



ALLIANCE GLOBAL GROUP, INC.  
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19 April 2007

**Philippine Stock Exchange, Inc.  
Disclosure Department**

4<sup>th</sup> Floor, Philippine Stock Exchange Center  
Exchange Road, Ortigas Center, Pasig City

Attn: **Atty. Roy Joseph M. Rafols**  
*Head, Issuer Regulation Division*

**Mr. Rob P. Noguera**  
*Specialist*

Re: **Alliance Global Group, Inc. (AGI)**

Gentlemen:

We reply to your letter dated April 16, 2007, received via ODiSy on the same date, requesting for additional information on the acquisition by AGI of Emperador Distillers, Inc. (EDI) and the share swap of AGI shares with shares of Megaworld Corporation (MEG).

Please be informed that:

**A. On the Acquisition by AGI of EDI**

1. EDI purchased from Consolidated Distillers of the Far East, Inc. (CDFEI) for the total purchase price of ₱1,991,500,000, inclusive of 12% VAT, assets necessary and related to the brandy bottling operations consisting of land, fixed assets, security deposit, inventories, and trademarks. As of 31 March 2007, EDI had paid to CDFEI the full amount of the total purchase price.

2. The Board of Directors of AGI approved the acquisition of EDI shares at a meeting held on 16 February 2007. The directors who attended this meeting and their vote on the EDI transaction were as follows:

Andrew L. Tan – Abstain  
George T. Yang – Approve  
Danilo M. Utanes – Approve  
Renato M. Piezas – Approve  
Cherryll L. Yu – Approve  
Winston S. Co – Approve  
Alejo L. Villanueva, Jr. – Approve

### **B. Share swap of AGI shares with MEG shares**

1. The Board of Directors of AGI approved the share swap at a meeting held on 16 February 2007. The directors who attended this meeting and their vote on the aforementioned transaction were as follows:

Andrew L. Tan – Abstain  
George T. Yang – Approve  
Danilo M. Utanes – Approve  
Renato M. Piezas – Approve  
Cherryll L. Yu – Approve  
Winston S. Co – Approve  
Alejo L. Villanueva, Jr. – Approve

2. Regarding the transaction date involving the AGI shares acquired by Mr. Andrew L. Tan, we wish to clarify to the Exchange that the transaction date “FEB 07” in his SEC Form 23-B means “February 2007” and not “February 7, 2007” as interpreted by the Exchange. Please note that based on the documents we have already submitted, the transaction date for these shares is similar to the other shares acquired from The Andresons Group, Inc. and Yorkshire Holdings, Inc., which is 20 February 2007\*. The number “20” was inadvertently omitted from the Form 23-B filed with the Securities and Exchange Commission and with the Exchange. [\*The Deed of Exchange (previously submitted) was subject to the issuance of a BIR ruling confirming the tax-free nature of the exchange of shares, which ruling was obtained on 20 February 2007.]

Also, AGI wishes to clarify that the change in the shareholdings of Mr. Tan was reported via ODiSy on 27 February 2007, that is within 5 trading days from the date of acquisition on 20 February 2007. The aforementioned disclosure was approved by ODiSy on 27 February 2007 at 11:12a.m. with reference number WLIST\_2007000003219.

3. Finally, AGI wishes to clarify that the ₱1.00 par value is not the basis for the acquisition of the AGI shares subject of the MEG share swap but this only represents the par value of the AGI shares. Instead, as stated by AGI in its previous report to the Exchange, the AGI shares subject of the share swap were valued at a 6% premium over

the 30-day volume weighted average of AGI shares prior to 16 February 2007, the date the transaction was approved by the Board of AGI.

Attached are the following documents you required:

1. Sworn Secretary's Certificate on Board Resolution approving the acquisition by AGI of EDI shares;
2. Copy of 2006 Audited Financial Statements of EDI;
3. Copy of 2004 to 2006 Audited Financial Statements of CDFEI; and
4. Sworn Secretary's Certificate on Board Resolution approving the acquisition by AGI of 5.25 Billion common shares of MEG in exchange for 4.06 Billion common shares of AGI.

We trust the foregoing have clarified the matters raised in your letter.

Thank you very much.

Very truly yours,



**Dina D. Inting**  
*FVP-Finance*