

**MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS OF  
ALLIANCE GLOBAL GROUP, INC.**

**5 October 2010**

Grand Ballroom, Ground Floor, Marriott Hotel Manila, 10 Newport  
Avenue, Newport City Complex, Pasay City

**I. CALL TO ORDER**

The presiding officer, Mr. **KINGSON U. SIAN**, called the meeting to order at 9:45 a.m.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Corporate Secretary, **DOMINIC V. ISBERTO**, informed the body that, based on the certification of the Corporation's stock transfer agent, all notices of the Annual Meeting had been sent to all stockholders of the Corporation as of 27 August 2010 the record date of the Annual Meeting. The Corporate Secretary likewise certified that there existed a quorum for the transaction of business for the Annual Meeting, there being present, as of 8:45 a.m., stockholders holding 7,675,749,573 shares of common stock of the Corporation representing 78.97% of the subscribed and outstanding capital stock of the Corporation.

**III. APPROVAL OF MINUTES OF PREVIOUS ANNUAL MEETING**

Upon motion made and duly seconded, the reading of the Minutes of the Annual Stockholders' Meeting held last 5 October 2010 was dispensed with as copies thereof had earlier been furnished to all stockholders of record of the Company. Thereafter, upon motion made and duly seconded, the Minutes of the Annual Stockholders' Meeting held last 5 October 2010 were approved.

**IV. REPORT OF MANAGEMENT**

The Chairman of the Board, Mr. **ANDREW L. TAN**, delivered the management report for the year 2010:

It is an understatement to say that the year 2009 was one of the toughest in recent times. As the country continued to plod through a global financial crisis, higher inflation rates, unstable world oil prices, a couple of super typhoons and extreme weather conditions further battered an already weakened economy.

And so it was in 2009 that the Philippine economy grew by barely a percent in Gross Domestic Product (GDP), the country's slowest growth rate in over a decade, much lower than the 4.6% GDP growth the previous year. On a positive note, the Philippines weathered the global recession much better than its neighbors in the region, owing to its lower dependence on exports, a thriving business process outsourcing (BPO) industry, and stable domestic consumption fueled by remittances from millions of overseas Filipino workers.

Despite the challenges brought about by the previous year, your Company, Alliance Global Group, Inc. (AGI), came out stronger and better than ever- outdoing its already fine performance in the previous year. Our three major business segments-real estate through Megaworld Corporation (Megaworld); food and beverage through Emperador Distillers, Inc. (EDI) and quick service restaurants through Golden Arches Development Corporation (GADC), the master franchise holder of McDonald's in the Philippines-all did their share in spurring AGI's impressive growth for the year by turning in strong sales performances in their respective areas.

Thus, in 2009, AGI's total revenues grew by 7.6% to P38.8 billion from P36.1 billion in 2008. The increase in revenues was primarily due to the 7.1% growth in sales of consumer goods, a 35.9% growth in the rendering of services, and 69.7% increase in realized gross profit on the previous year's real estate sales. The real estate segment contributed 46% to total revenues, QSR contributed 25%, and food and beverage segment contributed another 16%.

AGI ended 2009 with a consolidated net income of P6.8 billion, up 11.5% from the P6.1 billion net income in the previous year. Net income after non controlling interest went up 22.7% from P3.9 billion in 2008 to P4.8 billion at end-2009.

Continuing its credible performance in 2009, your company ended the first half of 2010 with total revenues of P21.3 billion, 22% higher than the P17.4 billion registered during the same six-month period one year ago. Consolidated net income, in turn, amounted to P4.8 billion or an increase of 36% from the previous year's P3.6 billion. Net income attributable to shareholders rose to P3.7 billion, 43% higher than the P2.6 billion posted in the first half of 2009.

Indeed 2009 and the first half of 2010 have been truly productive for AGI. The fact that your Company thrived during these challenging times is testament to the effective and efficient business strategy that our management has been implementing through the years. Specifically, our initial investment in the development of integrated tourism resorts through Travellers International Hotel Group, Inc. (Travellers International) has served us well. Our foray into tourism and gaming allowed your Company to expand its horizons and tap new areas of business, which we envision will help us grow by adding strength and better stability to an already formidable company.

When we entered into a joint venture in 2008 with Genting Hong Kong Limited to build the country's first integrated tourism estate in Newport City called Resorts World Manila, we knew that this investment would not only stimulate tourism in the country but would also spur AGI's continued growth in the years to come.

Apart from Resorts World Manila, Travellers International will also develop a larger integrated tourism estate called Resorts World Bayshore City, envisioned as a themed development with around 2,500 hotel rooms and several leisure, retail, and entertainment facilities. We are also excited by the prospects that this projects will offer. Not only will it create more than 100,000 direct and indirect jobs for Filipinos, but it will also further enhance the country's tourism industry and open doors for more business opportunities for your Company.

Our three major business units, in turn have been holding their own in their respective areas. Megaworld continues to be leading middle-income residential developer and BPO office developer and landlord in the country and has been continually creating integrated mega-communities following the live-work-play-learn development concept. EDI, for its part, has been enjoying brisk sales on the crest of the growing demand for its new product called The Bar. GADC, in turn, has been continuing its expansion program by opening new McDonald's outlets and re-imaging a few restaurants.

Considering our achievements in 2009 and the first half of 2010, we are proud to say that all our business strategies have been working well. While we expect the markets to be even more competitive in the years to come, the strength of our brands and the prudence we exercise in marketing and financial decision-making will help us create long-term value for the benefit of our customers and shareholders.

## V. OPEN FORUM

Question 1: The Company has recently raised US\$500 million for the bond market, can you provide details from the use of its proceeds?

Mr. Sian: Yes, as you know, we have successfully raised US\$500 million from the bond market. It is a seven year term and this will be use to working capital as well. We are looking forward to expand all our businesses like the liquor business launching its new products and need to expand our production facilities. The funds will also be used clearly to look for available opportunities in the market and that will put us in a great position in the business opportunities. The strength of our company's balance sheet underscores that we will continue to be able to sustain growth in our business going forever.

Question 2: I would like to congratulate the management for doing good job because of the recent stock prices and that there are cash dividends for this year and next year What more can we expect from the Company?

Mr. Sian: Well as they say, the best has yet to come. Yes, our stock prices perform quite a lot. We believe that we should be able to sustain this momentum as we blade a very strong foundation for all our businesses. AGI businesses are focused on the strength of the Filipino family which is consumer. Consumer companies like McDo and liquor which are leading is on our full like Emperador Distillers, Inc., the number 1 largest liquor company in the Philippines. We are also focused on BPO Sector and

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we are the pioneer. We continue the largest developer of our office space and landlord. We have identified tourism also as another growth area. We are leading the change and creating new ways of attracting tourist in the Philippines. I think with that, we expect that a full year for this year, we should have at least 38% growth in our net income compared last year and next year we will be able to sustain this growth and it goes well with our shareholders.

Question 3: The Bar has been very successful with its launch. I am a big fan myself. Will there be any new flavor to the bar?

Mr. Sian: Yes, the beauty with the Bar is that since it is a clear spirit you can add different flavors that brand the bar. You can extend its product life indefinitely so we have 4 variants right now and continue to launch new variants and it is a very successful product. We will continue to introduce new variants going forward.

#### VI. APPOINTMENT OF INDEPENDENT AUDITORS

Upon motion made and duly seconded, the stockholders approved the following resolution: ***"RESOLVED, that the Punongbayan and Araullo be appointed as the independent auditors of the Corporation for the year 2009."***

#### VII. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE YEAR 2009

Upon motion made and duly seconded, the stockholders approved the following resolution: ***"RESOLVED, that all acts of the Board of Directors and Management for the year 2009 be ratified."***

#### VIII. ELECTION OF DIRECTORS

Upon motion made and duly seconded, the following were nominated to the Board of Directors: **Andrew L. Tan, Kingson U. Sian, Winston S. Co, Katherine L. Tan, Renato M. Piezas, and Sergio R. Ortiz-Luis, Jr., Alejo L. Villanueva, Jr.** as the independent directors.

Upon motion made and duly seconded, the Presiding Officer declared the nominations closed. Since there were only seven nominees to the Board, the Presiding Officer declared all seven nominees elected as directors.

#### IX. ADJOURNMENT

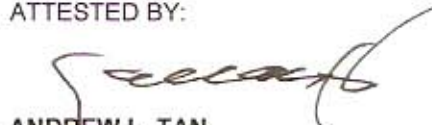
The meeting was adjourned at 10:30 A.M.

CERTIFIED CORRECT:



**DOMINIC V. ISBERTO**  
Corporate Secretary

ATTESTED BY:



**ANDREW L. TAN**  
Chairman