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

Contact Person

8709-2038 to 41

Company Telephone Number

12 31

Month *Day*

Fiscal Year

17-Q

FORM TYPE

(QUARTERLY REPORT FOR SEPTEMBER 30, 2022)

3rd Thursday of June

Annual Meeting

Certificate of Permit to Offer Securities for Sale

Secondary License Type, If Applicable

SEC

Dept. Requiring this Doc.

N/A

Amended Articles Number/Section

994

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. *For the quarterly period ended* **September 30, 2022**

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	**9,435,212,379** (net of 834,615,600 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, 2021 ("ACFS"). The accounting policies and methods used in the ICFS are consistent with those applied in ACFS. The amendments to existing standards adopted by the Group effective January 1, 2022 do not have material impact on the Group's ICFS. Accounting estimates, assumptions and judgments are used in preparing these statements; and while these are believed to be reasonable under the circumstances, actual results may ultimately differ from such estimates (see Note 3 to both the ACFS and ICFS).

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

Business Segments

The Group is organized into four major business segments, which aptly correspond to its operating subsidiaries, namely Megaworld, Emperador, Travellers or NWR (formerly known as 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 (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

Key Performance Indicators – Top Five

In Million Pesos	**M9 2022**	M9 2021	YoY	YoY %	Q3 2022	Q3 2021	YoY %	QoQ %	Q2 2022	Q2 2021	YoY %	Q1 2022	Q1 2021	YoY %
REVENUES AND OTHER INCOME	128,383	110,051	18,332	16.7	45,819	38,901	17.8	1.7	45,066	39,348	14.5	37,498	31,807	17.9
NET PROFIT ["NP"]	17,117	17,333	(216)	(1.2)	5,152	4,573	12.7	(22.1)	6,615	9,556	(30.8)	5,350	3,204	66.9
NET PROFIT TO OWNERS ["NPO"]	11,918	12,027	(109)	(0.9)	3,682	3,518	4.7	(15.3)	4,349	5,945	(26.9)	3,887	2,564	51.6
Revenues and Other Income Normalized*	128,383	104,425	23,958	22.9	45,819	38,678	18.5	1.7	45,066	33,944	32.8	37,498	31,807	17.9
NP Normalized*	17,117	11,706	5,411	46.2	5,152	4,350	18.4	(22.1)	6,615	4,152	59.3	5,350	3,204	66.9
NPO Normalized*	11,918	9,233	2,685	29.1	3,682	3,394	8.5	(15.3)	4,349	3,276	32.8	3,887	2,564	51.6
NP rate ["NPR"]	13.33%	15.75%			11.24%	11.76%			14.68%	24.28%		14.27%	10.07%	
NPO rate ["NPOR"]	9.28%	10.93%			8.04%	9.04%			9.65%	15.11%		10.37%	8.06%	
NPR Normalized*	13.33%	11.21%			11.24%	11.25%			14.68%	12.23%		14.27%	10.07%	
NPOR Normalized*	9.28%	8.84%			8.04%	8.77%			9.65%	9.65%		10.37%	8.06%	
EBITDA Margin	28.67%	32.48%			26.20%	26.86%			29.47%	41.40%		30.73%	28.32%	
Return on investment/assets [NP/TA]	2.36%	2.55%										0.76%	0.46%	
	Sept-2022	Dec-21	M9'22 +(-)	%					Jun-22	Mar-22				
TOTAL ASSETS	726,350	703,960	22,390	3.2					712,500	708,350				
CURRENT ASSETS	355,827	351,418	4,409	1.3					350,948	351,350				
CURRENT LIABILITIES	157,252	172,459	(15,207)	(8.8)					162,869	172,701				
Current ratio	2.26x	2.04x							2.15x	2.03x				
Quick ratio	1.01x	0.98x							0.99x	0.95x				
	2022	2021	M9'22 +(-)	%	2022	2021	%	QoQ %	2022	2021	%	2022	2021	YoY %
Profit before tax and interest	28,415	27,745	670	2.4	9,005	7,855	14.6	(14.7)	10,563	13,622	(22.5)	8,847	6,268	41.1
Interest expense	6,252	5,313	939	17.7	2,185	1,878	16.3	(6.5)	2,337	1,684	38.8	1,730	1,751	(1.2)
Interest coverage rate	4.54	5.22			4.12	4.18			4.52	8.09		5.11	3.58	

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

Results of Operations – Nine Months 2022 vs 2021

The **Philippine economy**[1] grew 7.6% in the third quarter ("Q3"), 7.5% in the second quarter ("Q2") and 8.2% in the first quarter ("Q1") of 2022, for an average of 7.8% in the first nine months ("M9") of the year, surpassing pre-pandemic 2019 levels. Domestic economic activity has gained stronger traction from the easement of alert levels and removal of tourism restrictions, in spite of setback from the Omicron-driven[2] surge in Covid-19 cases in January and a weak surge in

[1] Source of GDP year-on-year growths: Philippine Statistics Authority ref. 2022-454 released on Nov. 10, 2022.
[2] The COVID-19 pandemic, which broke out in 2020, is continuing to spread globally with new, yet less fatal, variants and resurgences, causing reimposition of mobility and lockdown restrictions by affected governments. In

June this year. For Metro Manila and other key areas, operating capacity for business and activities were reduced to 10% indoor and 30% outdoor under Alert Level 3, easing to 50% indoor and 70% outdoor under Alert Level 2, and to full capacity for establishments and public transport under most lenient Alert Level 1 (subject to presentation of COVID-19 vaccination card). As of April 1, 2022, about 79% of economy was already under Alert Level 1, and more key provinces and urbanized cities, independent and other component cities and municipalities have been added to the list henceforth. By June, while the rest of the country was under Alert Level 2, about 85% of economy was put under Alert Level 1 already. As of end-October, only 32 out of 121 provinces are still under Alert Level 2.

The Group continued its quarterly growth momentum in Q3, anchored on the strength of its diversified revenue streams, strong brand equity, creative offerings and aggressive market positioning, and extensive distribution network.

Benefitting from a more open business environment, revenues and other income for M9 climbed to P128.4 billion, up 17% year-on-year (“YoY”)(+P18.3 billion), as the Group turned over its highest quarterly topline of P45.8 billion in Q3 which is up 18% YoY (+P6.9 billion). These M9 revenues and other income surpassed the P127.0 billion of same period in pre-pandemic 2019. All business segments contributed double-digit growths during the current nine-month period.

As the Group ramped up business activities, operating expenses and finance and other charges rose higher than a year ago. For M9, net profit (“NP”) and net profit to owners (“NPO”) were, nevertheless, sustained at P17.1billion and P11.9 billion, respectively, compared to P17.3 billion and P12.0 billion a year ago, attributable to a strong Q3 performance. In Q3, NP and NPO closed at P5.2 billion and P3.7 billion, respectively, expanding 13% and 5% YoY. Meanwhile, profitability margin rates improved from last year.

A one-time P5.6 billion income booked by the subsidiaries of Travellers in M9 last year boosted other income, NP and NPO last year affected the Group’s YoY comparisons for other income, NP and NPO.

Taking out this one-time income (interchangeably referred to as *“Normalized”* hereon), normalized revenues and other income for M9 grew 23% (+P24.0 billion) YoY with NP growing 46% (+P5.4 billion) and NPO 29% (+P2.7 billion) YoY.

Gross profit rate (“GPR”) improved to 43% in M9 this year, as compared to 41% a year ago. NP rate (“NPR”) and NPO rate(“NPOR”), on the other hand, stood at 13% and 9%, respectively, as compared to normalized NPR and NPOR of 11% and 9% of a year ago.

January 2022, the Omicron variant (“Omicron”), first named by WHO in November 2021, less severe more transmissible than Delta, spread fast worldwide causing record peaks in most countries (including UK, Spain, Mexico, USA and Philippines) and declined quickly. Omicron sub-variants have been detected in various parts of the world in May 2022 that caused “minor” surges in June. The governments were forced to tighten mobility restrictions as Omicron infection surged. As the situation improved globally, public health restrictions had eased in most places while there were still tightening in other places. In the Philippines, right after the New Year holidays, Metro Manila and other places were put under stricter Alert Level 3 for a month (from Alert Level 2 since mid-November 2021), then restrictions were gradually eased to Alert Level 2 in February and to Alert Level1 in March up to this report date; while other areas are still under the stricter level.

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

In Million Pesos	Contri-bution	2022 Pre Conso	M9 2022 Conso	2021 Pre Conso	M9 2021 Conso	YoY Conso	YoY % Conso	Q3 2022 PreConso	Q3 2022 Conso	YoY % Conso	QoQ %
Revenues and other income[a]	**100%**	129,157	**128,383**	114,616	**110,051**	18,332	16.7	46,180	**45,819**	17.8	1.7
Megaworld	33%	42,472	**42,281**	36,870	36,600	5,681	15.5	15,017	**14,960**	2.4	3.6
Emperador	33%	42,119	**42,102**	37,945	37,929	4,173	11.0	14,426	**14,415**	14.0	(6.3)
Travellers[a]	14%	18,354	**18,351**	15,570	15,559	2,792	17.9	6,450	**6,449**	69.5	(8.1)
Golden Arches	19%	23,966	**23,926**	18,176	18,176	5,750	31.6	8,549	**8,536**	34.5	4.0
Others	1%	2,247	**1,723**	6,054	1,787	(64)	(3.6)	1,738	**1,459**	(1.6)	12593.6
Cost and expenses	**100%**	106,867	**106,220**	87,949	**87,619**	18,601	21.2	39,385	**38,999**	18.5	5.9
Megaworld	29%	30,420	**30,420**	26,095	26,095	4,325	16.6	11,209	**11,235**	5.7	5.4
Emperador	31%	33,748	**33,294**	28,432	28,333	4,961	17.5	12,165	**11,832**	19.3	1.0
Travellers	16%	17,439	**17,407**	13,420	13,290	4,117	31.0	6,292	**6,271**	38.2	(1.4)
Golden Arches	21%	22,552	**22,419**	17,275	17,190	5,230	30.4	8,210	**8,166**	33.2	8.0
Others	3%	2,709	**2,680**	2,728	2,713	(33)	(1.2)	1,509	**1,494**	(12.8)	174.4
Tax expense	**100%**	5,046	**5,046**	5,099	**5,099**	(53)	(1.0)	1,668	**1,668**	18.8	3.6
Megaworld	47%	2,366	**2,366**	2,161	2,161	205	9.5	855	**855**	4.8	37.1
Emperador	22%	1,097	**1,097**	2,152	2,152	(1,054)	(49.0)	291	**291**	(39.2)	(36.4)
Travellers	23%	1,153	**1,153**	8	8	1,145	14053.1	412	**412**	19562.1	(0.3)
Golden Arches	8%	404	**404**	724	724	(320)	(44.2)	90	**90**	60.2	(20.8)
Others	1%	25	**25**	54	54	(29)	(53.1)	20	**20**	(60.7)	536.9
Net profit[a]	**100%**	17,245	**17,117**	21,568	**17,333**	(216)	(1.2)	5,127	**5,152**	12.7	(22.1)
Megaworld	55%	9,686	**9,495**	8,615	8,344	1,151	13.8	2,953	**2,870**	(9.6)	(9.3)
Emperador	45%	7,273	**7,711**	7,362	7,445	266	3.6	1,970	**2,291**	1.6	(28.5)
Travellers[a]	-1%	(238)	**(209)**	2,141	2,261	(2,470)	(109.2)	(254)	**(234)**	(68.2)	(195.3)
Golden Arches	6%	1,010	**1,102**	177	262	840	320.2	249	**280**	74.6	(47.9)
Others	-6%	(487)	**(982)**	3,272	(980)	(3)	(0.3)	208	**(56)**	(80.3)	(89.6)
Net profit to owners[a]	**100%**	15,880	**11,918**	20,737	**12,027**	(109)	(0.9)	4,666	**3,682**	4.7	(15.3)
Megaworld	49%	8,395	**5,865**	8,158	5,474	392	7.2	2,511	**1,772**	(16.5)	1.7
Emperador	55%	7,185	**6,553**	7,259	6,313	240	3.8	1,947	**1,942**	0.6	(28.8)
Travellers[a]	-1%	(235)	**(111)**	1,864	1,045	(1,156)	(110.6)	(253)	**(131)**	(62.1)	(197.4)
Golden Arches	5%	1,022	**593**	183	175	418	239.2	254	**155**	65.0	(44.7)
Others	-8%	(487)	**(983)**	3,272	(980)	(3)	(0.3)	208	**(56)**	(80.2)	(89.6)

Note: Numbers may not add up due to rounding off
"Pre-conso" refers to numbers at subsidiary level; Revenues and other income here presented may slightly differ due to reclassifications for alignment made at consolidation level. "Conso" represents numbers from external customers, i.e. after elimination/consolidation adjustments.
[a] In M9 2021, Travellers reported one-time income of P5.6 billion that reduced YoY comparisons for Revenues and Other Income, Net Profit and Net profit to owners.

Megaworld, the county's pioneer township developer, maintained its strong performance as it ended M9 with pre-conso revenues and other income of P42.5 billion, NP of P9.7 billion and NPO of P8.4 billion rising 15%, 12% and 3% YoY, respectively, attributed to the continued double-digit growths in all of its revenue segments. Costs and expenses expanded 16% YoY, largely from higher interest costs and strong dollar. NPR for M9 remained comparatively stable at 23%, while NPOR stood at 20%.

Real estate sales, which comprised 62% of Megaworld's main revenue streams in M9, climbed 13% YoY to P26.2 billion as construction activities continued to pick up during the period and project completions increased. The current brand mix for Megaworld-GERI-Empire East-Suntrust/SLI was 64%-15%-11%-10%. About 65% of sales were from Metro Manila projects, 17% Cavite-Laguna-Batangas-Rizal and 5% Iloilo. Reservation sales in M9 totaled P85.6 billion, surging 58% YoY as take-up in Q3 doubled YoY.

Rental income, which comprised 27% of Megaworld's main revenue pie in M9, increased 18% YoY to P11.4 billion as a result of higher rental rate from new leases and rent escalations, increase in occupancy rates and increase in foot traffic. *Megaworld Premier Offices* registered a 12% YoY increase to P9.1 billion as compared to P8.1 billion reported last year as occupancy rate reached

92% which is higher than the industry average level, mainly supported by the healthy growth in BPO sector in the country. *Megaworld Lifestyle Malls* showed a spike of 51% year-on-year to P2.3 billion rentals, mainly driven by increased spending, higher foot traffic and a return to its highest historical occupancy rate of 90%.

Megaworld Hotels & Resorts reported hotel revenues of P1.8 billion, a 38% leap YoY reflective of the sustained performance of its in-city hotels and increase in leisure and MICE activities. Hotels in Metro Manila attained 61% occupancy rate for the M9 period.

These operating results brought in 33%, 55% and 49% to AGI's consolidated revenues and other income, NP and NPO, respectively.

Emperador, the world's largest brandy company and owner of the world's 5th largest Scotch whisky producer in the world by capacity, ended M9 with pre-conso revenues and other income of P42.6 billion, up 11% YoY, while NP and NPO of P7.3 billion and P7.2 billion, respectively, were relatively flat YoY. Global business remained robust in Q3 with reported 12% YoY hike in revenues and other income to P14.6 billion. This is attained on the backdrop of global challenges of rising costs, supply chain disruptions and logistics issues that saw higher-than-expected inflation[3] alongside the lingering COVID-19 pandemic. Amidst all these and the resuming on-trade, Travel retail and promotional activities, Emperador achieved 32% GPR this M9 compared to 37% a year ago, and 17% NPR compared to 19% a year ago. Emperador continued to maintain caution and optimization in its spending.

The Brandy segment grew its M9 revenues and other income from external customers 8%YoY to P26.9 billion, attributable to a strong Q3 which grew 6% YoY. The easement of pandemic restrictions and resumption of travel from Q2 helped improve sales results. The brands sustained growths in key markets in the Philippines, Spain, Mexico and North America. The impact of rising costs was more evident in this segment because of its low-margin products. Nevertheless, GPR was maintained at 26% at end of M9 and H1. With increased promotional activities, NPR and NPOR were registered at 14% for M9.

The Scotch Whisky segment grew its M9 revenues and other income from external customers 17% YoY to P15.8 billion, with Q3 expanding 24% YoY, driven by the single malt products which accounted for 83% of branded sales (as compared to 79% a year ago). Scotch Whisky products sold strongly in Europe, Asia Pacific and North America as restrictions eased in most regions and global travel retail opened up. Supply chain challenges continued to affect this segment's markets, yet demand remains high with orders on hand. GP rose 14% YoY to P6.1 billion and GPR was maintained at 41% at M9 and H1 of this year. With increased promotional spending in Q3, NP and NPOR rates for M9 stood at 21% as compared to 23% in H1.

Emperador group contributed 33% to AGI's consolidated revenues and other income, 45% to consolidated NP, and 55% to consolidated NPO in M9.

Travellers, the owner and operator of Newport World Resorts ("NWR") (formerly, Resorts World Manila), an integrated tourism resort in Pasay City, performed remarkably stronger YoY in all quarters of the year as it benefitted from the easement of mobility restrictions under Alert Level 1 and is now operating at full capacity. Its M9 core revenues soared 84% YoY to P18.3 billion with Q3 core revenues soaring 116% to P6.4 billion. The P5.6 billion one-time income reported last year caused NP and NPO to decline 111% and 113% YoY, respectively. Normalized

[3] Most of the world experienced rapid inflation during the current interim period, driven by rising costs of food, fuel and energy and supply chain disruptions. In most cases, inflation rates rose much faster than GDP growth rates. In July, UK reached a 40-year high inflation rate while Spain reached its 38-year high. USA hit 40-year high inflation rate in June while Philippines recorded in September its highest since February 2009.

net loss and net loss attributable to owners in M9 amounted to P0.2 billion, notably improving 93% and 94% from a year ago.

In Million Pesos ***At Travellers Level***	**M9**	M9	**YoY**	**Q3**	YoY	**H1**	H1	YoY	**Q2**	YoY
	2022	2021	**%**	**2022**	%	**2022**	2021	%	**2022**	%
Revenues and other income	**18,354**	15,570	**18**	**6,450**	69	**11,904**	11,758	1	**7,050**	-12
NP	**(238)**	2,141	**-111**	**(254)**	67	**16**	2,912	-99	**224**	-94
NPO	**(235)**	1,864	**-113**	**(253)**	68	**18**	2,644	-99	**225**	-94
Revenues and other income Normalized	**18,354**	9,943	**85**	**6,450**	80	**11,904**	6,355	87	**7,050**	173
NP Normalized	**(238)**	(3,485)	**93**	**(254)**	74	**16**	(2,491)	101	**224**	116
NPO Normalized	**(235)**	(3,763)	**94**	**(253)**	75	**18**	(2,760)	101	**225**	114

Gross gaming revenues in M9 soared 77% YoY to P22.7 billion with Q3 jumping 63% to P8.0billion due to the improvement in overall drops across all gaming segments as foot traffic picked up during the third quarter with operations at 100% capacity. With the resumption of promotional activities to drive foot traffic, promotional allowance in M9 expanded to P8.0 billion, up 65% YoY. Net gaming revenues increased 85% YoY to P14.8 billion in M9, and 80% YoY to P5.2 billion in Q3.

Non-gaming core revenues (from hotels, food, beverage and others) improved 83% YoY to P3.5 billion in M9 and up 15times YoY to P1.2 billion in Q3, primarily from the rise in covers, continued improvement in average daily rate as hotels transitions to the leisure market with ramped-up domestic and international tourism. With the reopening of tourism to international tourists starting February 10 this year, hotel occupancy rates of the 5 hotels in NWR have gone up, ranging 54%-79% (50%-75% a year ago). The hotel in Iloilo registered an occupancy rate of 29% (5% a year ago).

Travellers group accounted for 14%, -1% and -0.9% of AGI's consolidated revenues and other income, consolidated NP and consolidated NPO, respectively.

GADC, the master franchise holder of McDonald's in the Philippines and a strategic partnership with the George Yang group, continued with its recovery momentum with the sustained mobility improvement in Q3, hitting a record-breaking quarterly core revenues of P8.6 billion in Q3, up 44% YoY and 4% QoQ, thereby expanding M9 core revenues 35% YoY to P23.9 billion. GPR for M9 stood at 23%, an improvement from 21% a year ago. NP and NPO made a huge five-fold leap YoY, both closing at P1.0 billion by the end of M9.

Systemwide store sales for M9 expanded 36% YoY, boosted by resurgence of dine-in consumption, continuing growth of both drive-thru and delivery businesses, a bolstered line-up of value offers, and successful launches of new items. Same-store sales grew 29% YoY. Sustained efforts on consumers' priorities – safety, value, service and convenience – plus menu excitement through limited time offers and maintained strategic focus on growth fundamentals help maintain the positive momentum. From 657 stores at the beginning of the year, stores totaled 682 at the end of M9. The group opened 19 stores and closed 8 stores during M9 this year (14 opened, 12 closed in M9 last year). Stores were concentrated 82% in Luzon.

These operating results translated into 19% contribution to consolidated revenues and other income, 6% to consolidated net profit and 5% to net profit to owners of AGI.

By profit and loss accounts:

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

In Million Pesos	M9 2022	M9 2021	YoY	%
REVENUES AND OTHER INCOME				
Sale of goods	**68,075**	**62,374**	5,700	9.1%
Consumer goods	**41,888**	**39,227**	2,661	6.8%
Revenue from real estate (RE) sales	**26,187**	**23,148**	3,040	13.1%
Rendering of services	**55,849**	**38,994**	16,855	43.2%
Gaming	**22,732**	**12,827**	9,905	77.2%
Less: Promotional allowance	**(7,950)**	**(4,829)**	(3,121)	64.6%
Net Gaming	**14,781**	**7,998**	6,783	84.8%
Sales by company-operated quick-service restaurants	**21,735**	**16,160**	5,575	34.5%
Franchise revenues	**2,214**	**1,560**	654	41.9%
Rental Income	**12,172**	**9,878**	2,294	23.2%
Others	**4,947**	**3,399**	1,548	45.6%
Hotel operations	**4,473**	**2,836**	1,637	57.7%
Other services	**474**	**562**	(88)	(15.7%)
Finance and other income	**4,459**	**8,682**	(4,223)	(48.6%)
TOTAL	**128,383**	**110,051**	18,332	16.7%
COST AND EXPENSES				
Cost of goods sold	**41,905**	**37,565**	4,340	11.6%
Consumer goods sold	**28,569**	**25,087**	3,482	13.9%
RE sales	**13,336**	**12,478**	858	6.9%
Cost of services	**28,850**	**21,910**	6,940	31.7%
Gaming	**5,688**	**4,529**	1,160	25.6%
Services	**23,161**	**17,381**	5,780	33.3%
Other operating expenses	**25,975**	**21,492**	4,483	20.9%
Selling and marketing	**8,503**	**7,639**	864	11.3%
General and administrative	**17,471**	**13,853**	3,618	26.1%
Share in net losses of associates and joint ventures	**145**	**403**	(258)	(63.9%)
Finance cost and other charges	**9,345**	**6,250**	3,096	49.5%
TOTAL	**106,220**	**87,619**	18,601	21.2%
TAX EXPENSE	**5,046**	**5,099**	(53)	(1.0%)
NET PROFIT	**17,117**	**17,333**	(216)	(1.2%)
NET PROFIT TO OWNERS	**11,918**	**12,027**	(109)	(0.9%)
NET PROFIT- NORMALIZED	**17,117**	**11,706**	5,411	46.2%
NET PROFIT TO OWNERS- NORMALIZED	**11,918**	**9,233**	2,685	29.1%

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

Revenues and income, as a result of the foregoing discussions, increased 17% YoY (+P18.3 billion) [23% normalized YoY (+P24.0 billion)] to P128.4 billion in M9, surpassing pre-pandemic M9 of 2019. This was backed by an all-time high quarter of P45.8 billion in Q3 which posted 18% growth YoY and 2% QoQ. ***Sale of goods*** (real estate, alcoholic beverages and snack products) in M9 rose 9% YoY (+P5.7 billion) to P68.1 billion as real estate sales jumped 13% YoY (+P3.0 billion) and sales of consumer goods climbed 7% YoY (+P2.7 billion) to P41.9 billion. ***Service revenues*** (gaming, hotels, quick-service restaurants, cinemas and theaters, leasing, hotels and other related services) climbed 43% YoY (+P16.8 billion) to P55.8 billion as all sources registered double-digit growths. Net gaming revenues, sales of quick-service restaurants, franchise revenues, rental revenues and hotel operations improved by 85% (+P6.8 billion), 34% (+P5.6 billion), 42% (+P0.6 billion), 23% (+P2.3 billion) and 58% (+P1.6 billion), respectively. ***Finance and other income*** shrank 49% YoY (-P4.2 billion) to P4.5 billion mainly due to the P5.6 billion one-time income from services rendered by a foreign subsidiary of Travellers in 2021.

Costs and expenses increased 21% YoY (+P18.6 billion) to P106.2 billion. ***Cost of goods sold*** and ***cost of services*** increased 12% YoY (+P4.3 billion) and 32% YoY (+P6.9 billion), respectively, due to increases in sales/services and rising costs. ***Other operating expenses*** went up 21% YoY (+P4.5 billion) to P26.0 billion due to resumption of business activities and promotions. ***Share in net losses of associates and joint venture***s was mainly due to incurred losses of an associate of Megaworld. ***Finance and other charges*** swelled 50% YoY (+P3.1 billion) to P9.3 billion due mainly to unrealized foreign currency losses recorded during the current period by Megaworld.

Tax expense decreased 1% YoY (-P0.05 billion) to P5.0 billion primarily due to deferred tax adjustment last year of Emperador, more particularly on intangibles, due to prospective increase in UK corporation tax rates from 19% to 25%[4].

Earnings before interest, taxes, depreciation and amortizations (EBITDA) (computed as net profit before income taxes, interest expense, depreciation and amortizations) increased 3% YoY (P1.1 billion) to P36.8 billion from P35.7 billion a year ago, exhibiting 29% and 32% EBITDA rate, respectively.

Net profit was relatively flat YoY (-P0.2 billion) at P17.1 billion. Taking out a one-time income in M9 2021, net profit jumped 46% (+P5.4 billion) as compared to P11.7 billion normalized net profit last year.

Net profit attributable to AGI owners remained relatively flat at P11.9 billion as compared to P12.0 billion a year ago. Normalized net profit to owners surged 29% YoY (+P2.7 billion) when compared to the P9.2 billion normalized NPO in 2021.

Financial Condition

Consolidated total assets amounted to P726.3 billion at end of the interim period from P704.0 billion at beginning of year, a 3% growth (+P22.4 billion) in the first nine months of the year. The Group is liquid with **current assets** exceeding **current liabilities** 2.3 times at the end and 2.0 times at the beginning of the interim period. Current assets amounted to P355.8 billion while current liabilities amounted to P157.2 billion at end of the interim period.

Cash and cash equivalents were reduced by 13% (-P10.4 billion) during the interim, ending at P71.9 billion from P82.3 billion at the beginning of the year, primarily due to uses in financing activities (payments of loans, interest, dividends, lease) and investing activities (capital expenditures, advances) outpacing cash provided by operating activities. Net cash provided by operations and used in financing and investing activities during the period were presented in the interim consolidated statements of cash flows.

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

Contract assets, which represent the reclassified portion of trade and other receivables relating to rights to payment which are conditioned upon the completion of units sold and represent excess of progress of work over the right to an amount of consideration, increased 8% (+P0.9 billion) for **currently** maturing assets while the **non-currently** maturing assets depleted 22% (-P1.7 billion).

Financial assets at fair value through profit or loss went up 13% (+P1.7 billion) mainly due to marked-to-market movement during the interim period.

Inventories increased 7% (+P11.3 billion) to P164.1 billion mainly from real estate related accounts as construction activities pumped up completion, and from continuous laying of Scotch

[4] The new rate shall take effect on April 1, 2023.

whisky liquids for ageing, advanced production to ensure continuity of dispatch and purchases of raw materials to ensure continuity of supply.

Other current assets increased 6% (+P1.0 billion) mainly from increase in MEG's deferred commission, input vat and other prepayments, generally due to timing of payments.

Non-current trade and other receivables hiked 55% (+P7.8 billion) to P21.8 billion mainly from real estate accounts during the period.

Advances to landowners and joint operators increased 7% (+P0.5 billion) mainly from MEG's additional advances to land owners and co-venturers

Financial assets at fair value through other comprehensive income depleted 14% (-P0.06 billion) from disposal and marked to market valuation during the period.

Investments in associates and joint ventures decreased 8% (-P0.5 billion) to P6.3 billion due to dividend received and translation adjustment recorded during the period.

Investment properties increased 7% (+P8.0 billion) mainly from MEG's cost of completed and on-going construction of office buildings and commercial centers for lease, raw land intended to be developed for leasing properties and raw land currently with undetermined use.

Trade and other payables increased 13% (+P8.6 billion) to P73.1 billion mainly due to timing of purchases for production, accrued expenses, output vat payable, payables to contractors, liability for unredeemed gaming points and unredeemed gaming chips.

Current interest-bearing loans slid 43% (-P34.3 billion) while **non-current interest-bearing loans** jumped 36% (+P33.7 billion), for a net decline of P0.6 billion, due to principal repayments, offset by additional loans, drawdowns and refinancing during the period.

Current bonds payable swelled P14.7 billion while **non-current bonds payable** shrank by P9.8 billion, for a net increase of 12% (+P 4.9B) primarily due to strong dollar rates. These bonds are all issued by Megaworld.

Contract liabilities represent MEG's excess of collection over the progress of work with **current** portion increasing 22% (+P0.5 billion) and **non-current portion** increasing 10% (+P0.5billion) during the interim period.

Income tax payable dropped 15% (-P0.3 billion) to P1.8 billion due mainly to reductions in Emperador, as annual obligations at beginning of the year were paid during the interim period.

Advances from related parties and joint operator partners fell 47% (-P1.2 billion) to P1.3 billion from Megaworld accounts.

Other current liabilities decreased 17% (-P3.3 billion) to P15.7 billion primarily due to payments made during the interim period.

Retirement benefit obligations increased 21% (+P0.2 billion) to P1.2 billion from changes in retirement plans of Travellers, GADC, Megaworld and Emperador.

Redeemable preferred shares went up 9% (+P0.1 billion) to P1.5 billion from accretion of interest expense on GADC's preferred shares.

The **changes in equity components** are presented in detail in the interim 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 at end of interim period. The interim period opened and closed with total-liabilities-to-equity ratio of 1.1 : 1.0 and interest-bearing-debt-to-equity ratio of 0.6 : 1.0. Assets exceeded liabilities 1.9times, and equity 2.1times at the beginning and end of the interim period.

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

Amounts in Million Pesos	September 2022	June 2022	March 2022	December 2021
Cash and cash equivalents	71,876	74,226	79,683	82,278
FVTPL/ FVOCI financial assets	15,571	13,296	14,502	13,934
Total Available	87,447	87,522	94,185	96,212
Interest-bearing debt- current	46,028	53,298	79,269	80,304
Interest-bearing debt noncurrent	126,799	111,893	91,057	93,109
Bonds payable- current	14,721	13,747	-	-
Bonds payable- noncurrent	32,145	30,792	42,315	41,982
Total Debt	219,692	209,729	212,641	215,395
Net cash (debt)	(132,245)	(122,208)	(118,456)	(119,183)
Available cash and financial assets to debt	39.80%	41.73%	44.29%	44.67%
Total debt to total equity	62.94%	60.79%	62.46%	64.25%
Net debt to total equity	37.88%	35.42%	34.79%	35.55%

Prospects for the future

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

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

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/
(As Principal Financial/Accounting Officer)
November 14, 2022

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

Schedule of Financial Soundness Indicators
Annex 68-E
As of September 30, 2022

Ratio	Formula	9/30/2022	12/31/2021
Current ratio	Current assets / Current liabilities	2.26	2.04
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)	1.01	0.98
Solvency ratio	EBITDA / Total debt (Total debt refers to interest bearing loans and borrowings and bonds payable only)	0.17	0.19
Debt-to-equity ratio	Total debt / Total stockholders' equity (Total debt includes interest bearing loans and borrowings and bonds payable)	0.63	0.64
Liabilities-to-equity ratio	Total liabilities/ Total stockholders' equity	1.08	1.10
Asset-to-equity ratio	Total assets / Total stockholders' equity	2.08	2.10
		9/30/2022	**9/30/2021**
Interest rate coverage ratio	EBIT / Total Interest (EBIT refers to Profit before Interest and Income Tax. Non-recurring income of P5.6 billion is excluded from 2021 EBIT)	4.54	4.16
Return on investment	Net profit / Total stockholders' equity	0.05	0.06
Return on investment of equity owners	Net profit attributable to owners of the Parent Company/ Equity attributable to the owners of the Parent Company	0.05	0.06
Return on assets	Net profit/ Total assets	0.02	0.03
Net profit margin	Net profit / Total revenues	0.13	0.16

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(Amounts in Philippine Pesos)

		September 30, 2022 (UNAUDITED)		December 31, 2021 (AUDITED)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	**P**	**71,876,039,939**	P	82,278,122,850
Trade and other receivables - net		**72,511,551,783**		72,659,307,764
Contract assets		**12,888,266,683**		11,970,852,843
Financial assets at fair value through profit or loss		**15,210,168,752**		13,512,733,032
Inventories - net		**164,139,409,545**		152,847,415,170
Other current assets		**19,201,135,937**		18,149,365,608
Total Current Assets		**355,826,572,639**		351,417,797,267
NON-CURRENT ASSETS				
Trade and other receivables - net		**21,819,167,992**		14,049,075,860
Contract assets		**6,205,460,760**		7,951,394,519
Advances to landowners and joint operators		**7,673,141,956**		7,158,576,223
Financial assets at fair value through other comprehensive income		**361,247,876**		420,870,489
Investments in associates and joint ventures		**6,276,974,835**		6,793,930,448
Property, plant and equipment - net		**145,839,747,623**		141,904,029,538
Investment properties - net		**128,567,141,181**		120,539,734,330
Intangible assets - net		**40,694,197,872**		40,483,366,565
Deferred tax assets - net		**4,917,336,673**		4,970,539,083
Other non-current assets		**7,223,741,222**		7,308,890,602
Total Non-current Assets		**369,578,157,990**		351,580,407,657
NON-CURRENT ASSETS HELD FOR SALE		**945,160,170**		961,740,550
TOTAL ASSETS	**P**	**726,349,890,799**	P	703,959,945,474

		September 30, 2022 (UNAUDITED)		December 31, 2021 (AUDITED)
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	**P**	**73,132,884,355**	P	64,572,635,732
Interest-bearing loans		**46,027,537,563**		80,303,949,739
Bonds payable		**14,720,708,107**		-
Lease liabilities		**1,313,882,341**		1,309,447,535
Contract liabilities		**2,983,581,673**		2,447,089,883
Income tax payable		**1,778,705,772**		2,099,665,745
Redeemable preferred shares		**251,597,580**		251,597,580
Advances from related parties and joint operator partners		**1,309,546,395**		2,469,533,312
Other current liabilities		**15,733,387,546**		19,005,123,221
Total Current Liabilities		**157,251,831,332**		172,459,042,747
NON-CURRENT LIABILITIES				
Interest-bearing loans		**126,799,319,289**		93,108,742,222
Bonds payable		**32,144,845,926**		41,982,042,246
Lease liabilities		**15,186,920,606**		15,336,726,680
Contract liabilities		**5,443,009,232**		4,956,605,925
Retirement benefit obligation		**1,187,853,549**		982,052,130
Redeemable preferred shares		**1,493,195,448**		1,365,641,108
Deferred tax liabilities - net		**18,240,040,753**		18,167,163,730
Other non-current liabilities		**19,527,500,431**		20,379,289,896
Total Non-current Liabilities		**220,022,685,234**		196,278,263,937
Total Liabilities		**377,274,516,566**		368,737,306,684
EQUITY				
Equity attributable to owners of the parent company		**220,702,025,369**		209,903,697,035
Non-controlling interest		**128,373,348,864**		125,318,941,755
Total Equity		**349,075,374,233**		335,222,638,790
TOTAL LIABILITIES AND EQUITY	**P**	**726,349,890,799**	P	703,959,945,474

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Amounts in Philippine Pesos)
(UNAUDITED)

	2022		2021	
	Year-to-Date	Quarter	Year-to-Date	Quarter
REVENUES AND INCOME				
Sale of goods	P 68,074,947,639	P 24,439,527,833	P 62,374,496,114	P 23,788,438,271
Rendering of services	55,849,134,061	19,783,463,232	38,994,441,374	13,609,907,953
Finance and other income	4,458,891,993	1,596,029,061	8,682,225,644	1,503,146,919
	128,382,973,693	45,819,020,126	110,051,163,132	38,901,493,143
COSTS AND EXPENSES				
Cost of goods sold	41,905,182,820	15,055,219,973	37,564,886,512	14,901,368,143
Cost of services	28,849,579,599	10,583,850,389	21,909,532,218	7,873,622,005
Other operating expenses	25,974,547,714	9,407,273,045	21,492,027,775	7,566,461,715
Share in net losses of associates and joint ventures - net	145,421,108	54,240,780	403,136,973	221,717,792
Finance costs and other charges	9,345,430,552	3,898,359,713	6,249,754,018	2,361,188,902
	106,220,161,793	38,998,943,900	87,619,337,496	32,924,358,557
PROFIT BEFORE TAX	22,162,811,900	6,820,076,226	22,431,825,636	5,977,134,586
TAX EXPENSE	5,045,644,779	1,668,098,517	5,098,908,845	1,404,181,273
NET PROFIT	17,117,167,121	5,151,977,709	17,332,916,791	4,572,953,313
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Actuarial gains (losses) on remeasurement of retirement benefit obligation	(179,091,000)	(186,327,000)	635,326,635	428,319,083
Net unrealized fair value gain (loss) on financial assets at fair value through other comprehensive income	(98,626,021)	(42,683,680)	10,865,094	(9,109,083)
Deferred tax income (expense) relating to components of other comprehensive income (loss)	44,772,750	46,581,750	(161,961,672)	(106,359,750)
	(232,944,271)	(182,428,930)	484,230,057	312,850,250
Items that will be reclassified subsequently to profit or loss				
Translation adjustments	(1,590,219,378)	(571,760,452)	2,076,414,272	1,142,898,219
Net unrealized fair value gain (loss) on cash flow hedge	172,975,949	101,016,570	116,619,685	13,338,555
Deferred tax income (expense) relating to components of other comprehensive income (loss)	(32,770,861)	(14,754,484)	(18,470,367)	(11,874,866)
	(1,450,014,290)	(485,498,366)	2,174,563,590	1,144,361,908
TOTAL COMPREHENSIVE INCOME	P 15,434,208,560	P 4,484,050,413	P 19,991,710,438	P 6,030,165,471
Net profit attributable to:				
Owners of the parent company	P 11,917,965,135	P 3,682,288,045	P 12,027,121,997	P 3,518,245,010
Non-controlling interest	5,199,201,986	1,469,689,664	5,305,794,794	1,054,708,303
	P 17,117,167,121	P 5,151,977,709	P 17,332,916,791	P 4,572,953,313
Total comprehensive income attributable to:				
Owners of the parent company	P 10,180,443,044	P 2,804,774,802	P 13,945,296,217	P 4,713,112,397
Non-controlling interest	5,253,765,516	1,679,275,611	6,046,414,221	1,317,053,074
	P 15,434,208,560	P 4,484,050,413	P 19,991,710,438	P 6,030,165,471
Earnings Per Share for the Net Profit Attributable to Owners of the Parent Company:				
Basic	P 1.2847	P 0.3969	P 1.2672	P 0.3708
Diluted	P 1.2847	P 0.3969	P 1.2672	P 0.3708

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Amounts in Philippine Pesos)
(UNAUDITED)

	Attributable to Owners of the Parent Company														
	Capital Stock	Additional Paid-in Capital	Treasury Shares – at Cost	Net Actuarial Losses on Retirement Benefit Plan	Net Fair Value Gains on Financial Assets at FVOCI	Accumulated Translation Adjustments	Revaluation Reserves on Cash Flow Hedge	Share Options	Other Reserves	Retained Earnings – Appropriated	Retained Earnings – Unappropriated	Retained Earnings – Total	Total	Noncontrolling Interest	Total Equity
Balance at January 1, 2022	P 10,269,827,979	P 34,518,916,029	(P 10,516,348,052)	P 85,011,950	P 72,946,670	(P 4,036,461,315)	(P 34,608,267)	P 620,625,162	P 19,778,512,767	P 4,454,180,000	P 154,691,094,112	P 159,145,274,112	P 209,903,697,035	P 125,318,941,755	P 335,222,638,790
Transactions with owners:															
Change in percentage of ownership	-	-	-	-	-	-	-	-	1,000,347,825	-	-	-	1,000,347,825	(1,006,416,253)	(6,068,428)
Acquisition of treasury shares	-	-	(365,512,361)	-	-	-	-	-	-	-	-	-	(365,512,361)	-	(365,512,361)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,204,374,849)	(1,204,374,849)
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	11,432,695	11,432,695
	-	-	(365,512,361)	-	-	-	-	-	1,000,347,825	-	-	-	634,835,464	(2,199,358,407)	(1,564,522,943)
Changes in legal reserves during the period	-	-	-	-	-	-	-	-	(16,950,172)	-	-	-	(16,950,172)	-	(16,950,172)
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	3,168,340,000	(3,168,340,000)	-	-	-	-
Reversal of appropriation	-	-	-	-	-	-	-	-	-	(3,168,340,000)	3,168,340,000	-	-	-	-
Total comprehensive income (loss)	-	-	-	(136,423,474)	200,215,550	(1,921,964,893)	120,650,724	-	-	-	11,917,965,135	11,917,965,135	10,180,443,042	5,253,765,516	15,434,208,558
Balance at September 30, 2022	**P 10,269,827,979**	**P 34,518,916,029**	**(P 10,881,860,413)**	**(P 51,411,524)**	**P 273,162,220**	**(P 5,958,426,208)**	**P 86,042,457**	**P 620,625,162**	**P 20,761,910,420**	**P 4,454,180,000**	**P 166,609,059,247**	**P 171,063,239,247**	**P 220,702,025,369**	**P 128,373,348,864**	**P 349,075,374,233**
Balance at January 1, 2021	P 10,269,827,979	P 34,518,916,029	(P 7,596,939,422)	(P 783,537,269)	P 504,426,943	(P 6,047,569,788)	(P 172,210,870)	P 620,625,162	P 9,436,023,550	P 3,993,550,000	P 138,533,653,159	P 142,527,203,159	P 183,276,765,473	P 112,542,694,728	P 295,819,460,201
Transactions with owners:															
Change in percentage of ownership	-	-	-	-	-	-	-	-	(389,632,918)	-	-	-	(389,632,918)	(1,361,821,668)	(1,751,454,586)
Acquisition of treasury shares	-	-	(837,455,242)	-	-	-	-	-	-	-	-	-	(837,455,242)	-	(837,455,242)
Dividend paid by investee	-	-	-	-	-	-	-	-	-	-	-	-	-	(784,175,347)	(784,175,347)
Gain on redemption of perpetual securities	-	-	-	-	-	-	-	-	-	-	333,604,948	333,604,948	333,604,948	150,652,488	484,257,436
Share-based compensation	-	-	-	-	-	-	-	-	-	-	-	-	-	11,048,970	11,048,970
	-	-	(837,455,242)	-	-	-	-	-	(389,632,918)	-	333,604,948	333,604,948	(893,483,212)	(1,984,295,557)	(2,877,778,769)
Changes in legal reserves during the period	-	-	-	-	-	-	-	-	28,383,926	-	-	-	28,383,926	-	28,383,926
Total comprehensive income (loss)	-	-	-	403,365,649	(165,261,896)	1,599,731,166	80,339,301	-	-	-	12,027,121,997	12,027,121,997	13,945,296,217	6,046,414,421	19,991,710,638
Balance at September 30, 2021	P 10,269,827,979	P 34,518,916,029	(P 8,434,394,664)	(P 380,171,620)	P 339,165,047	(P 4,447,838,622)	(P 91,871,569)	P 620,625,162	P 9,074,774,558	P 3,993,550,000	P 150,894,380,104	P 154,887,930,104	P 196,356,962,404	P 116,604,813,592	P 312,961,775,996

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(Amounts in Philippine Pesos)
(UNAUDITED)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**P 22,162,811,900**	P 22,431,825,636
Adjustments for:		
Depreciation and amortization	**8,398,626,040**	8,002,949,598
Interest expense	**6,252,073,389**	5,313,231,791
Unrealized foreign currency losses (gains) - net	**4,816,909,582**	302,276,355
Interest income	**(2,030,509,017)**	(1,508,958,783)
Share in net losses (profits) of associates and joint ventures	**145,421,108**	403,136,973
Reversal of impairment losses - net	**(59,541,178)**	(58,326,623)
Net loss on disposal of assets	**49,563,422**	80,473,069
Stock option benefit expense	**11,432,695**	11,048,970
Dividend income	**(3,737,289)**	(55,328,316)
Loss (gain) from derecognition of right-of-use assets and lease liabilities	**(588,179)**	94,547,260
Gain from lease modification	**-**	(18,332,785)
Operating profit before working capital changes	**39,742,462,473**	34,998,543,145
Increase in trade and other receivables	**(2,857,052,754)**	(1,859,369,814)
Increase in inventories	**(9,804,751,481)**	(7,033,880,672)
Decrease (increase) in contract assets	**828,519,919**	(1,318,034,100)
Decrease (increase) in financial assets at fair value through profit or loss	**1,131,946,026**	(2,910,741,693)
Increase in other current assets	**(2,175,831,554)**	(587,441,811)
Increase (decrease) in trade and other payables	**9,118,697,211**	(925,222,877)
Increase in contract liabilities	**1,022,895,097**	402,271,368
Decrease in retirement benefit obligation	**(1,547,502)**	(315,451,030)
Decrease in other current liabilities	**(3,271,735,675)**	(2,780,322,139)
Increase (decrease) in other non-current liabilities	**(636,291,057)**	1,008,503,424
Cash generated from operations	**33,097,310,703**	18,678,853,801
Cash paid for taxes	**(3,968,055,272)**	(3,156,824,955)
Net Cash From Operating Activities	**29,129,255,431**	15,522,028,846
Balance carried forward	**P 29,129,255,431**	P 15,522,028,846

		2022		2021
Balance brought forward	**P**	**29,129,255,431**	P	15,522,028,846
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Property, plant and equipment	**(**	**10,147,272,524)**	(	5,093,508,583)
Investment properties	**(**	**9,024,601,696)**	(	3,037,049,381)
Intangible assets	**(**	**17,180,001)**	(	11,372,224)
Proceeds from:				
Disposal of property, plant and equipment		**318,024,032**		52,844,821
Collections of advances from associates and other related parties		**71,294,344**		-
Disposal of investment property		**10,203,954**		-
Additional advances granted to associates and other related parties	**(**	**1,725,792,642)**	(	10,425,690)
Interest received		**896,296,082**		848,999,492
Decrease (increase) in other non-current assets	**(**	**517,845,105)**		525,208,136
Advances to landowners, joint ventures and other related parties - net	**(**	**514,565,733)**	(	3,632,352,794)
Cash dividends received		**288,737,689**		55,328,316
Decrease in non-current assets held for sale		**-**		4,029,879,798
Net Cash Used in Investing Activities	**(**	**20,362,701,600)**	(	6,272,448,109)
CASH FLOWS FROM FINANCING ACTIVITIES				
Payment of interest-bearing loans and bonds	**(**	**22,692,792,372)**	(	34,112,040,335)
Proceeds from interest-bearing loans and bonds		**16,268,649,160**		29,137,075,491
Interest paid	**(**	**7,904,182,990)**	(	8,530,016,386)
Advances granted and paid to related parties	**(**	**1,798,053,993)**	(	463,209,786)
Dividends paid	**(**	**1,204,374,849)**	(	784,175,347)
Payment of lease liabilities	**(**	**982,780,922)**	(	381,007,142)
Buyback of shares from non-controlling interest	**(**	**862,127,558)**	(	901,345,403)
Advances collected and received from related parties		**372,539,143**		25,976,691
Acquisition of treasury shares	**(**	**365,512,361)**	(	837,455,242)
Net Cash Used in Financing Activities	**(**	**19,168,636,742)**	(	16,846,197,459)
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(**	**10,402,082,911)**	(	7,596,616,722)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**82,278,122,850**		69,697,688,432
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**P**	**71,876,039,939**	P	62,101,071,710

Supplemental Information on Non-cash Investing and Financing Activities –

In the normal course of business, the Group enters into non-cash activities which are not reflected in the cash flows, including but not limited to 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 properties between Inventories, Property, Plant and Equipment and Investment Properties; and, (c) borrowing costs under capitalized Inventories or Construction in Progress.

See Notes to Interim Consolidated Financial Statements.

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(With Comparative Figures as of December 31, 2021)
(Amounts in Philippine Pesos)
(Unaudited)

1. CORPORATE INFORMATION

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

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

			Percentage of Effective Ownership of AGI	
Subsidiaries/Associates/Joint Ventures	Short Name	Notes	**September 2022**	December 2021
Subsidiaries				
Megaworld and subsidiaries				
Megaworld Corporation	"Megaworld"	(a)	**70%**	69%
Megaworld Resort Estates, Inc.		(b)	**85%**	84%
Townsquare Development, Inc.			**51%**	50%
Golden Panda-ATI Realty Corporation			**51%**	50%
Arcovia Properties, Inc.			**70%**	69%
Belmont Newport Luxury Hotels, Inc.			**70%**	69%
Davao Park District Holdings Inc.			**70%**	69%
Eastwood Cyber One Corporation			**70%**	69%
Global One Hotel Group, Inc.			**70%**	69%
Global One Integrated Business Services, Inc.			**70%**	69%
Hotel Lucky Chinatown, Inc.			**70%**	69%
Landmark Seaside Properties, Inc.			**70%**	69%
Luxury Global Hotels and Leisures, Inc.			**70%**	69%
Luxury Global Malls, Inc.			**70%**	69%
Mactan Oceanview Properties and Holdings, Inc.			**70%**	69%
Megaworld Cayman Islands, Inc.		(c)	**70%**	69%
Megaworld Cebu Properties, Inc.			**70%**	69%
Megaworld Land, Inc.			**70%**	69%
Citywalk Building Administration, Inc.			**70%**	69%
Forbestown Commercial Center Administration, Inc.			**70%**	69%
Iloilo Center Mall Administration, Inc.			**70%**	69%
Newtown Commercial Center Administration, Inc.			**70%**	69%
Paseo Center Building Administration, Inc.			**70%**	69%
San Lorenzo Place Commercial Center Administration, Inc.			**70%**	69%
Southwoods Lifestyle Mall Management, Inc.			**70%**	69%
Uptown Commercial Center Administration, Inc.			**70%**	69%
Valley Peaks Property Management, Inc.			**70%**	69%
Megaworld Newport Property Holdings, Inc			**70%**	69%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI September 2022	December 2021
Subsidiaries				
Megaworld and subsidiaries				
Oceantown Properties, Inc.			**70%**	69%
Piedmont Property Ventures, Inc.			**70%**	69%
Prestige Hotels and Resorts, Inc.			**70%**	69%
Richmonde Hotel Group International Ltd.		(d)	**70%**	69%
San Vicente Coast, Inc.			**70%**	69%
Savoy Hotel Manila, Inc.			**70%**	69%
Savoy Hotel Mactan, Inc.			**70%**	69%
Kingsford Hotel Manila, Inc.			**70%**	69%
Agile Digital Ventures, Inc.			**70%**	69%
MREIT Fund Managers, Inc.	"MFMI"	(o)	**70%**	69%
MREIT Property Managers, Inc.	"MPMI"	(o)	**70%**	69%
MREIT, Inc.	"MREIT"	(o)	**44%**	43%
Stonehaven Land, Inc.			**70%**	69%
Streamwood Property, Inc.			**70%**	69%
Megaworld Bacolod Properties, Inc.			**64%**	63%
Manila Bayshore Property Holdings, Inc.			**67%**	63%
Megaworld Capital Town, Inc.			**53%**	53%
Megaworld Central Properties, Inc.			**53%**	53%
Soho Cafe and Restaurant Group, Inc.			**52%**	52%
La Fuerza, Inc.			**47%**	46%
Megaworld-Daewoo Corporation			**42%**	41%
Northwin Properties, Inc.			**42%**	41%
Gilmore Property Marketing Associates Inc.			**36%**	36%
Integrated Town Management Corporation			**35%**	34%
Maple Grove Land, Inc.			**35%**	34%
Megaworld Globus Asia, Inc.			**35%**	34%
Suntrust Properties, Inc.			**70%**	69%
Governor's Hills Science School, Inc.			**70%**	69%
Sunrays Properties Management, Inc.			**70%**	69%
Suntrust Ecotown Developers, Inc.			**70%**	69%
Suntrust One Shanata, Inc.			**70%**	69%
Suntrust Two Shanata, Inc.			**70%**	69%
Stateland, Inc.			**69%**	68%
Global-Estate Resorts, Inc.	"GERI"	(e)	**57%**	57%
Southwoods Mall Inc.			**64%**	63%
Twin Lakes Corp.			**63%**	63%
Twin Lakes Hotel, Inc.			**63%**	63%
Megaworld Global-Estate, Inc.			**62%**	62%
Fil-Estate Golf and Development, Inc.			**57%**	57%
Golforce, Inc.			**57%**	57%
Southwoods Ecocentrum Corp.			**34%**	34%
Philippine Aquatic Leisure Corp.			**34%**	34%
Fil-Estate Properties, Inc.			**57%**	57%
Aklan Holdings Inc.			**57%**	57%
Blu Sky Airways, Inc.			**57%**	57%
Fil-Estate Subic Development Corp.			**57%**	57%
Fil-Power Concrete Blocks Corp.			**57%**	57%
Fil-Power Construction Equipmen Leasing Corp.			**57%**	57%
Golden Sun Airways, Inc.			**57%**	57%
La Compaña De Sta. Barbara, Inc.			**57%**	57%
MCX Corporation			**57%**	57%
Pioneer L-5 Realty Corp.			**57%**	57%
Prime Airways, Inc.			**57%**	57%
Sto. Domingo Place Development Corp.			**57%**	57%
Fil-Estate Industrial Park, Inc.			**45%**	45%
Sherwood Hills Development Inc.			**32%**	31%
Fil-Estate Urban Development Corp.			**57%**	57%
Global Homes and Communities, Inc.			**57%**	57%
Savoy Hotel Boracay, Inc.			**57%**	57%
Belmont Hotel Boracay, Inc.			**57%**	57%
Novo Sierra Holdings Corp.			**57%**	57%
Elite Communities Property Services, Inc.			**57%**	57%
Oceanfront Properties, Inc.			**29%**	28%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **September 2022**	 December 2021
Subsidiaries				
Megaworld and subsidiaries				
Empire East Land Holdings, Inc.	"EELHI"		**57%**	57%
Sonoma Premiere Land, Inc.		(f)	**74%**	74%
Pacific Coast Mega City, Inc.		(g)	**75%**	75%
Valle Verde Properties, Inc.			**57%**	56%
Laguna BelAir School, Inc.			**42%**	41%
20th Century Nylon Shirt, Inc.			**57%**	56%
Eastwood Property Holdings, Inc.			**57%**	56%
Empire East Communities, Inc.			**57%**	56%
Sherman Oak Holdings, Inc.			**57%**	56%
Emperador and subsidiaries				
Emperador Inc.	"EMI" or "EMP" or "Emperador"		**85%**	86%
Emperador Distillers, Inc.	"EDI"		**85%**	86%
Alcazar de Bana Holdings Company, Inc.			**85%**	86%
ProGreen AgriCorp, Inc.			**85%**	86%
South Point Science Park, Inc.			**85%**	86%
Anglo Watsons Glass, Inc.			**85%**	86%
Cocos Vodka Distillers Philippines, Inc.			**85%**	86%
The Bar Beverage, Inc.			**85%**	86%
Tradewind Estates, Inc.			**85%**	86%
BoozyLife, Inc.			**55%**	53%
Zabana Rum Company, Inc.			**85%**	86%
The World's Finest Liquor	"TWFL"	(p)	**85%**	-
Emperador International Ltd.	"EIL"	(d)	**85%**	86%
Emperador Asia Pte Ltd.	"EA"	(i)	**85%**	86%
Grupo Emperador Spain, S.A.U.	"GES"	(i)	**85%**	86%
Bodega San Bruno, S.L.	"BSB"	(i)	**85%**	86%
Bodegas Fundador S.L.U.	"BFS"	(i)	**85%**	86%
Grupo Emperador Gestion S.L.	"GEG"	(i)	**85%**	86%
Domecq Bodega Las Copas, S.L.	"DBLC"	(h), (i)	**43%**	43%
Stillman Spirits, S.L.	"SSSL"	(i)	**85%**	86%
Emperador Europe SARL	"EES"	(i)	**85%**	86%
Emperador Holdings (GB) Limited.	"EGB"	(i)	**85%**	86%
Emperador UK Limited	"EUK"	(i)	**85%**	86%
Complejo Bodeguero San Patricio, SLU			**85%**	86%
Whyte and Mackay Group Limited	"WMG"	(i)	**85%**	86%
Whyte and Mackay Global Limited	"WMGL"	(i)	**85%**	86%
Whyte and Mackay Limited	"WML"	(i)	**85%**	86%
Whyte and Mackay Warehousing Ltd.	"WMWL"	(i)	**85%**	86%
GADC and subsidiaries				
Golden Arches Development Corporation	"GADC"		**49%**	49%
Advance Food Concepts Manufacturing, Inc.			**49%**	49%
Red Asian Food Solutions, Inc.			**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, Inc.			**34%**	34%
McDonald's Anonas City Center			**34%**	34%
McDonald's Puregold Taguig			**29%**	29%
Golden City Food Industries, Inc.			**29%**	29%
McDonald's Bonifacio Global City			**27%**	27%
Molino First Golden Foods, Inc.			**26%**	26%
GY Alliance Concepts, Inc.			**19%**	19%
Golden Arches Realty Corporation			**49%**	49%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI **September 2022**	 December 2021
Travellers and subsidiaries				
Travellers International Hotel Group, Inc.	"Travellers"	(j)	**60%**	50%
Agile Fox Amusement and Leisure Corporation			**60%**	50%
APEC Assets Limited			**60%**	50%
Aquamarine Delphinium Leisure and Recreation, Inc.			**60%**	50%
Bright Pelican Leisure and Recreation, Inc.			**60%**	50%
Brightleisure Management, Inc.			**60%**	50%
Brilliant Apex Hotels and Leisure Corporation			**60%**	50%
Captain View Group Limited			**60%**	50%
Coral Primrose Leisure and Recreation Corporation			**60%**	50%
Deluxe Hotels and Recreation, Inc.			**60%**	50%
Entertainment City Integrated Resorts & Leisure, Inc.			**60%**	50%
FHTC Entertainment & Productions, Inc.	"FHTC"		**60%**	50%
Golden Peak Leisure and Recreation, Inc.			**60%**	50%
Grand Integrated Hotels and Recreation, Inc.			**60%**	50%
Grandservices, Inc.			**60%**	50%
Grandventure Management Services, Inc.			**60%**	50%
Lucky Star Hotels and Recreation, Inc.			**60%**	50%
Lucky Panther Amusement and Leisure Corporation			**60%**	50%
Luminescent Vertex Hotels and Leisure Corporation			**60%**	50%
Magenta Centaurus Amusement and Leisure Corporation			**60%**	50%
Majestic Sunrise Leisure & Recreation, Inc.			**60%**	50%
Netdeals, Inc.			**60%**	50%
Newport Star Lifestyle, Inc.			**60%**	50%
Royal Bayshore Hotels & Amusement, Inc.			**60%**	50%
Sapphire Carnation Leisure and Recreation Corporation			**60%**	50%
Scarlet Milky Way Amusement and Leisure Corporation			**60%**	50%
Sparkling Summit Hotels and Leisure Corporation			**60%**	50%
Valiant Leopard Amusement and Leisure Corporation			**60%**	50%
Vermillion Triangulum Amusement and Leisure Corporation			**60%**	50%
Westside City Resorts World, Inc.	"WCRWI"	(k)	**59%**	49%
Purple Flamingos Amusement and Leisure Corporation			**59%**	49%
Red Falcon Amusement and Leisure Corporation			**59%**	49%
Westside Theatre Inc.			**60%**	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%

Subsidiaries/Associates/Joint Ventures	Short Name	Notes	Percentage of Effective Ownership of AGI: September 2022	Percentage of Effective Ownership of AGI: December 2021
Corporate and Others				
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%
Associates				
First Premiere Arches Restaurant Inc.			**49%**	49%
Bonifacio West Development Corporation			**32%**	32%
Suntrust Home Developers, Inc.	"SHDI"		**24%**	23%
Palm Tree Holdings and Development Corporation			**28%**	28%
SWC Project Management Limited			**24%**	23%
WC Project Management Limited			**24%**	23%
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%
Manila Bayshore Property Holdings, Inc.			**20%**	16%
Joint Ventures				
Bodegas Las Copas, S.L.	"BLC"	(m)	**43%**	43%
Front Row Theatre Management, Inc.		(n)	**30%**	25%

Explanatory notes:

(a) AGI's effective ownership interest is derived from its 47% direct ownership, 3% direct holdings of FCI, 18% direct holdings of NTLPI and 2% direct holdings of MPIL.
(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 both as of September 30, 2022 and December 31, 2021.
(f) A subsidiary through 60% and 40% direct ownership of EELHI and FCI, respectively.
(g) In 2021, AGI sold certain number of shares to Megaworld which decreased the effective ownership of AGI over PCMI to 75%.
(h) DBLC, a subsidiary of GES, is operating under the laws of Spain and its subsidiary PDSC is 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, DBLC, and Stillman, 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) AGI's effective ownership is through Travellers' common and preferred shares in total, which are directly owned 33% by AGI, 2% by FCI, 2% by Megaworld, 39% by Adams, 24% by Genting Hongkong Limited ("GHL") and 0.2% by the public. The Group beneficially owns 60% of the common shares.
(k) AGI's effective ownership is through 1% direct ownership, 57% through 95% ownership of Travellers, and 1% through ownership of other subsidiaries within the Group (i.e., FCI, Megaworld and Adams).
(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) MFMI, MPMI and MREIT are newly incorporated subsidiaries of Megaworld in 2021. MFMI is engaged in the business of providing fund management services to real estate investment trust ("REIT") companies. MPMI is engaged in the business of providing services in relation to property management, lease management, marketing and project management. MREIT is engaged in the business of real estate investment trust, as provided under Republic Act No. 9856, the Real Estate Investment Trust Act of 2009.
(p) TWFL is a newly incorporated subsidiary of Emperador in 2022.

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 m above).

AGI's shares of stock and those of Megaworld, EMP, GERI, EELHI, MREIT and SHDI are listed in and traded through the PSE as of September 30, 2022.

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

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

The Board of Directors ("BOD") approved on November 14, 2022 the release of the interim consolidated financial statements ("ICFS") of the Group as of and for the six months ended September 30, 2022 (including the comparative financial statements as of December 31, 2021, and for the nine months ended September 30, 2021).

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, 2021 (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, 2021.

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

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

The presentation of the ICFS is consistent with the most recent ACFS presentation.

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

2.2 Adoption of Amended PFRS

(a) Effective in 2022 that are relevant to the Group

The Group adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2022.

PFRS 3 (Amendments)	:	Business Combination – Reference to the Conceptual Framework
PAS 16 (Amendments)	:	Property, Plant and Equipment – Proceeds Before Intended Use
PAS 37 (Amendments)	:	Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to PFRS (2018-2020 Cycle)		
PFRS 9 (Amendments)	:	Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Liabilities
Illustrative Examples Accompanying PFRS 16, Leases	:	Leases – Lease Incentives

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

(b) Effective subsequent to 2022 that are relevant to the Group

There are pronouncements effective for annual periods subsequent to 2022. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's ICFS.

(i) PAS 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2023)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies* (effective from January 1, 2023)

(iii) PAS 8 (Amendments), *Accounting Estimates – Definition of Accounting Estimates* (effective from January 1, 2023)

(iv) PAS 12 (Amendments), *Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction* (effective from January 1, 2023)

(v) PFRS 10 (Amendments), *Consolidated Financial Statements,* and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets Between an Investor and Its Associates or Joint Venture* (effective date deferred indefinitely)

3. JUDGMENTS AND ESTIMATES

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

The Group performed its annual impairment test of goodwill and trademarks with indefinite useful lives at year-end and when circumstances indicate the carrying value may be impaired. The Group's impairment test for goodwill arising from business combination and other intangible assets is based on value-in-use calculations. The Group monitors goodwill and trademarks with indefinite useful lives on the cash generating units to which these assets were allocated and considers the relationship between the market capitalization of the subsidiaries and its net book value, among other factors, when reviewing for indicators of impairment. The Group's management assessed that as at and for the nine months ended September 30, 2022 and as at December 31, 2021, goodwill arising from business combination and other intangible assets with indefinite useful lives are not impaired.

Aside from the foregoing, the judgments, estimates and assumptions applied in the ICFS, including the key sources of estimation uncertainty, were the same as those applied in the ACFS as at and for the year ended December 31, 2021.

4. SEGMENT INFORMATION

4.1 Business Segments

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

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

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

(c) The *Travellers* segment relates to tourism-oriented business that integrates entertainment, hospitality and leisure, including gaming, as that of 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 the nine months ended September 30, 2022 and 2021.

	For nine months ended September 30, 2022 (Unaudited)				
	Megaworld	**Travellers**	**GADC**	**Emperador**	**Total**
REVENUES AND INCOME					
Sales to external customers	P 39,694,173,112	P 18,319,245,116	P 23,962,988,871	P 41,404,167,809	P 123,380,574,908
Intersegment sales	190,835,644	2,836,316	39,959,385	16,695,860	250,327,205
Finance and other income	2,586,651,440	31,802,480	(37,015,464)	697,789,463	3,279,227,919
Segment revenues and income	42,471,660,196	18,353,883,912	23,965,932,792	42,118,653,132	126,910,130,032
Cost of sales and expenses excluding depreciation and amortization	(21,748,132,494)	(13,000,987,902)	(19,596,495,393)	(32,007,314,482)	(86,352,930,271)
	20,723,527,702	5,352,896,010	4,369,437,399	10,111,338,650	40,557,199,761
Depreciation and amortization	(2,437,472,852)	(2,656,209,867)	(1,998,989,822)	(1,085,930,459)	(8,178,603,000)
Finance costs and other charges	(6,234,278,793)	(1,749,772,071)	(823,929,769)	(200,465,947)	(9,008,446,580)
Profit before tax	12,051,776,057	946,914,072	1,546,517,808	8,824,942,244	23,370,150,181
Tax expense	(2,365,612,311)	(1,153,117,634)	(404,319,440)	(1,097,275,311)	(5,020,324,696)
SEGMENT PROFIT (LOSS)	**P 9,686,163,746**	**P (206,203,562)**	**P 1,142,198,368**	**P 7,727,666,933**	**P 18,349,825,485**
SEGMENT ASSETS AND LIABILITIES					
Segment assets	**P 409,729,603,099**	**P 115,944,739,450**	**P 39,746,757,764**	**P 134,009,947,691**	**P 699,431,048,004**
Segment liabilities	**161,630,200,656**	**79,782,250,523**	**32,240,700,173**	**44,193,599,674**	**317,846,751,026**
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	**(218,331,599)**	**(137,928)**	**-**	**73,048,419**	**(P 145,421,108)**

	For nine months ended September 30, 2021 (Unaudited)				
	Megaworld	Travellers	GADC	Emperador	Total
REVENUES AND INCOME					
Sales to external customers	P 34,482,479,163	P 9,918,123,815	P 17,737,559,649	P 37,680,230,211	P 99,818,392,838
Intersegment sales	270,712,812	10,600,470	-	16,151,807	297,465,089
Finance and other income	2,117,157,277	5,640,824,100	438,825,589	249,012,388	8,445,819,354
Segment revenues and income	36,870,349,252	15,569,548,385	18,176,385,238	37,945,394,406	108,561,677,281
Cost of sales and expenses excluding depreciation and amortization	(19,912,502,862)	(9,299,821,571)	(14,438,807,632)	(27,159,293,861)	(70,810,425,926)
	16,957,846,390	6,269,726,814	3,737,577,606	10,786,100,545	37,751,251,355
Depreciation and amortization	(2,518,227,318)	(2,557,607,677)	(1,954,427,916)	(1,064,446,244)	(8,094,709,155)
Finance costs and other charges	(3,663,854,348)	(1,432,215,060)	(796,488,004)	(108,846,084)	(6,001,403,496)
Profit (loss) before tax	10,775,764,724	2,279,904,077	986,661,686	9,612,808,217	23,655,138,704
Tax expense	(2,160,835,473)	(8,147,463)	(724,338,062)	(2,151,574,715)	(5,044,895,713)
SEGMENT PROFIT (LOSS)	P 8,614,929,251	P 2,271,756,614	P 262,323,624	P 7,461,233,502	P 18,610,242,991
OTHER SEGMENT INFORMATION					
Share in net profit (loss) of associates and joint ventures	(471,730,323)	-	-	68,593,350	(403,136,973)

The following presents the segment assets and liabilities of the Group as of December 31, 2021 (audited):

	Megaworld	Travellers	GADC	Emperador	Total
SEGMENT ASSETS AND LIABILITIES					
Segment assets	P 395,561,313,126	P 113,652,601,547	P 36,054,436,750	P 126,100,101,392	P 671,368,452,815
Segment liabilities	153,768,820,135	81,552,270,631	29,083,047,027	45,003,038,365	309,407,176,158

4.5 Reconciliations

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

	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Revenues and income		
Total segment revenues and income	**P 126,910,130,032**	P 108,561,677,281
Unallocated corporate revenue	**1,723,170,866**	1,786,950,940
Elimination of intersegment revenues	**(250,327,205)**	(297,465,089)
Revenues as reported in interim consolidated statements of comprehensive income	**P 128,382,973,693**	P 110,051,163,132
Profit or loss		
Segment operating profit	**P 18,349,825,485**	P 18,610,242,991
Unallocated corporate loss	**(982,331,159)**	(979,861,111)
Elimination of intersegment revenues	**(250,327,205)**	(297,465,089)
Profit as reported in interim consolidated statements of comprehensive income	**P 17,117,167,121**	P 17,332,916,791

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Assets		
Segment assets	**P 699,431,048,004**	P 671,368,452,815
Unallocated corporate assets	**26,918,842,795**	32,591,492,659
Total assets reported in the interim consolidated statements of financial position	**P 726,349,890,799**	P 703,959,945,474
Liabilities		
Segment liabilities	**P 317,846,751,026**	P 309,407,176,158
Unallocated corporate liabilities	**59,427,765,540**	59,330,130,526
Total liabilities reported in the interim consolidated statements of financial position	**P 377,274,516,566**	P 368,737,306,684

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

5. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts and accumulated depreciation, amortization and impairment of property, plant and equipment as of September 30, 2022 and December 31, 2021 are shown below.

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost	**P 210,398,944,841**	P 201,081,408,155
Accumulated depreciation, amortization and impairment	**(64,559,197,218)**	(59,177,378,617)
Net carrying amount	**P 145,839,747,623**	P 141,904,029,538

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period, net of accumulated depreciation, amortization and impairment	**P 141,904,029,538**	P 140,156,527,643
Additions	**11,540,396,885**	12,433,716,434
Depreciation and amortization charges for the period	**(6,316,932,528)**	(8,541,920,915)
Derecognition	**(979,699,996)**	(175,509,680)
Disposals – net	**(367,587,454)**	(181,379,785)
Impairment reversal (loss)	**59,541,178**	(1,787,804,629)
Transfer from investment property	**-**	400,470
Balance at end of period, net of accumulated depreciation, amortization and impairment	**P 145,839,747,623**	P 141,904,029,538

6. INVESTMENT PROPERTIES

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Cost	**P 149,169,022,710**	P 139,091,264,473
Accumulated depreciation	**(20,601,881,529)**	(18,551,530,143)
Net carrying amount	**P 128,567,141,181**	P 120,539,734,330

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period, net of accumulated depreciation	**P 120,539,734,330**	P 116,364,208,432
Additions	**10,087,962,191**	7,055,426,461
Depreciation charges for the period	**(2,050,351,386)**	(2,879,361,882)
Disposals – net	**(10,203,954)**	(138,211)
Transfer to property, plant and equipment	**-**	(400,470)
Balance at end of period, net of accumulated depreciation	**P 128,567,141,181**	P 120,539,734,330

7. DIVIDENDS

There were no dividends declared and paid by the Company for the nine-month periods ended September 30, 2022 and 2021.

8. EARNINGS PER SHARE

Earnings per share is computed as follows:

		September 30, 2022 (Unaudited)		September 30, 2021 (Unaudited)
Basic and Diluted:				
Net profit attributable to owners of the parent company	**P**	**11,917,965,135**	P	12,027,121,997
Divide by the weighted average number of outstanding common shares		**9,276,978,379**		9,490,991,479
	P	**1.2847**	P	1.2672

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 ended September 23, 2020. Further, on September 21, 2020, the BOD approved another one-year share repurchase program for P2.5 billion to end on September 23, 2021. On October 8, 2021, the BOD approved another share repurchase program for a term of 2.5 years for P4.0 billion to end on April 8, 2024. The Company has repurchased 834,615,600 shares for P9.7 billion and 620,602,500 shares for P7.3 billion as of September 30, 2022 and 2021, 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 158.23 million shares held by subsidiaries with a total cost of P1.2 billion as of September 30, 2022 and 2021 that were reported as part of Treasury Shares in the consolidated statements of changes in equity and taken out of outstanding common shares in computing EPS.

The basic and diluted earnings per share are the same for the nine months ended September 30, 2022 and 2021, as the Company's Executive Stock Option Plan are considered to be antidilutive since their conversion to ordinary shares would increase earnings per share. Thus, the number of issued and outstanding common shares presented above does not include the effect of the potential common shares from the Executive Stock Option Plan.

9. RELATED PARTY TRANSACTIONS

The Group's related parties include its stockholders, associates, joint ventures, the Group's key management personnel and retirement fund, and others. The summary of the Group's transactions with its related parties for the periods ended September 30, 2022 and 2021, and the related outstanding balances as of September 30, 2022 and December 31, 2021 are as follows:

Related Party Category	Notes	Amount of Transaction: **September 30, 2022 (Unaudited)**	Amount of Transaction: September 30, 2021 (Unaudited)	Receivable (Payable): **September 30, 2022 (Unaudited)**	Receivable (Payable): December 31, 2021 (Audited)
Subsidiaries' stockholders:					
Management fees	9.2	**P 262,231,020**	P 116,427,528	**(P 487,618,027)**	(P 225,387,007)
Accounts payable	9.4	**-**	(32,629,933)	**(315,040,576)**	(315,040,576)
Related party under common ownership:					
Purchase of raw materials	9.1	**1,931,715,490**	1,102,142,430	**(636,136,890)**	(621,856,151)
Purchase of finished goods	9.1	**14,575,951**	12,416,664	**-**	(972,593)
Advances granted	9.3	**1,633,139,965**	144,235,923	**4,257,729,295**	2,624,589,330
Management services	9.1	**45,000,000**	45,000,000	**(115,500,000)**	(33,000,000)
Associates:					
Advances granted	9.3	**21,358,333**	10,402,307	**1,031,096,165**	1,009,737,832
Others:					
Accounts receivable	9.4	**265,527,933**	101,065,115	**1,116,958,555**	851,430,622
Accounts payable	9.4	**-**	-	**(45,208,430)**	(45,208,430)
Advances from joint venture partners and others	9.5	**1,159,986,917**	303,538,047	**(1,309,546,395)**	(2,469,533,312)
Donations		**168,913,392**	42,602,976	**(48,791,944)**	(13,436,801)
Sale of investment property		**-**	-	**-**	378,391,250

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

9.1 Purchase of Goods and Management Agreement

Emperador imports finished goods and raw materials through Andresons Global, Inc., a related party under common ownership. These transactions are normally being paid within 30 days. Emperador also imports raw materials from Alcoholera dela Mancha Vinicola, S.L., a wholly owned subsidiary of BLC. 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 September 30, 2022 and December 31, 2021 are shown as part of Trade and Other Payables account in the consolidated statements of financial position.

9.2 Operations and Management Agreement with GHL

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

9.3 Advances to Associates and Other Related Parties

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

The movements of 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:

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**P 3,634,327,162**	P 3,309,913,472
Cash advances granted	**1,725,792,642**	413,989,152
Collections	**(71,294,344)**	(89,575,462)
Balance at end of period	**P 5,288,825,460**	P 3,634,327,162

As of September 30, 2022 and December 31, 2021, 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.

9.4 Due from/to Related Parties

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

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Due from Related Parties		
Balance at beginning of period	**P 851,430,622**	P 754,074,457
Additions	**638,067,076**	148,602,240
Collections	**(372,539,143)**	(51,246,075)
Balance at end of period	**P 1,116,958,555**	P 851,430,622
Due to Related Parties		
Balance at beginning of period	**P 360,249,006**	P 412,878,940
Collections	**-**	(52,629,934)
Balance at end of period	**P 360,249,006**	P 360,249,006

As of September 30, 2022 and December 31, 2021, based on management's assessment, no additional amount of impairment is necessary.

9.5 Advances from Other Related Parties

Certain expenses of entities within the Group are paid for by other related parties. The advances are unsecured, noninterest-bearing, with no repayment terms, and generally payable in cash or through offsetting arrangements.

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Balance at beginning of period	**P 2,469,533,312**	P 2,181,442,496
Advances availed	**-**	336,874,510
Advances paid	**(1,159,986,917)**	(48,783,694)
Balance at end of period	**P 1,309,546,395**	P 2,469,533,312

9.6 Transactions with the Retirement Plans

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

10. COMMITMENTS AND CONTINGENCIES

10.1 Tax Contingencies of Travellers' Casino Operations

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

All contractees and licensees of PAGCOR, upon payment of the 5% franchise tax, shall be exempted from all other taxes, including income tax realized from the operation of casinos.

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

10.2 Skytrain Project

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

10.3 Co-Development Agreement between 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 (P553.1 million), exclusive of VAT, until August 19, 2039. The lease shall automatically be renewed subject to applicable laws for another 25 years, unless otherwise agreed upon by the parties. The annual rental shall be payable upon the commencement of operation of the hotel casino.

In line with the foregoing, on February 21, 2020, WCRWI and Travellers entered into a lease agreement with SHDI.

(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 a certain fixed amount to WCRWI for reimbursement of costs already incurred and construction works that have already been accomplished on the Project Site.

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

(iii) 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 mutually agreed between WCRWI and SHDI. The operations and management agreement was entered into by the parties on May 4, 2020.

As of September 30, 2022, 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 2.55 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, *Financial Instruments*. Accordingly, the put option was initially recognized at the amount of premium received then, subsequently measured at the higher of the amount initially recognized or the amount using the expected credit loss model ("ECL").

Applying the ECL model, the option price that 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 as of September 30, 2022 amounting to P0.98 per share or a total value of P7.1 billion is a reasonable estimate of its value. In terms of probability of default, management assessed that it is unlikely or remote (see Note 11.2).

As of September 30, 2022 and December 31, 2021, 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.

10.4 Purchase and Sale Commitment

On December 27, 2020, the Group (as seller) signed a letter of intent with Global One Real Estate Spain SAU, a related party under common ownership, (as buyer) for the sale of the Group's certain land and buildings in Spain (reported as Non-Current Assets Held for Sale in the interim consolidated statements of financial position) for a total purchase price of €16.6 million at any time until three years after the COVID-19 pandemic has ended. As of September 30, 2022, the purchase and sale transaction has not yet consummated.

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, U.S. dollars, Euros and U.K. pounds, which are the functional currencies of the individual subsidiaries making the transactions.

The currency exchange risk arises from transactions carried out in currencies other than the functional currency of the subsidiaries at each entity level. The Group has no significant exposure to changes in foreign currency exchange rates for Euros and U.K. pounds since these currencies are not significant to the Group's consolidated financial statements.

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

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	U.S. Dollars	**HK Dollars**	U.S. Dollars	HK Dollars
Financial assets	**P 15,106,230,592**	**P 2,109,271,326**	P 8,527,714,209	P 1,894,349,341
Financial liabilities	**(40,078,884,666)**	**(389,130,064)**	(39,578,899,793)	(628,939,237)
	(P 24,972,654,074)	**P 1,720,141,262**	(P 31,051,185,584)	P 1,265,410,104

The sensitivity of the consolidated income before tax for the period with regard to the Group's financial assets and financial liabilities and the U.S. dollar – Philippine peso exchange rate assumes +/- 9.78% and +/- 7.54% changes in exchange rate for the nine months ended September 30, 2022 and for the year ended December 31, 2021, respectively. The HK dollar – Philippine peso exchange rate assumes +/- 11.88% and +/- 7.56% changes in exchange rate for the nine months ended September 30, 2022 and for the year ended December 31, 2021, 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 P2.4 billion for the nine-month period ended September 30, 2022 and increased (or decreased) by P2.0 billion for the year ended December 31, 2021. If 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 P0.2 billion for the nine-month period ended September 30, 2022 and decreased or (increased) by P0.1 billion for the year ended December 31, 2021.

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 certain bank borrowings and cash and cash equivalents, which are subject to variable interest rates. The Group maintains a debt portfolio unit of both fixed and variable interest rates. All other financial assets are subject to variable interest rates.

The sensitivity of the consolidated profit before tax for the period to a reasonably possible change in interest rates of +/- 3.06% for Philippine peso and +/- 4.78% for U.S. dollar in 2022, and +/- 0.47% for Philippine peso and +/- 0.38% for U.S. dollar in 2021 with effect from the beginning of the period. These percentages have been determined based on the average market volatility in interest rates, using standard deviation, in the previous 12 months estimated at 95% level of confidence.

The sensitivity analysis is based on the Group's financial instruments held at September 30, 2022 and December 31, 2021, with effect estimated from the beginning of the period. All other variables held constant, the consolidated profit before tax would have increased by P0.1 billion for the nine-month period ended September 30, 2022, and P0.2 billion for the year ended December 31, 2021. 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 significantly 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 and cash equivalents in banks in the Philippines are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 per depositor per banking institution. The credit risk for cash and cash equivalents are considered negligible since the counterparties are reputable banks with high quality external credit ratings.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due (age buckets). The other receivables relate to receivables from both third and related parties other than trade receivables and have substantially the same risk characteristics as the trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the other receivables.

The expected loss rates are based on the payment profiles of sales. Further, the historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group identifies headline inflation rate and bank lending rate to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

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

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

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

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

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Not more than 30 days	**P 2,759,145,939**	P 3,008,898,748
31 to 60 days	**916,416,442**	960,552,139
Over 60 days	**4,555,685,573**	4,604,130,704
	P 8,231,247,954	P 8,573,581,591

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 nine-month and one-year period are identified monthly. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of loans, bonds, and preferred shares.

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

As of September 30, 2022, 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 57,929,915,103	P 11,136,999,588	P -	P -
Interest-bearing loans	33,486,906,023	16,767,529,796	122,124,684,107	9,000,123,833
Bonds payable	7,727,711,906	7,727,711,907	35,077,232,750	-
Advances from related parties	-	1,309,546,395	-	-
Redeemable preferred shares	-	251,597,580	1,493,195,448	-
Subscription payable	-	1,114,665,008	-	-
Security deposits	15,970,174	10,804,136	278,109,038	274,167,264
Accrued rent	-	-	10,039,717	-
Derivative liabilities	535,028,775	-	-	-
Other liabilities	-	2,049,156,059	13,872,687,942	-
	P 99,695,531,981	**P 40,368,010,469**	**P172,855,949,002**	**P 9,274,291,097**

As of December 31, 2021, 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 51,709,577,951	P 10,853,593,926	P -	P -
Interest-bearing loans	56,262,294,141	25,601,805,195	89,849,826,309	10,235,411,126
Bonds payable	923,161,125	923,161,125	28,001,900,250	17,506,119,750
Advances from related parties	-	2,469,533,312	-	-
Redeemable preferred shares	104,259,120	355,856,700	1,365,641,108	-
Subscription payable	-	1,114,665,008	-	-
Guaranty deposits	-	50,613,498	98,056,158	487,325,361
Accrued rent	1,335,701	1,335,701	8,267,316	-
Derivative liabilities	743,688,137	10,743,048	10,229,777	-
Other liabilities	-	2,632,525,561	13,864,779,355	-
	P109,744,316,175	**P 44,013,833,074**	**P133,198,700,273**	**P 28,228,856,237**

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

11.4 Other Price Risk Sensitivity

The Group's market price risk arises from its investments carried at fair value. It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

For equity securities listed in the Philippines, the observed volatility rates of the fair values of the Group's investments held at fair value and their impact on the equity as of September 30, 2022 and December 31, 2021 are summarized in the succeeding page.

	Observed Volatility Rates		Impact on Equity	
	Increase	**Decrease**	**Increase**	**Decrease**
2022 - Investment in quoted equity securities at:				
FVOCI	**+40.90%**	**-40.90%**	**P 23,576,776**	**(P 23,576,776)**
FVTPL	**+40.90%**	**-40.90%**	**1,392,176,943**	**(1,392,176,943)**
2021 - Investment in quoted equity securities at:				
FVOCI	+37.05%	-37.05%	P 20,266,652	(P 20,266,652)
FVTPL	+37.05%	-37.05%	P1,629,039,658	(1,629,039,658)

The maximum additional estimated gain or loss in 2022 and 2021 is to the extent of the carrying value of the securities held as of these reporting dates with all other variables held constant. The estimated change in quoted market price is computed based on volatility of listed companies at the PSE for the past nine months in 2022 and 12 months in 2021, 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 and in the succeeding page.

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial Assets				
Financial assets at amortized cost:				
Cash and cash equivalents	**P 71,876,039,939**	**P 71,876,039,939**	P 82,278,122,848	P 82,278,122,848
Trade and other receivables	**90,433,080,948**	**90,898,907,907**	68,193,398,557	65,798,626,444
Other financial assets	**4,892,895,831**	**4,766,570,458**	5,659,013,693	5,700,240,293
	P 167,202,016,718	**P 167,541,518,304**	P156,130,535,098	P 153,776,989,585
Financial assets at FVTPL – Marketable debt and equity securities	**P 15,210,168,752**	**P 15,210,168,752**	P 13,512,733,032	P 13,512,733,032
Financial assets at FVOCI – Equity securities	**P 361,247,876**	**P 361,247,876**	P 420,870,489	P 420,870,489
Financial Liabilities				
Financial liabilities at FVTPL – Derivative liabilities	**P 535,028,775**	**P 535,028,775**	P 736,958,819	P 736,958,819
Financial liabilities at amortized cost:				
Current:				
Trade and other payables	**P 68,386,418,576**	**P 68,386,418,576**	P 62,415,511,836	P 62,415,511,836
Interest-bearing loans	**46,027,537,563**	**45,955,492,058**	80,303,949,739	79,406,537,853
Bonds payable	**14,720,708,107**	**14,559,280,935**	-	-
Lease liabilities	**1,313,882,341**	**1,313,882,341**	1,309,447,535	1,309,447,535
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
Advances from related parties	**1,309,546,395**	**1,309,546,395**	2,469,533,312	2,469,533,312
Commission payable	**2,049,156,059**	**2,049,156,059**	2,632,525,561	2,632,525,561
	P 134,921,914,049	**P 134,668,441,372**	P 150,497,230,571	P149,599,818,685

	September 30, 2022 (Unaudited)		December 31, 2021 (Audited)	
	Carrying Values	**Fair Values**	Carrying Values	Fair Values
Financial liabilities at amortized cost:				
Non-current:				
Bonds payable	**P 32,144,845,926**	**P 31,792,345,793**	P 41,982,042,246	P 42,567,948,736
Interest-bearing loans	**126,799,319,289**	**122,323,684,145**	93,108,742,222	88,973,326,321
Lease liabilities	**15,186,920,606**	**15,186,920,606**	15,336,726,680	15,336,726,680
Casino deposit certificates	**10,048,277,856**	**10,048,277,856**	10,048,277,856	10,048,277,856
Redeemable preferred shares	**1,493,195,448**	**1,532,665,461**	1,365,641,108	1,637,560,105
Retention payable	**3,348,051,884**	**3,348,051,884**	3,289,211,913	3,289,211,913
Security deposits	**838,287,047**	**773,925,380**	809,239,196	854,594,866
Accrued rent	**3,646,654**	**3,646,654**	10,039,717	10,039,717
	P 189,862,544,710	**P 185,009,517,779**	P165,949,920,938	P 162,717,686,194

13. FAIR VALUE MEASUREMENT AND DISCLOSURES

13.1 Fair Value Hierarchy

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

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

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

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

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

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

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

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

13.2 Financial Instruments Measured at Fair Value

The table below shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of September 30, 2022 and December 31, 2021.

	September 30, 2022 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Financial assets at FVTPL – Debt and equity securities	P 15,210,168,752	P -	P -	P 15,210,168,752
Financial assets at FVOCI – Equity securities	57,644,930	166,700,000	136,902,946	361,247,876
	P 15,267,813,682	**P 166,700,000**	**P 136,902,946**	**P 15,571,416,628**
Financial liabilities:				
Financial liability at FVTPL – Derivative liabilities	**P -**	**P 535,028,775**	**P -**	**P 535,028,775**

	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL – Debt and equity securities	P 13,512,733,032	P -	P -	P 13,512,733,032
Financial assets at FVOCI – Equity securities	54,700,815	149,600,000	216,569,674	420,870,489
	P 13,567,433,847	P 149,600,000	P 216,569,674	P 13,933,603,521
Financial liabilities:				
Financial liability at FVTPL – Derivative liabilities	P -	P 736,958,819	P -	P 736,958,819

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

The table below and in the succeeding page shows the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of September 30, 2022 and December 31, 2021.

	September 30, 2022 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash and cash equivalents	P 71,876,039,939	P -	P -	P 71,876,039,939
Trade and other receivables	-	38,575,882	90,860,332,025	90,898,907,907
Other financial assets	3,083,153,634	-	1,683,416,824	4,766,570,458
	P 74,959,193,573	**P 38,575,882**	**P 92,543,748,849**	**P 167,541,518,304**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 68,386,418,576	P 68,386,418,576
Interest-bearing loans	-	-	45,955,492,058	45,955,492,058
Subscription payable	-	-	1,114,665,008	1,114,665,008
Bonds Payable	14,559,280,935	-	-	14,559,280,935
Redeemable preferred shares	-	-	-	-
ELS	-	-	-	-
Lease liabilities	-	-	1,313,882,341	1,313,882,341
Commission payable	-	-	2,049,156,059	2,049,156,059
Due to related parties	-	-	1,309,546,395	1,309,546,395
Balance carried forward	P 14,559,280,935	P -	P120,129,160,437	P 134,688,441,372

	September 30, 2022 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Total**
Balance brought forward	P 14,559,280,935	P -	P120,375,621,544	P 134,934,902,479
Non-current:				
Bonds payable	31,792,345,793	-	-	31,792,345,793
Interest-bearing loans	-	-	122,323,684,145	122,323,684,145
Redeemable preferred shares	-	-	1,532,665,461	1,532,665,461
Lease liabilities	-	-	15,186,920,606	15,186,920,606
Retention payable	-	-	3,348,051,884	3,348,051,884
Security deposits	-	-	773,925,380	773,925,380
Casino deposit certificates	-	-	10,048,277,856	10,048,277,856
Accrued rent	-	-	3,646,654	3,646,654
	P 46,351,626,728	**P -**	**P273,346,332,423**	**P 319,697,959,151**

	December 31, 2021 (Audited)			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and cash equivalents	P 82,278,122,848	P -	P -	P 82,278,122,848
Trade and other receivables	-	62,214,193	65,736,412,251	65,798,626,444
Other financial assets	3,086,649,157	-	2,613,591,136	5,700,240,293
	P 85,364,772,005	**P 62,214,193**	**P 68,350,003,387**	**P 153,776,989,585**
Financial liabilities:				
Current:				
Trade and other payables	P -	P -	P 62,415,511,836	P 62,415,511,836
Interest-bearing loans	-	-	79,406,537,853	79,406,537,853
Lease liabilities	-	-	1,309,447,535	1,309,447,535
Subscription payable	-	-	1,114,665,008	1,114,665,008
Advances from related parties	-	-	2,469,533,312	2,469,533,312
Redeemable preferred shares	-	-	251,597,580	251,597,580
Commission payable	-	-	2,632,525,561	2,632,525,561
Non-current:				
Bonds payable	42,567,948,736	-	-	42,567,948,736
Lease Liabilities	-	-	15,336,726,680	15,336,726,680
Interest-bearing loans	-	-	88,973,326,321	88,973,326,321
Redeemable preferred shares	-	-	1,637,560,105	1,637,560,105
Retention payable	-	-	3,289,211,913	3,289,211,913
Security deposits	-	-	854,594,866	854,594,866
Casino deposit certificates	-	-	10,048,277,856	10,048,277,856
Accrued rent	-	-	10,039,717	10,039,717
	P 42,567,948,736	**P -**	**P269,749,556,143**	**P 312,317.504.879**

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

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

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

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

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

As of September 30, 2022, the fair value of the Group's investment property amounting to P562.7 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 periods presented.

	September 30, 2022 (Unaudited)	December 31, 2021 (Audited)
Total liabilities	**P 377,274,516,566**	P 368,737,306,684
Total equity	**349,075,374,233**	335,222,638,790
Liabilities-to-equity ratio	**P 1.08:1.00**	1.10:1.00

15. OTHER MATTERS

15.1 Continuing Impact of COVID-19

The COVID-19 pandemic which put the Philippines in a state of calamity is continuing globally as of date of this report, with new variants of the virus coming out and causing upsurges and re-imposition of restrictions in countries so affected at varying degrees during the interim period. At all times, public safety protocols are in place.

As of date of this report, business establishments in Metro Manila and other key areas are allowed 100% operations and public transportation at full-seating capacity; while 32 out of 121 provinces are still under stricter restrictions. In UK, physical distancing and screens ended in September.

15.2 Seasonality

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

ALLIANCE GLOBAL GROUP, INC. AND SUBSIDIARIES
AGING SCHEDULE OF CURRENT TRADE AND OTHER RECEIVABLES
September 30, 2022
(Amounts in Philippine Pesos)

Current	P	63,156,092,633
1 to 30 days		2,759,145,939
31 to 60 days		916,416,442
Over 60 days		4,555,685,573
Total		71,387,340,587
Due from other related parties		1,124,211,196
Balance as at September 30, 2022	**P**	**72,511,551,783**