960,245
Collections of advances from associates and other related parties	94,237,744	19,214,080
Sale of an investment in an associate	-	240,908,437
Increase in other non-current assets	(457,954,635)	(476,406,769)
Interest received	336,899,870	593,774,018
Advances to landowners, joint ventures and other related parties - net	(40,885,559)	(215,032,910)
Additional advances granted to associates	(3,356,387)	(180,272,387)
Cash dividends received	-	4,935,758
Net Cash Used in Investing Activities	(4,913,789,951)	(5,731,856,120)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from interest-bearing loans and bonds	6,620,930,266	1,361,460,000
Payment of interest-bearing loans	(5,454,554,563)	(3,024,060,730)
Interest paid	(1,875,704,541)	(2,713,167,179)
Buyback of shares from non-controlling interest by a subsidiary	(758,264,606)	(12,947,324)
Advances granted and paid to related parties	(277,507,443)	(372,084,323)
Payment of lease liabilities	(153,053,824)	-
Acquisition of treasury shares	(44,215,614)	(568,712,424)
Advances collected and received from related parties	12,702,469	111,418,468
Net Cash Used in Financing Activities	(1,929,667,856)	(5,218,093,512)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,363,837,143	(2,663,643,468)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	51,270,580,951	44,779,011,533
CASH AND CASH EQUIVALENTS AT END OF YEAR	P 53,634,418,094	P 42,115,368,065

Supplemental Information on Non-cash Investing and Financing Activities:

1) In the normal course of business, the Group enters into non-cash activities which are not reflected in the cash flows, including but not limited the following: (a) exchanges or purchases or sale on account of real estate and other assets that remain unpaid at end of period; (b) reclassifications or transfers of property between Inventories, Property and Equipment and Investment Properties; and (c) borrowing costs under capitalized Inventories or Construction in Progress.

See Notes to Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020 AND 2019
(With Comparative Figures as of December 31, 2019)
(Amounts in Philippine Pesos)
(Unaudited)

1. CORPORATE INFORMATION

Alliance Global Group, Inc. (the "Company", "Parent Company", or "AGI") was registered with the Philippine Securities and Exchange Commission ("SEC") on October 12, 1993 and listed its shares in the Philippine Stock Exchange ("PSE") on April 19, 1999.

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

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **March 2020**	 December 2019
Subsidiaries				
Megaworld and subsidiaries				
Megaworld Corporation	"Megaworld"	(a)	**67%**	67%
Megaworld Resort Estates, Inc.		(b)	**83%**	83%
Townsquare Development, Inc.			**50%**	50%
Golden Panda-ATI Realty Corporation			**50%**	50%
Arcovia Properties, Inc.			**67%**	67%
Belmont Newport Luxury Hotels, Inc.			**67%**	67%
Davao Park District Holdings Inc.			**67%**	67%
Eastwood Cyber One Corporation			**67%**	67%
Global One Hotel Group, Inc.			**67%**	67%
Global One Integrated Business Services, Inc.			**67%**	67%
Hotel Lucky Chinatown, Inc.			**67%**	67%
Landmark Seaside Properties, Inc.			**67%**	67%
Luxury Global Hotels and Leisures, Inc.			**67%**	67%
Luxury Global Malls, Inc.			**67%**	67%
Mactan Oceanview Properties and Holdings, Inc.			**67%**	67%
Megaworld Cayman Islands, Inc.		(c)	**67%**	67%
Megaworld Cebu Properties, Inc.			**67%**	67%
Megaworld Land, Inc.			**67%**	67%
Citywalk Building Administration, Inc.			**67%**	67%
Forbestown Commercial Center Administration, Inc.			**67%**	67%
Ilo-ilo Center Mall Administration, Inc.			**67%**	67%
Newtown Commercial Center Administration, Inc.			**67%**	67%
Paseo Center Building Administration, Inc.			**67%**	67%
San Lorenzo Place Commercial Center Administration, Inc.			**67%**	67%
Southwoods Lifestyle Mall Management, Inc.			**67%**	67%
Uptown Commercial Center Administration, Inc.			**67%**	67%
Valley Peaks Property Management, Inc.			**67%**	67%
Megaworld Newport Property Holdings, Inc			**67%**	67%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **March 2020**	December 2019
Subsidiaries				
Megaworld and subsidiaries				
Oceantown Properties, Inc.			**67%**	67%
Piedmont Property Ventures, Inc.			**67%**	67%
Prestige Hotels and Resorts, Inc.			**67%**	67%
Richmonde Hotel Group International Ltd.		(d)	**67%**	67%
San Vicente Coast, Inc.			**67%**	67%
Savoy Hotel Manila, Inc.			**67%**	67%
Savoy Hotel Mactan, Inc.			67%	67%
Stonehaven Land, Inc.			**67%**	67%
Streamwood Property, Inc.			**67%**	67%
Megaworld Bacolod Properties, Inc.			**62%**	62%
Manila Bayshore Property Holdings, Inc.			**62%**	62%
Megaworld Capital Town, Inc.			**51%**	51%
Megaworld Central Properties, Inc.			**51%**	51%
Soho Cafe and Restaurant Group, Inc.			**50%**	50%
La Fuerza, Inc.			**45%**	45%
Megaworld-Daewoo Corporation			**40%**	40%
Northwin Properties, Inc.			**40%**	40%
Gilmore Property Marketing Associates Inc.			**35%**	35%
Integrated Town Management Corporation			**34%**	34%
Maple Grove Land, Inc.			**34%**	34%
Megaworld Globus Asia, Inc.			**34%**	34%
Suntrust Properties, Inc.			**67%**	67%
Governor's Hills Science School, Inc.			**67%**	67%
Sunrays Properties Management, Inc.			**67%**	67%
Suntrust Ecotown Developers, Inc.			**67%**	67%
Suntrust One Shanata, Inc.			**67%**	67%
Suntrust Two Shanata, Inc.			**67%**	67%
Stateland, Inc.			**65%**	65%
Global-Estate Resorts, Inc.	"GERI"	(e)	**55%**	55%
Southwoods Mall Inc.			**61%**	61%
Twin Lakes Corp.			**61%**	61%
Twin Lakes Hotel, Inc.			**61%**	61%
Megaworld Global-Estate, Inc.			**60%**	60%
Fil-Estate Golf and Development, Inc			**55%**	55%
Golforce, Inc.			**55%**	55%
Southwoods Ecocentrum Corp.			**33%**	33%
Philippine Aquatic Leisure Corp.			**33%**	33%
Fil-Estate Properties, Inc.			**55%**	55%
Aklan Holdings Inc.			**55%**	55%
Blu Sky Airways, Inc.			**55%**	55%
Fil-Estate Subic Development Corp.			**55%**	55%
Fil-Power Concrete Blocks Corp.			**55%**	55%
Fil-Power Construction Equipment Leasing Corp.			**55%**	55%
Golden Sun Airways, Inc.			**55%**	55%
La Compaña De Sta. Barbara, Inc.			**55%**	55%
MCX Corporation			**55%**	55%
Pioneer L-5 Realty Corp.			**55%**	55%
Prime Airways, Inc.			**55%**	55%
Sto. Domingo Place Development Corp.			**55%**	55%
Fil-Estate Industrial Park, Inc.			**44%**	44%
Sherwood Hills Development Inc.			**30%**	30%
Fil-Estate Urban Development Corp.			**55%**	55%
Global Homes and Communities, Inc.			**55%**	55%
Savoy Hotel Boracay, Inc.			**55%**	55%
Belmont Hotel Boracay, Inc.			**55%**	55%
Novo Sierra Holdings Corp.			**55%**	55%
Elite Communities Property Services, Inc.			**55%**	55%
Oceanfront Properties, Inc.			**28%**	28%
Empire East Land Holdings, Inc.	"EELHI"		**55%**	55%
Sonoma Premiere Land, Inc.		(f)	**73%**	73%
Pacific Coast Mega City, Inc.	"PCMI"	(g)	**82%**	82%
20th Century Nylon Shirt, Inc.			**55%**	55%
Eastwood Property Holdings, Inc.			**55%**	55%
Empire East Communities, Inc.			**55%**	55%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI March 2020	December 2019
Subsidiaries				
Megaworld and subsidiaries				
Sherman Oak Holdings, Inc.			**55%**	55%
Valle Verde Properties, Inc.			**55%**	55%
Laguna Bel-Air School, Inc.			**40%**	40%
Emperador and subsidiaries				
Emperador Inc.	"EMP" or "Emperador"		**84%**	85%
Emperador Distillers, Inc.	"EDI"		**84%**	85%
Alcazar de Bana Holdings Company, Inc.			**84%**	85%
ProGreen AgriCorp, Inc.			**84%**	85%
South Point Science Park, Inc.			**84%**	85%
Anglo Watsons Glass, Inc.			**84%**	85%
Cocos Vodka Distillers Philippines, Inc.			**84%**	85%
The Bar Beverage, Inc.			**84%**	85%
Tradewind Estates, Inc.	"TEI"	(o)	**84%**	85%
BoozyLife, Inc.	"BLI"	(o)	**52%**	43%
Zabana Rum, Inc.			**84%**	85%
Emperador International Ltd.	"EIL"	(d)	**84%**	85%
Emperador Asia Pte Ltd.	"EA"	(i)	**84%**	85%
Grupo Emperador Spain, S.A.U.	"GES"	(i)	**84%**	85%
Bodega San Bruno, S.L.	"BSB"	(i)	**84%**	85%
Bodegas Fundador SLU	"BFS"	(i)	**84%**	85%
Complejo Bodeguero San Patricio, SLU	"CBSP"	(i)	**84%**	85%
Destilados de la Mancha S.L.		(i)	**84%**	85%
Grupo Emperador Gestion S.L.	"GEG"	(i)	**84%**	85%
Domecq Bodega Las Copas, S.L.	"DBLC"	(h)	**42%**	42%
Stillman Spirits, S.L.			**84%**	85%
Bodega Domecq S.A. de C.V.	"BDSC"	(h)	**42%**	42%
Domecq Distribucion De Bebidas S.A. de C.V.	"DDDB"	(h)	**42%**	42%
Pedro Domecq S.A. de C.V.	"PDSC"	(h)	**42%**	42%
Emperador Europe SARL	"EES"	(i)	**83%**	85%
Emperador Holdings (GB) Limited.	"EGB"	(i)	**84%**	85%
Emperador UK Limited	"EUK"	(i)	**84%**	85%
Whyte and Mackay Group Limited	"WMG"	(i)	**84%**	85%
Whyte and Mackay Global Limited	"WMGL"		**84%**	85%
Whyte and Mackay Limited	"WML"	(i)	**84%**	85%
Whyte and Mackay Warehousing Ltd.	"WMWL"	(i)	**84%**	85%
GADC and subsidiaries				
Golden Arches Development Corporation	"GADC"		**49%**	49%
Advance Food Concepts Manufacturing, Inc.			**49%**	49%
Red Asian Food Solutions			**37%**	37%
Clark Mac Enterprises, Inc.			**49%**	49%
Golden Laoag Foods Corporation			**38%**	38%
Davao City Food Industries, Inc.			**37%**	37%
First Golden Laoag Ventures			**34%**	34%
McDonald's Anonas City Center			**34%**	34%
McDonald's Puregold Taguig			**29%**	29%
Golden City Food Industries, Inc.			**29%**	29%
McDonald's Bonifacio Global City			**27%**	27%
Molino First Golden Foods, Inc.			**26%**	26%
GY Alliance Concepts, Inc.			**19%**	19%
Golden Arches Realty Corporation			**49%**	49%
Travellers and subsidiaries				
Travellers International Hotel Group, Inc.	"Travellers"	(j)	**50%**	50%
Agile Fox Amusement and Leisure Corporation			**50%**	50%
APEC Assets Limited			**50%**	50%
Aquamarine Delphinium Leisure and Recreation, Inc.			**50%**	50%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI March 2020	December 2019
Subsidiaries				
Travellers and subsidiaries				
Bright Pelican Leisure and Production, Inc.			**50%**	50%
Bright Leisure Management, Inc.			**50%**	50%
Brilliant Apex Hotels and Leisure Corporation			**50%**	50%
Coral Primrose Leisure and Recreation Corporation			**50%**	50%
Deluxe Hotels and Recreation, Inc.			**50%**	50%
Entertainment City Integrated Resorts & Leisure, Inc.			**50%**	50%
FHTC Entertainment & Production, Inc.	"FHTC"		**50%**	50%
Golden Peak Leisure and Recreation, Inc.			**50%**	50%
Grand Integrated Hotels and Recreation, Inc.			**50%**	50%
Grandservices, Inc.			**50%**	50%
Grandventure Management Services, Inc.			**50%**	50%
Lucky Star Hotels and Recreation, Inc.			**50%**	50%
Lucky Panther Amusement and Leisure Corporation			**50%**	50%
Luminescent Vertex Hotels and Leisure Corporation			**50%**	50%
Magenta Centaurus Amusement and Leisure Corporation			**50%**	50%
Majestic Sunrise Leisure & Recreation, Inc.			**50%**	50%
Netdeals, Inc.			**50%**	50%
Newport Star Lifestyle, Inc.			**50%**	50%
Royal Bayshore Hotels & Amusement, Inc.			**50%**	50%
Sapphire Carnation Leisure and Recreation Corporation			**50%**	50%
Scarlet Milky Way Amusement and Leisure Corporation			**50%**	50%
Sparkling Summit Hotels and Leisure Corporation			**50%**	50%
Valiant Leopard Amusement and Leisure Corporation			**50%**	50%
Vermillion Triangulum Amusement and Leisure Corporation			**50%**	50%
Westside City Resorts World, Inc.		(k)	**49%**	49%
Purple Flamingos Amusement and Leisure Corporation			**49%**	49%
Red Falcon Amusement and Leisure Corporation			**49%**	49%
Westside Theatre Inc.			**50%**	50%
Corporate and Others				
Alliance Global Brands, Inc.			**100%**	100%
McKester Pik-nik International Limited	"MPIL"	(d)	**100%**	100%
Great American Foods, Inc.		(l)	**100%**	100%
New Town Land Partners, Inc.	"NTLPI"		**100%**	100%
Alliance Global Group Cayman Islands, Inc.		(c)	**100%**	100%
Boracay Newcoast Resorts, Inc.			**100%**	100%
Dew Dreams International, Inc.			**100%**	100%
First Centro, Inc.	"FCI"		**100%**	100%
ERA Real Estate Exchange, Inc.			**100%**	100%
Oceanic Realty Group International, Inc.			**100%**	100%
Greenspring Investment Holdings Properties Ltd.		(d)	**100%**	100%
Infracorp Development, Inc.			**100%**	100%
Shiok Success International, Inc.			**100%**	100%
Travellers Group Ltd.		(d)	**100%**	100%
Venezia Universal Ltd.		(d)	**100%**	100%
Dew Dreams International, Ltd.		(d)	**100%**	100%
Shiok Success International, Ltd.		(d)	**100%**	100%
Adams Properties, Inc.	"Adams"		**60%**	60%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **March 2020**	December 2019
Associates				
First Premiere Arches Restaurant Inc.			**49%**	49%
Bonifacio West Development Corporation			**31%**	31%
Suntrust Home Developers, Inc.	"SHDI"		**23%**	23%
Citylink Coach Services, Inc.			**6%**	6%
First Oceanic Property Management, Inc.			**6%**	6%
Palm Tree Holdings and Development Corporation			**27%**	27%
Fil-Estate Network, Inc.			**11%**	11%
Fil-Estate Sales, Inc.			**11%**	11%
Fil-Estate Realty and Sales Associates, Inc.			**11%**	11%
Fil-Estate Realty Corp.			**11%**	11%
Nasugbu Properties, Inc.			**8%**	8%
Joint Ventures				
Bodegas Las Copas, S.L.	"BLC"	(m)	**42%**	41%
Front Row Theatre Management, Inc.		(n)	**25%**	25%

Explanatory notes:

(a) AGI's effective ownership interest is derived from its 44% direct ownership, 3% direct holdings of FCI, 18% direct holdings of NTLPI and 2% holdings of other subsidiaries.
(b) AGI and Megaworld directly owns 49% and 51%, respectively.
(c) 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 82% of GERI as of December 31, 2019 and March 31, 2020.
(f) A subsidiary through 60% and 40% direct ownership of EELHI and FCI, respectively.
(g) As of December 31, 2018, PCMI is 71% effectively owned by the Group. In January 2019, the remaining 20% was acquired by the Group, thus, the Group gained 100% rights over PCMI. The effective ownership of the Group over PCMI after the transaction is 82%.
(h) DBLC, a subsidiary of GES, is operating under the laws of Spain and its subsidiaries PDSC, BDSC and DDDB are operating under the laws of Mexico.
(i) Subsidiaries under EIL. EA is operating under the laws of Singapore while GES and its subsidiaries BSB, BFS, GEG, CBSP and DBLC, are operating under the laws of Spain. EES is operating under the laws of Luxembourg. 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.
(j) Travellers' shares are directly owned 16% by AGI, 3% by FCI, 2% by Megaworld, 49% by Adams, 30% by Genting Hongkong Limited ("GHL") and 2% by the public.
(k) AGI's effective ownership is through 1% direct ownership, 47% through 95% ownership of Travellers, and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(l) Foreign subsidiary of MPIL operating under the laws of United States of America.
(m) A foreign joint venture under GES and operating under the laws of Spain.
(n) A joint venture through FHTC.
(o) TEI increased its ownership interest in BLI from 51% to 62% on January 2020.

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

AGI's shares of stock and those of Megaworld, EMP, GERI, EELHI and SHDI are listed in and traded through the PSE as of March 31, 2020. Travellers applied for voluntary delisting and was officially delisted in the PSE on October 21, 2019. Further, Travellers also applied for voluntary revocation of its secondary license with the SEC, which is not yet approved as of March 31, 2020.

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

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

The Board of Directors ("BOD") approved on June 26, 2020, the release of the interim consolidated financial statements ("ICFS") of the Group as of and for the three months ended March 31, 2020 (including the comparative financial statements as of December 31, 2019, and for the three months ended March 31, 2019).

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the preparation of these ICFS are consistent with those applied in the audited consolidated financial statements ("ACFS") as of and for the year ended December 31, 2019, except for the application of standards that became effective on January 1, 2020 (see Note 2.2).

2.1 Basis of Preparation of Interim Consolidated Financial Statements

These ICFS have been prepared in accordance with Philippine Accounting Standard ("PAS") 34, *Interim Financial Reporting*. They do not include all of the information required in annual financial statements in accordance with Philippine Financial Reporting Standards ("PFRS"), and should be read in conjunction with the Group's ACFS as of and for the year ended December 31, 2019.

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

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

The presentation of the ICFS is consistent with the most recent ACFS presentation, except for the amendments to existing standards mentioned in Note 2.2.

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

2.2 Adoption of Amended PFRS

(a) Effective in 2020 that are Relevant to the Group

In 2020, the Group adopted for the first time the following amendments to existing standards that are relevant to the Group and effective for financial statements with annual periods beginning on or after January 1, 2020.

PAS 1 (Amendments)	:	Presentation of Financial Statements
PAS 8 (Amendments)	:	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material
Conceptual Framework for Financial Reporting	:	Revised Conceptual Framework for Financial Reporting

The application of these amendments had no significant impact on the Group's consolidated financial statements because these amendments merely clarify existing requirements.

(b) Effective Subsequent to 2020 but are not Adopted Early

There are amendments to existing standards effective for annual periods subsequent to 2020, which are adopted by the Financial Reporting Standards Council. Management will adopt the following relevant pronouncements in accordance with their transitional provisions:

PFRS 10 and PAS 28 (Amendments)	:	Consolidated Financial Statements, and Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture

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

3. JUDGMENTS AND ESTIMATES

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

The judgments, estimates and assumptions applied in the ICFS, including the key sources of estimation uncertainty, were the same as those applied in the ACFS for the year ended December 31, 2019.

4. SEGMENT INFORMATION

4.1 Business Segments

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

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

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

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

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

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

4.2 Segment Assets and Liabilities

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

4.3 Intersegment Transactions

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

4.4 Analysis of Segment Information

Segment information can be analyzed as follows for three months ended March 31, 2020 and 2019.

	For three months ended March 31, 2020 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES					
Sales to external customers	P 14,413,819,345	P 5,374,188,190	P 6,759,041,777	P 10,374,063,665	P 36,921,112,977
Intersegment sales	104,949,099	2,717,050	-	5,080,102	112,746,251
Finance and other income	562,259,504	29,521,065	15,902,014	231,312,508	838,995,091
Segment revenues	15,081,027,948	5,406,426,305	6,774,943,791	10,610,456,275	37,872,854,319
Cost of sales and expenses excluding depreciation and amortization	(8,427,170,807)	(4,964,609,206)	(5,741,089,215)	(8,302,467,935)	(27,435,337,163)
	6,653,857,141	441,817,099	1,033,854,576	2,307,988,340	10,437,517,156
Depreciation and amortization	(737,766,953)	(832,272,123)	(634,997,432)	(350,473,457)	(2,555,509,965)
Finance costs and other charges	(722,916,558)	(537,828,975)	(246,970,568)	(210,473,731)	(1,718,189,832)
Profit before tax	5,193,173,630	(928,283,999)	151,886,576	1,747,041,152	6,163,817,359
Tax expense	(1,392,289,153)	(26,924,112)	(20,915,256)	(288,827,842)	(1,728,956,363)
SEGMENT PROFIT	**P 3,800,884,477**	**(P 955,208,111)**	**P 130,971,320**	**P 1,458,213,310**	**P 4,434,860,996**
SEGMENT ASSETS AND LIABILITIES					
Segment assets	**P 356,962,663,243**	**P 117,863,412,895**	**P 32,258,238,305**	**P 114,154,994,191**	**P 621,239,308,634**
Segment liabilities	**137,623,109,859**	**79,657,386,890**	**25,946,067,101**	**49,497,785,750**	**292,724,349,600**
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	**3,384,686**	**(11,255)**	**-**	**52,983,486**	**56,356,917**

	For three months ended March 31, 2019 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES					
Sales to external customers	P 13,982,691,577	P 6,896,551,695	P 7,463,027,375	P 10,796,686,991	P 39,138,957,638
Intersegment sales	40,272,521	2,551,297	-	-	42,823,818
Finance and other income	870,474,732	12,873,982	57,367,141	228,457,434	1,169,173,289
Segment revenues	14,893,438,830	6,911,976,974	7,520,394,516	11,025,144,425	40,350,954,745
Cost of sales and expenses excluding depreciation and amortization	(7,750,890,532)	(5,470,328,205)	(6,597,224,066)	(8,479,388,025)	(28,297,830,828)
	7,142,548,298	1,441,648,769	923,170,450	2,545,756,400	12,053,123,917
Depreciation and amortization	(611,833,359)	(751,816,648)	(309,496,650)	(319,196,385)	(1,992,343,042)
Finance costs and other charges	(1,005,822,785)	(426,637,328)	(45,418,814)	(197,292,221)	(1,675,171,148)
Profit before tax	5,524,892,154	263,194,793	568,254,986	2,029,267,794	8,385,609,727
Tax expense	(1,408,609,787)	(9,954,618)	(162,112,737)	(277,596,805)	(1,858,273,947)
SEGMENT PROFIT	P 4,116,282,367	P 253,240,175	P 406,142,249	P 1,751,670,989	P 6,527,335,780
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	23,048,202	(17,154)	-	71,757,189	94,788,237

The following presents the segment assets and liabilities of the Group as of December 31, 2019 (audited):

	Megaworld	Travellers	GADC	Emperador	Total
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 347,968,101,289	P 115,651,536,817	P 31,959,120,433	P 122,233,919,740	P 617,812,678,279
Segment liabilities	132,846,602,884	76,439,478,594	25,704,962,190	57,392,889,576	292,383,933,244

4.5 Reconciliations

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

	March 31, 2020 (Unaudited)	March 31, 2019 (Unaudited)
Revenues		
Total segment revenues	**P 37,872,854,319**	P 40,350,954,745
Unallocated corporate revenue	**273,850,591**	740,222,547
Elimination of intersegment revenues	**(112,746,251)**	(42,823,818)
Revenues as reported in interim consolidated profit or loss	**P 38,033,958,659**	P 41,048,353,474
Profit or loss		
Segment operating profit	**P 4,434,860,996**	P 6,527,335,780
Unallocated corporate gain (loss)	**(335,071,092)**	38,419,648
Elimination of intersegment revenues	**(112,746,251)**	(42,823,818)
Profit as reported in interim consolidated profit or loss	**P 3,987,043,653**	P 6,522,931,610

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Assets		
Segment assets	**P 621,239,308,634**	P 617,812,678,279
Unallocated corporate assets	**26,954,074,735**	26,663,650,188
Total assets reported in the consolidated statements of financial position	**P 648,193,383,369**	P 644,476,328,467
Liabilities		
Segment liabilities	**P 292,724,349,600**	P 292,383,933,244
Unallocated corporate liabilities	**55,387,114,239**	54,975,599,719
Total liabilities reported in the consolidated statements of financial position	**P 348,111,463,839**	P 347,359,532,963

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

5. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation, amortization and impairment of property, plant and equipment as of March 31, 2020 and December 31, 2019 are shown below.

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost	**P 179,432,891,758**	P 176,823,137,969
Accumulated depreciation, amortization and impairment	**(42,532,636,771)**	(40,560,591,722)
Net carrying amount	**P 136,900,254,987**	P 136,262,546,247

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Balance at beginning of period, net of accumulated depreciation, amortization and impairment	**P 136,262,546,247**	P 117,501,643,236
Effect of adoption of PFRS 16	**-**	11,520,668,688
As restated	**136,262,546,247**	129,022,311,924
Additions	**2,668,551,258**	19,511,058,873
Depreciation and amortization charges for the period	**(2,008,278,015)**	(7,741,588,381)
Disposals – net	**(58,797,469)**	(812,810,392)
Impairment reversal (loss)	**36,232,966**	(88,377,482)
Reclassifications – net	**-**	(3,628,048,295)
Balance at end of period, net of accumulated depreciation, amortization and impairment	**P 136,900,254,987**	P 136,262,546,247

6. INVESTMENT PROPERTIES

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Cost	**P 127,866,450,147**	P 125,464,245,734
Accumulated depreciation	**(13,723,889,006)**	(13,126,058,170)
Net carrying amount	**P 114,142,561,141**	P 112,338,187,564

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Balance at beginning of period, net of accumulated depreciation	**P 112,338,187,564**	P 104,635,533,741
Additions	**2,402,204,413**	10,390,591,440
Depreciation charges for the period	**(597,830,836)**	(2,285,389,751)
Disposals – net	**-**	(716,363)
Reclassifications - net	**-**	(401,831,503)
Balance at end of period, net of accumulated depreciation	**P 114,142,561,141**	P 112,338,187,564

7. DIVIDENDS

There were no dividends declared and paid by the Company for the three-month periods ended March 31, 2020 and 2019.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

		March 31, 2020 (Unaudited)		March 31, 2019 (Unaudited)
Basic:				
Net profit attributable to owners of the parent company	**P**	**2,960,469,942**	P	4,352,343,684
Divide by the weighted average number of outstanding common shares		**9,695,951,179**		9,873,370,939
	P	**0.3053**	P	0.4408
Diluted:				
Net profit attributable to owners of the parent company	**P**	**2,960,469,942**	P	4,352,343,684
Divide by the weighted average number of outstanding common shares and potentially dilutive shares		**9,695,951,179**		9,894,427,344
	P	**0.3053**	P	0.4399

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, the BOD approved another share repurchase program for P2.5 billion over a 12-month period ending on September 23, 2020. The Company has repurchased 450,192,600 shares for P5.9 billion and 273,492,840 shares for P3.8 billion as of March 31, 2020 and 2019, respectively, which are reported as Treasury Shares.

Under the Revised Corporation Code of the Philippines, a stock corporation can repurchase or acquire its own shares provided that It has unrestricted retained earnings to cover the shares to be repurchased 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.

There are 122.96 million shares held by subsidiaries at a total cost of P936.16 million that were reported as part of treasury shares in the consolidated statements of changes in equity. Such treasury shares do not form part of outstanding common shares.

The actual number of outstanding common shares approximates the weighted average for each interim period. As of March 31, 2019, there are 21.1 million potentially dilutive shares from the Company's Executive Stock Option Plan. However, such number of dilutive shares has no significant effect on the weighted average number of outstanding common shares and, consequently has no material effect on the March 31, 2019 diluted EPS.

The basic and diluted earnings per share are the same for the three months ended March 31, 2020, as the Company's Executive Stock Option Plan are considered to be antidilutive since their conversion to ordinary shares would increase earnings per share. Thus, the number of issued and outstanding common shares presented above does not include the effect of the potential common shares from the Employee Stock Option Plan.

9. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, joint ventures, the Group's key management personnel and retirement fund, and others. The summary of the Group's transactions with its related parties for the periods ended March 31, 2020 and 2019, and the related outstanding balances as of March 31, 2020 and December 31, 2019 are as follows:

Related Party Category	Notes	Amount of Transaction March 31, 2020 (Unaudited)	Amount of Transaction March 31, 2019 (Unaudited)	Outstanding Balance Receivable (Payable) March 31, 2020 (Unaudited)	Outstanding Balance Receivable (Payable) December 31, 2019 (Audited)
Subsidiaries' stockholders:					
Casino transactions	9.2	**P 5,269,195**	P 113,403,340	**(P 5,512,706)**	(P 742,847)
Management fees	9.3	**34,683,720**	91,806,302	**(35,553,818)**	(15,216,479)
Accounts payable	9.5	**-**	-	**(347,670,510)**	(347,670,510)
Acquisition of investment	9.7	**-**	-	**(680,000,000)**	(680,000,000)
Related party under common ownership:					
Purchase of raw materials	9.1	**841,448,985**	1,134,397,474	**(1,019,713,848)**	(1,019,713,848)
Purchase of imported goods	9.1	**4,699,985**	4,914,703	**(75,871)**	(1,710,514)
Advances granted	9.4	**(94,237,744)**	180,272,387	**1,893,454,022**	1,987,691,766
Management services	9.1	**15,000,000**	15,000,000	**(92,000,000)**	(77,000,000)
Associates –					
Advances granted	9.4	**3,356,387**	(19,214,080)	**1,100,416,887**	1,097,060,500
Others:					
Accounts receivable	9.5	**137,265,712**	(62,036,452)	**746,224,364**	608,958,652
Accounts payable	9.5	**-**	-	**(65,208,430)**	(65,208,430)
Advances from joint venture partners and others	9.6	**(127,539,262)**	(161,644,000)	**(2,116,641,391)**	(2,244,180,653)
Donations		**46,158,363**	62,065,765	**(19,251,601)**	(20,012,801)

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.

9.1 Purchase of Goods and Management Agreement

Emperador imports finished goods and raw materials such as alcohol, flavorings and other items through Andresons Global, Inc., a related party under common ownership. Emperador also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly-owned subsidiary of BLC, which is considered a related party under joint control. These transactions are generally payable within 30 days. Emperador had a management agreement with Consolidated Distillers of the Far East, Inc., 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. The outstanding balances as of March 31, 2020 and December 31, 2019 are shown as part of Trade and Other Payables account in the consolidated statements of financial position.

9.2 Casino Transactions with GHL

Travellers recognized outstanding payables to GHL representing show money received by Travellers from foreign patrons which the counterparty will later remit to the other. The outstanding balances, which are unsecured, noninterest-bearing and payable in cash upon demand, are presented as part of Trade and Other Payables account in the consolidated statements of financial position.

9.3 Operations and Management Agreement with GHL

Some of Travellers' administrative functions are being handled by certain key officers and employees under the management of GHL as agreed by both parties under the Operations and Management Agreement. These transactions are presented under the Other Operating Expenses account in the consolidated statements of comprehensive income. The outstanding liability, which is unsecured, noninterest bearing and payable in cash upon demand, arising from this transaction is presented under Trade and Other Payables account in the consolidated statements of financial position.

9.4 Advances to Associates and Other Related Parties

Entities within the Group grant advances to associates and other related parties for working capital purposes. These advances to associates and other related parties are unsecured, noninterest-bearing and repayable upon demand. Settlement is generally made in cash or through offsetting arrangements.

The outstanding balances of Advances to associates and other related parties, which are shown as part of Trade and Other Receivables account in the consolidated statements of financial position, are presented as follows:

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Balance at beginning of period	**P 3,084,752,266**	P 2,644,503,318
Cash advances granted	**3,356,387**	570,167,429
Collections	**(94,237,744)**	(129,918,481)
Balance at end of period	**P 2,993,870,909**	P 3,084,752,266

As of March 31, 2020, and December 31, 2019, based on management's assessment, the outstanding balances of advances to associates and other related parties are not impaired; hence, no impairment losses were recognized.

9.5 Due from/to Related Parties

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

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Due from Related Parties		
Balance at beginning of period	**P 608,958,652**	P 328,275,642
Additions	**149,968,181**	302,541,285
Collections	**(12,702,469)**	(22,800,927)
	746,224,364	608,016,000
Impairment recovery	**-**	942,652
Balance at end of period	**P 746,224,364**	P 608,958,652
Due to Related Parties		
Balance at beginning and end of period	**P 412,878,940**	P 412,878,940

As of March 31, 2020, based on management's assessment, no additional amount of impairment is necessary.

9.6 Non-current Advances from Related Parties

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

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Advances from related parties	**P 1,760,414,137**	P 1,887,953,399
Advances from JV partners	**356,227,254**	356,227,254
	P 2,116,641,391	P 2,244,180,653

9.7 Acquisition of Investments

As at March 31, 2020 and December 31, 2019, the outstanding liability of P680.0 million represents the amount outstanding from the acquisition of PCMI shares and is shown as part of Trade and Other Payables account in the consolidated statements of financial position.

9.8 Transactions with the Retirement Plans

The Group has formal retirement plans established separately for each significant subsidiary, particularly Megaworld, GERI, EELHI, Travellers, GADC, EDI and WML. These plans are defined benefit post-employment 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.

10. COMMITMENTS AND CONTINGENCIES

10.1 Tax Contingencies of Travellers' Casino Operations

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

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

10.2 Consortium Agreement for Ninoy Aquino International Airport ("NAIA")

On February 12, 2018, AGI, as a member of a consortium of seven (7) conglomerates, submitted a P102-billion unsolicited proposal to the Department of Transportation ("DOTr") and the Manila International Airport Authority ("MIAA") (collectively, the "Grantors") for the improvement, upgrade, enhancement, expansion, operation and maintenance, and management of the NAIA. On September 10, 2018, the consortium was granted an Original Proponent Status ("OPS"). On November 29, 2019, the National Economic Development Authority ("NEDA") approved the unsolicited proposal which triggered the negotiation stage in the process. The project would then have to go through a Swiss Challenge before it can be awarded.

10.3 Skytrain Project

On October 10, 2017, the Group submitted a P3-billion unsolicited proposal to the government to build a 1.87-kilometer Skytrain monorail project and transfer its ownership title to the government. The Group was conferred the OPS by the DOTr on May 17, 2018 and four days later, DOTr endorsed the proposal to NEDA. The project is now undergoing review and evaluation at NEDA.

10.4 Co-Development Agreement between WCRWI and SHDI

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

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

WCRWI and Travellers shall lease to SHDI the site upon which a hotel casino will be erected at an annual rental of US$10.6 million (P540.6 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.

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

SHDI shall finance the development and construction of a hotel casino on the leased area. SHDI shall also pay US$200.0 million (P10.2 billion) to WCRWI for usage of the properties and reimbursement of costs already incurred and construction works that have already been accomplished on the Project Site.

In line with the foregoing, the land development cost made by WCRWI for the construction of Site A was discontinued in 2019, and the related cost was reclassified as Non-current asset held for sale. The Group believes that the sale and turnover of the assets to SHDI is highly probable in 2020. As of March 31, 2020, WCRWI has not yet received the payment from SHDI for the usage of properties and reimbursement of construction costs.

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

WCRWI and SHDI 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 WCRWI and SHDI. WCRWI'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 hotel casino, based on the gross gaming revenue as is submitted to PAGCOR from time to time.

As of March 31, 2020, the hotel casino has not yet commenced its operation; hence, agreement above has not yet materialized.

(iv) WCRWI and the Travellers as warrantors

Fortune Noble Limited ("Fortune") [a wholly-owned subsidiary of Suncity Group Holdings Limited], the parent company of SHDI, conditionally agreed to subscribe to 2.55 billion new SHDI shares subject to the terms and conditions mutually agreed upon by the parties. WCRWI and Travellers agreed to act as the warrantors, wherein, a put option over the shares of SHDI was included. The put option enables Fortune to transfer ownership over SHDI 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 WCRWI'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 SHDI shares as at the date of the agreement together with interest from the date of completion of the said acquisition up to the date of completion of the put option; and, (b) the aggregate of the shares subscription price for the subscription of 2.6 billion new SHDI shares including interest as well from the date of shares subscription completion up to the date of completion of the put option.

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. 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.

Applying the ECL model, the option price that WCRWI and Travellers are committed to pay amounting to P3.7 billion was compared with the value of the collateral or the shares of stocks that they will receive. In determining the value of the shares, management assessed that the price of SHDI shares in the PSE of P1.28 per share or a total value of P4.7 billion is a reasonable estimate of its value. In terms of probability of default, management assessed that it is unlikely or remote (see Note 11.2).

As of March 31, 2020 and December 31, 2019, the value of the put option is still the amount initially recognized as the option price is fully secured by the value of SHDI shares and that the probability of default was assessed to be remote.

10.5 Other Commitments and Contingencies

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

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

11. RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

11.1 Market Risk

(a) Foreign Currency Sensitivity

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

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

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
	U.S. Dollars	**HK Dollars**	U.S. Dollars	HK Dollars
Financial assets	**P 2,960,585,551**	**P 2,633,003,407**	P 3,672,859,651	P 2,731,732,048
Financial liabilities	**(24,238,464,741)**	**(3,460,955,677)**	(25,210,975,247)	(935,065,026)
	(P 21,277,879,190)	**(P 827,952,270)**	(P21,538,115,596)	P 1,796,667,022

The sensitivity of the consolidated income before tax for the period with regard to the Group's financial assets and the U.S. dollar – Philippine peso exchange rate assumes +/- 8.64% and +/- 8.62% changes in exchange rate for the three months ended March 31, 2020 and for the year ended December 31, 2019, respectively. The HK dollar – Philippine peso exchange rate assumes +/-8.75% and +/- 8.66% changes in exchange rate for the three months ended March 31, 2020 and for the year ended December 31, 2019, respectively. These percentages have been determined based on the average market volatility in exchange rates in the previous 12 months estimated at 95% level of confidence. The sensitivity analysis is based on the Group's foreign currency financial instruments held at each reporting periods.

If the Philippine peso had strengthened (or weakened) against the U.S. dollar, with all other variables held constant, consolidated profit before tax would have increased (or decreased) by P1.8 billion for the three-month period ended March 31, 2020 and for the year ended December 31, 2019. If in 2020 and 2019, the Philippine peso had strengthened (or weakened) against the HK dollar, with all other variables held constant, consolidated profit before tax would have decreased (or increased) by P0.1 billion for the three-month period ended March 31, 2020 for P0.2 billion the year ended December 31, 2019.

The Group's exposure to changes in foreign currency exchange rates for Euros and U.K. pounds are not significant to the Group's consolidated financial statements.

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

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

(b) *Interest Rate Sensitivity*

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

The sensitivity of the consolidated profit before tax for the period to a reasonably possible change in interest rates of +/- 3.04% for Philippine peso and +/- 2.85% for U.S. dollar in 2020, and +/- 2.48% for Philippine peso and +/- 2.15% for U.S. dollar in 2019 with effect from the beginning of the period. These percentages have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at March 31, 2020 and December 31, 2019, with effect estimated from the beginning of the period. All other variables held constant, the consolidated profit before tax would have increased by P66.9 million for the three-month period ended March 31, 2020 and P0.1 billion for the year ended December 31, 2019. Conversely, if the interest rates decreased by the same percentage, consolidated profit before tax would have been lower by the same amount.

11.2 Credit Risk

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

The Group maintains defined credit policies and continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. Where available at a reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. Franchisees are subject to stringent financial, credit and legal verification process. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant portion of sales, advance payments are received to mitigate credit risk.

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

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

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.

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

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

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

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Not more than 30 days	**P 2,394,802,483**	P 8,516,887,213
31 to 60 days	**1,392,257,648**	1,929,541,976
Over 60 days	**3,347,243,589**	1,939,989,544
	P 7,134,303,720	P 12,386,418,733

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

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

11.3 Liquidity Risk

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

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

As of March 31, 2020, the Group's financial liabilities (excluding lease liabilities) have contractual maturities which are presented below.

	Current		**Non-current**	
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**	**Later than 5 Years**
Trade and other payables	P 44,497,558,948	P 14,384,361,738	P -	P -
Interest-bearing loans	28,908,966,640	20,334,252,084	147,496,304,750	1,226,342,932
Bonds payable	-	935,632,868	27,714,582,562	-
Equity-linked debt securities (ELS)	-	62,000,000	3,505,750,000	-
Advances from related parties	-	2,116,641,391	-	-
Redeemable preferred shares	-	263,171,069	508,981,904	1,574,159,348
Guaranty deposits	-	117,478,341	150,154,393	234,748,203
Derivative liabilities	1,815,598,893	-	-	-
Other liabilities	-	2,614,418,385	4,351,827,560	
	P 73,222,124,481	**P 40,827,955,876**	**P183,727,601,169**	**P 3,035,250,483**

As of December 31, 2019, the Group's financial liabilities (excluding lease liabilities) have contractual maturities which are presented below.

	Current		Non-current	
	Within 6 Months	6 to 12 Months	1 to 5 Years	Later than 5 Years
Trade and other payables	P 43,158,338,060	P 14,332,218,291	P -	P -
Interest-bearing loans	27,021,448,986	20,727,346,677	147,954,464,100	571,214,434
Bonds payable	-	924,084,260	29,401,816,190	-
ELS	-	1,878,910,098	3,523,755,833	-
Advances from related parties	-	2,244,180,653	-	-
Redeemable preferred shares	-	263,171,069	508,981,904	1,574,159,348
Subscription payable	-	1,114,665,008	-	-
Guaranty deposits	-	13,248,334	99,633,225	382,066,765
Derivative liabilities	809,403,486	-	-	-
Other liabilities	-	1,700,760,516	4,576,838,267	-
	P 70,989,190,532	P 43,198,584,906	P186,065,489,519	P 2,527,440,549

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

11.4 Other Price Risk Sensitivity

The Group's market price risk arises from its investments carried at fair value. 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 March 31, 2020 and December 31, 2019 are summarized as follows:

	Observed Volatility Rates		**Impact on Equity**	
	Increase	**Decrease**	**Increase**	**Decrease**
2020 - Investment in quoted equity securities at:				
FVOCI	**+55.32%**	**-55.32%**	**P 16,944,516**	**(P 16,944,516)**
FVPL	**+55.32%**	**-55.32%**	**945,681,902**	**(945,681,902)**
2019 - Investment in quoted equity securities at:				
FVOCI	+28.93%	-28.93%	P 18,768,068	(P 18,768,068)
FVPL	+28.93%	-28.93%	780,971,707	(780,971,707)

The maximum additional estimated loss in 2020 and 2019 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 three months in 2020 and 12 months in 2019, at 95% confidence level.

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

12. CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial assets				
Financial assets at amortized cost:				
Cash and cash equivalents	**P 53,634,418,094**	**P 53,634,418,094**	P 51,270,580,951	P 51,270,580,951
Trade and other receivables	**55,048,931,300**	**55,048,931,300**	60,370,771,084	60,809,329,717
Other financial assets	**9,733,590,823**	**9,653,992,003**	9,910,569,663	9,822,505,589
	P 118,416,940,217	**P 118,337,341,397**	P121,551,921,698	P 121,902,416,257
Financial assets at FVTPL:				
Marketable debt and equity securities	**P 12,123,853,139**	**P 12,123,853,139**	P 12,045,110,108	P 12,045,110,108
Financial assets at FVOCI –				
Equity securities	**P 289,392,817**	**P 289,392,817**	P 416,657,341	P 416,657,341
Financial liabilities				
Financial liabilities at FVTPL –				
Derivative liabilities	**P 1,850,921,922**	**P 1,850,921,922**	P 809,403,486	P 809,403,486
Financial liabilities at amortized cost:				
Current:				
Trade and other payables	**P 59,188,698,157**	**P 59,188,698,157**	P 56,940,281,897	P 56,940,281,897
Interest-bearing loans	**41,400,802,964**	**40,989,997,451**	40,869,676,836	40,568,501,427
Subscription payable	**1,114,665,008**	**1,114,665,008**	1,114,665,008	1,114,665,008
Redeemable preferred shares	**251,597,580**	**251,597,580**	251,597,580	251,597,580
Advances from related parties	**2,287,343,539**	**2,287,343,539**	2,244,180,653	2,244,180,653
ELS	**-**	**-**	1,836,250,000	1,836,250,000
Commission payable	**3,025,110,756**	**3,025,110,756**	1,700,760,516	1,700,760,516
	P 107,268,218,004	**P 106,857,412,491**	P 104,957,412,490	P104,656,237,081

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
	Carrying Values	Fair Values	Carrying Values	Fair Values
Non-current:				
Bonds payable	P 24,702,637,562	P 23,731,611,154	P 24,623,883,690	P 23,667,412,590
Interest-bearing loans	138,835,872,808	137,619,217,681	138,283,436,876	137,520,164,323
ELS	3,443,750,000	3,443,750,000	3,443,750,000	3,443,750,000
Redeemable preferred shares	1,606,913,210	1,804,002,194	1,580,915,329	1,810,767,064
Retention payable	3,718,989,768	3,718,989,768	3,698,890,599	3,698,890,599
Security deposits	745,980,478	684,031,557	735,004,738	667,137,320
Accrued rent	121,352,770	121,352,770	24,284,786	24,284,786
	P 173,175,496,596	P 171,122,955,124	P172,390,166,018	P 170,832,406,682

13. FAIR VALUE MEASUREMENT AND DISCLOSURES

13.1 Fair Value Hierarchy

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

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

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

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

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

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

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation 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

13.2 Financial Instruments Measured at Fair Value

The table in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of March 31, 2020 and December 31, 2019.

	March 31, 2020 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 12,123,853,139	P -	P -	P 12,123,853,139
Derivative asset	-	-	-	-
Financial assets at FVOCI –				
Equity securities	30,630,000	135,200,000	123,562,817	289,392,817
	P 12,154,483,139	**P 135,200,000**	**P 123,562,817**	**P 12,413,245,956**
Financial liabilities:				
Financial liability at FVTPL –				
Derivative liabilities	**P -**	**P 1,850,921,922**	**P -**	**P 1,850,921,922**

	December 31, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL –				
Debt and equity securities	P 12,045,110,108	P -	P -	P 12,045,110,108
Financial assets at FVOCI –				
Equity securities	64,874,067	136,200,000	215,583,274	416,657,341
	P 12,109,984,175	P 136,200,000	P 215,583,274	P 12,461,767,449
Financial liabilities:				
Financial liability at FVTPL –				
Derivative liabilities	P -	P 809,403,486	P -	P 809,403,486

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

The table below and in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of March 31, 2020 and December 31, 2019.

	March 31, 2020 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 53,634,418,094	P -	P -	P 53,634,418,094
Trade and other receivables	-	64,510,411	54,984,420,889	55,048,931,300
Other financial assets	3,426,162,012	-	6,227,829,991	9,653,992,003
	P 57,060,580,106	**P 64,510,411**	**P 61,212,250,880**	**P 118,337,341,397**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 59,188,698,157	P 59,188,698,157
Interest-bearing loans	-	-	40,989,997,451	40,989,997,451
Subscription payable	-	-	1,114,665,008	1,114,665,008
Advances from Related parties	-	-	2,287,343,539	2,287,343,539
Redeemable preferred shares	-	-	251,597,580	251,597,580
Commission payable	-	-	3,025,110,756	3,025,110,756
Non-current:				
Bonds payable	23,731,611,154	-	-	23,731,611,154
Interest-bearing loans	-	-	137,619,217,681	137,619,217,681
ELS	-	-	3,443,750,000	3,443,750,000
Redeemable preferred shares	-	-	1,804,002,194	1,804,002,194
Retention payable	-	-	3,718,989,768	3,718,989,768
Security deposits	-	-	684,031,557	684,031,557
Accrued rent	-	-	121,352,770	121,352,770
	P 23,731,611,154	**P -**	**P254,248,756,461**	**P 277,980,367,615**

	December 31, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 51,270,580,951	P -	P -	P 51,270,580,951
Trade and other receivables	-	109,940,351	60,699,389,366	60,809,329,717
Other financial assets	3,401,384,081	-	6,421,121,508	9,822,505,589
	P 54,671,965,032	P 109,940,351	P 67,120,510,874	P 121,902,416,257
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 56,940,281,897	P 56,940,281,897
Interest-bearing loans	-	-	40,568,501,427	40,568,501,427
Subscription payable	-	-	1,114,665,008	1,114,665,008
Advances from related parties	-	-	2,244,180,653	2,244,180,653
Redeemable preferred shares	-	-	251,597,580	251,597,580
ELS	-	-	1,836,250,000	1,836,250,000
Commission payable	-	-	1,700,760,516	1,700,760,516
Non-current:				
Bonds payable	23,667,412,590	-		23,667,412,590
Interest-bearing loans	-	-	137,520,164,323	137,520,164,323
ELS	-	-	3,443,750,000	3,443,750,000
Redeemable preferred shares	-	-	1,810,767,064	1,810,767,064
Retention payable	-	-	3,698,890,599	3,698,890,599
Security deposits	-	-	667,137,320	667,137,320
Accrued rent	-	-	24,284,786	24,284,786
	P 23,667,412,590	P -	P251,821,231,173	P 275,488,643,763

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

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

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

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

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

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

As of March 31, 2020, the fair value of the Group's investment property amounting to P440.7 billion is classified within Level 3 of the fair value hierarchy. The Level 3 fair value of investment properties earning rental income was determined using the income approach which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated annual cash inflow and outgoing expenses, anticipated increase in market rental, discount rate and terminal capitalization rate.

14. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

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

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

	March 31, 2020 (Unaudited)		December 31, 2019 (Audited)	
Total liabilities	**P**	**348,111,463,838**	P	347,359,532,963
Total equity		**300,081,919,531**		297,116,795,504
Liabilities-to-equity ratio	**P**	**1.16:1**	P	1.17:1

15. SEASONAL FLUCTUATIONS

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

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

16. IMPACT OF COVID-19 UPDATE

The COVID-19 pandemic which put the Philippines in a state of calamity is still continuing as of date of this report. Subsequent to end of first quarter, there were varying stages of community quarantine put in place depending on the risk assessment levels. The Group gradually resumed local business operations starting mid- May, as allowed by the local government units where it has business operations, following the restrictions set by the government. The ultimate impact of the pandemic is highly uncertain and subject to change. Accordingly, management cannot reliably estimate the quantitative impact of the outbreak on the Group's consolidated financial position and results of operations for future periods.

The Group and other businesses have been significantly exposed to the risks brought about by COVID-19, a novel strain of coronavirus, which has rapidly spread worldwide and reached a pandemic magnitude as it continues to affect more and more countries and territories, including the Philippines, and Spain and UK where the Group has offshore base operations.

To prevent the further spread of COVID-19 and bring down its transmission, the governments across the world, the Philippines included, have implemented similar extensive measures that caused disruptions to businesses and economic activities, such as travel bans/restrictions (suspension of public transport, limit on number of passengers, curfew), home isolation and quarantine (stay-at-home orders), physical distancing (1-2 meters apart in all areas outside of home), gathering limitations (no big group meetings) and closing of non-essential businesses (all types of recreational venues and most public places, including malls, bars, dining places and hotels). Nonetheless, to balance economy and citizen's health, the governments formulated plans to gradually ease the lockdown restrictions.

In the Philippines, the country is put into varying degrees of lockdown – a four-phased transition of community quarantine ("CQ") – depending on the severity of infection. In particular, the entire Luzon, including its associated islands, was placed under enhanced CQ ("ECQ") (the strictest phase) from March 17 to May 15 and afterwards under the lower phases depending on the level of risk assessments of the communities. The National Capital Region is currently under the general CQ ("GCQ") (the third phase) for the whole month of June.

The Group strictly adheres to the guidelines set by the governments where they operate, and businesses remain suspended or limited accordingly. In general, non-essential works have been suspended and certain flexible or remote work arrangements were adopted (work-from-home or telecommuting, reduced workdays/hours, reassignment) for highly critical functions and activities as necessary and as allowed by the guidelines. McDonald's restaurants, being in the essential food business, continue operations of take-out, drive-through and delivery services at limited hours (and limited dining capacity in GCQ areas in compliance to physical distancing) and menu. Emperador Philippines was able to resume local production and distribution in mid-May as restrictions relaxed. Emperador Spain, which is lucky to be situated in a least affected place, did not stop its production and distribution while its head office is under lockdown and travel between provinces remains strictly limited. Emperador UK is able to continue its off-premise distribution to a certain degree as well as its production when and as necessary, because alcohol production is considered a critical industry by the UK government, while the country, and its head office, is under lockdown. Lifestyle malls have reduced mall hours and remain open only for tenants catering to food, pharmaceutical and banking services. Real estate construction works had been suspended and are resuming at GCQ areas. Hotel operations are limited to long-stay guests who have checked in prior to ECQ and local guests, mostly OFWs and front liners. Entertainment places (cinemas, theatres, bars, gaming) remain closed during the transition periods. The Group is gradually resuming business operations as allowed by the local and national governments concerned where they are located.

The Group anticipates that the foregoing disruptions would impact economic and market conditions that could hurt the Group's results of operations because of the decreases in revenues during the lockdown, but may not affect its financial condition.

While management currently believes that it has adequate liquidity and business plans to continue to operate the business and mitigate the risks associated with COVID-19, the ultimate impact of the pandemic is uncertain and evolving. The severity of the consequences will depend on certain developments, including the duration and spread of the outbreak and impact on the Group's customers, suppliers and employees. Financial consequences, therefore, are uncertain and cannot be predicted as of the date of issuance of the Group's consolidated financial statements. Accordingly, management cannot reliably estimate the quantitative impact of the outbreak on the Group's consolidated financial position and results of operations for future periods.

Management is confident that there will be no significant impairment on its tangible and intangible assets as the market share and popularity of the Group's brands and products would not be significantly affected by the pandemic in the long run. Also, the Group does not foresee any breaches from its existing loan covenants given its measures to address risk of losses and its healthy financial position.

Meanwhile, the Group puts paramount importance to the health and welfare of its employees, customers, suppliers, counterparties and other stakeholders. The Group has implemented safety and hygienic measures, in consonance with government-required protocols, and activated its business continuity procedures in order to mitigate any negative impact the pandemic may have to the Group's financial condition and performance. The Group is accelerating its innovation and digital transformation strategies across businesses as the Group embraces the new norm. These involve investments in e-commerce applications, interactive customer service management, and contactless online transactions, among others.

To heal as one nation in this pandemic time, the Group has also donated to various efforts in the Philippines' fight against COVID-19. It is also supporting the government's 'Buy Lokal' campaign.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES
MARCH 31, 2020
(Amounts in Philippine Pesos)

Current	P	59,878,444,369
1 to 30 days		2,394,802,483
31 to 60 days		1,392,257,648
Over 60 days		3,347,243,589
Total		67,012,748,089
Due from other related parties		746,224,364
Balance as at March 31, 2020	**P**	**67,758,972,453**