

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

**17 September 2013**

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 9:50 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 13 August 2013 the record date of the Annual Meeting. The Corporate Secretary likewise certified that there exists a quorum for the transaction of business for the Annual Meeting, there being present, as of 8:45 a.m., stockholders holding 7,425,962,106 shares of common stock of the Corporation representing 72.31% 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 18 September 2012 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 18 September 2012 were approved.

**IV. REPORT OF MANAGEMENT**

The Chairman of the Board, Mr. **ANDREW L. TAN**, delivered the management report for the year 2013:

The year 2012 was a favorable one not only for your Company but for the Philippines as a whole. The year saw the Philippine's GDP growing by 6.6%, on the back of the active trade, services, real estate, and construction sectors, even exceeding expectations of economists and market analysts.

Contributing to the country's sterling economic growth, AGI continues to improve on past record performances. Our major business segments—real estate through Megaworld Corporation (Megaworld) and Global- Estate Resorts, Inc. (GERI); food and beverage through Emperador Distillers, Inc. (EDI); quick-service restaurants through Golden Arches Development Corporation (GADC), which holds the local franchise for McDonald's fast-food restaurants; and tourism entertainment and gaming through Travellers International Hotel Group, Inc. (Travellers International)—all turned in exceptional figures for the year.

Our total revenues grew by a record 63.1% to P102.72 billion in 2012 from P62.97 billion the previous year, primarily due to revenues contributed by Resorts World Manila which amounted to P32.5 billion. Also contributing substantially to our revenue growth are the 17% growth in the sale of goods such as consumer products and real estate and the 220% increase in the rendering of services due to revenues added from Travellers.

With the consolidation of Travellers in 2012, AGI's tourism entertainment and gaming business became the biggest contributor to total revenues for the year, putting in 31.6%. The real estate business, through Megaworld, was the second highest contributor with 26.8%. This was followed by EDI's food and beverage business with 23%, and GADC's quick-service restaurant business with 13.6%.

Our net income increased by 76% to P20.5 billion in 2012 from P11.6 billion the previous year, before the P3.1 billion non-recurring income from the acquisition of a subsidiary. The portion attributable to owners of the parent company grew by 64% to P13.9 billion from P8.5 billion in 2011, propelled by the strong results from our real estate, tourism-entertainment and gaming, and food and beverage segments.



As the biggest contributor to our bottom line in 2012, Travellers turned in an impressive performance for the year. Travellers' flagship project, Resorts World Manila, registered an average foot traffic of 17,200 per day and a total of 6.3 million visits by the year end, a 4% increase from 2011 figures. The increase in foot traffic was due to a series of new promotional events and services and the production of the award-winning musical The King and I. Moreover, Resorts World Manila's membership reached 1.7 million by end-2012.

On the other hand, Megaworld continued to lead the real estate industry as it sold more than 12,000 residential units worth roughly P63.5 billion in 2012, maintaining its distinction as the biggest residential developer in the country. The company launched 11 new projects for the year while continuing its work on existing ones. Prior to the consolidation of Travellers, Megaworld had consistently been our best achiever and our biggest revenue contributor. Megaworld's share in the achievement of our financial objectives for 2012, however, remains substantial.

EDI remained a strong player in the local distilled spirits industry as Emperador Brandy and The BaR flavored alcoholic drinks continued to benefit from continuously growing customer patronage. The demand for Emperador Light also remained very strong. In 2012 alone, Emperador sold 31 million cases, making it the 2nd largest consumed brand spirit globally and the world's largest-selling brandy.

EDI expanded its production capacity and technical capabilities through the acquisition of the Sta. Rosa plant of Diageo Philippines Inc. that increased the total bottling capacity of the company by about 20%. This acquisition helps boost the company's competitiveness in promoting Emperador as a strong global brand.

In turn, GADC continued its strong showing in the quick-service restaurant business as its revenues substantially grew. As in previous years, the company owed its revenue growth to the opening of new McDonald's company-owned and franchised restaurants.

GERI, our newest subsidiary, is now deep into the development of two major projects—Boracay Newcoast and Twin Lakes. We have allotted a total of P20 billion for these two flagship projects which will feature integrated master-planned layouts that include world-class resorts and first-rate facilities and amenities. Moreover, through GERI, we will be developing over 1,300 hectares of prime land in Boracay, Tagaytay and Nasugbu, Batangas into world-class tourism estates.

Taking into account everything that happened in 2012, I am happy and proud to say that your Company outdid itself again, and in grand fashion. Our efforts in building strong brands that will weather any kind of economic storm or take advantage of beneficial socio-economic climates paid off quite well.

In the face of unpredictable global economic conditions, we remain upbeat on our prospects for continued growth and increased profitability. Allow me to assure you that we will not rest on our laurels but will continually aspire to outdo ourselves every single year. We are committed to do even better than before, and to reach greater levels of achievement in the spirit of excellence.

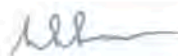
## V. OPEN FORUM

Question 1: What is the transaction among AGI, TSI, and EDI about?

Mr. Sian: AGI among other investors and Touch Solutions, Inc (TSI), have agreed that AGI and other investors will subscribe to an aggregate of up to 15 billion shares of TSI at par value, to be issued out of the proposed increase in the authorized capital stock of TSI. As part of the transaction, AGI will transfer, and TSI will receive, shares of Emperador Distillers, Inc. The transaction is subject to the required regulatory approvals. The Philippine Stock Exchange deems that the above-mentioned transactions and corporate actions are covered by the PSE's rules on backdoor listing.

Question 2: What is the latest development on the planned IPO of Travellers International?

Mr. Sian: The IPO has been deferred indefinitely due to market volatility. We are not pressured; we are waiting for the right timing.



Question 3: Why is AGI subscribing to Megaworld Corporation shares for a total investment of PHP10.725B?

Mr. Sian: AGI believes that Megaworld Corporation is undervalued and we remain confident about the growth prospects of the real estate sector.

**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 2012."*

**VII. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT FOR THE YEAR 2012**

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 2012 be ratified."*

**VIII. ELECTION OF DIRECTORS**

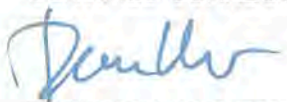
Upon motion made and duly seconded, the following were nominated to the Board of Directors: Andrew L. Tan, Kingson U. Sian, Winston S. Co, Katherine L. Tan, Kevin Andrew L. Tan, and Sergio R. Ortiz-Luis, Jr., Alejo L. Villanueva, Jr. as the independent directors.

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 11:30 A.M. 

CERTIFIED CORRECT:



**DOMINIC V. ISBERTO**  
Corporate Secretary

ATTESTED BY:



**ANDREW L. TAN**  
Chairman