

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

06 August 2020

Conducted virtually via <https://www.allianceglobalinc.com/asm2020/>

**I. CALL TO ORDER**

The President, Mr. Kingson U. Sian, welcomed the stockholders to the meeting. He then turned over the floor to the Chief Executive Officer, Mr. Kevin Andrew L. Tan, who was designated as the Presiding Officer of the meeting. Thereafter, the Presiding Officer called the meeting to order at 9:08 a.m. The Corporate Secretary, Atty. Alan B. Quintana recorded the proceedings of the meeting.

**II. CERTIFICATION OF NOTICE AND QUORUM**

The Presiding Officer stated that the Corporation decided to hold this year's Annual Stockholders' Meeting (the "Meeting") by live streaming to conform with the government's regulation on social distancing and prohibition on mass gatherings. The Corporation adopted measures to afford the stockholders the opportunity to participate in the Meeting as effectively as a physical meeting.

The Corporate Secretary certified that all stockholders of record as of 16 July 2020 have been duly notified of the Meeting pursuant to the Corporation's By-Laws and applicable Securities and Exchange Commission ("SEC") Circulars. Copies of the Notice of the Annual Meeting, the Agenda, and the Definitive Information Statement were made available through the Corporation's website and the Philippine Stock Exchange Electronic Disclosure Generation Technology or PSE EDGE. Notice of the Annual Meeting was also published in The Manila Times and Manila Bulletin on 15 July 2020, and Manila Bulletin and The Philippine Star on 16 July 2020. The Corporate Secretary also certified that there exists a quorum to transact the business in the agenda for the Meeting, there being present in person or represented by proxy stockholders holding 82.84% of the entire subscribed and outstanding capital stock of the Corporation.

The Corporate Secretary certified that only stockholders who have successfully registered may participate in the Meeting. Moreover, he explained the Procedures for Registration, Voting and Participation in the Meeting which were contained in the Definitive Information Statement and implemented as follows: (i) stockholders signifying their intention to participate by remote communication have registered by submitting the requirements by email to the Corporate Secretary; (ii) stockholders who have registered have sent their questions and/or comments prior to the Meeting through email at [corporatesecretary@allianceglobalinc.com](mailto:corporatesecretary@allianceglobalinc.com) until 6:00 p.m. of August 03, 2020. Some questions or comments received would be taken up after the report of the Management for the year 2019; (iii) the resolutions proposed to be adopted at the Meeting will be shown on the screen; (iv) stockholders who have duly registered to participate by remote communication have casted their votes by proxy or in absentia by sending their accomplished ballots by email to the Corporate Secretary until 6:00 p.m. of July 30, 2020; and (v) the Office of the Corporate Secretary has tabulated all valid and confirmed votes cast through electronic voting, together with the votes through proxies, and the voting results will be announced during the Meeting and reflected in the minutes of the Meeting.

**III. APPROVAL OF MINUTES OF ANNUAL MEETING OF STOCKHOLDERS HELD ON 20 JUNE 2019**

The Presiding Officer then proceeded with the approval of the minutes of the annual stockholders' meeting held on June 20, 2019, and informed the stockholders that the copy of the minutes of the 2019 Annual Meeting have been made available through the Corporation's website.

The Corporate Secretary announced that 100% of the voting shares represented in the Meeting have voted in favor of the approval of the minutes of the annual stockholders' meeting held on June 20, 2019. Therefore, the Presiding Officer declared that the following resolution has been approved:

**“RESOLVED, to approve the minutes of the Annual Stockholders’ Meeting held on 20 June 2019.”**

#### **IV. ANNUAL REPORT OF MANAGEMENT**

The Presiding Officer then turned the floor over to the Chairman, Dr. Andrew L. Tan, who delivered the Chairman’s Message as follows:

*The need to adapt to the demands of an ever-changing business landscape has never been more pronounced than in recent time. In an age where innovation is the norm, future-proofing our business is an invaluable task.*

*Adapting to change is not new to Alliance Global Group, Inc. (AGI), as we have always been constantly transforming the way we do business through the years as we keep pace with advances in technology while innovating our operations and making them future-ready. And as our stakeholders continuously look for more, we must harness our dynamism to give ourselves better footing to meet any hurdle we face.*

*The year 2019 was equally challenging and fruitful for AGI and I am proud to report that we were able to sustain our growth during the year and exceed even the most demanding of expectations. In fact, our creditable performance in 2019 was what truly prepared us for the unprecedented challenges the following year would bring.*

*In 2019, our subsidiaries continued to be at the forefront of their respective industries. Their strong performance allowed us to finish the year with unparalleled consolidated revenues of P180 billion and net income of P27.1 billion. Attributable profit grew sharply by 17% to P17.7 billion from P15.1 billion the year before.*

*Our sustained expansion program, our project innovations across all our business segments, and our prudent financial management all contributed to this strong finish for the group.*

*Megaworld Corporation, which celebrated its 30th year of operations in 2019, has maintained its standing as the country’s leading developer of integrated urban townships and the largest office developer and landlord. It ended the year with a record attributable profit of P17.9 billion, up by 18 % from 2018’s P15.2 billion, as consolidated revenues went up sharply from P57.4 billion the previous year to P67.3 billion in 2019.*

*Guided by a new vision statement that says, “We uplift lives, impact society, and help shape the nation,” Megaworld launched 15 new residential projects and completed four office developments during the year. Most of these new projects are in the provinces, such as Bacolod, Cavite, Rizal and Pampanga, and are in line with our ongoing thrust to aggressively expand Megaworld’s property development into key cities outside of the National Capital Region.*

*We are also deep into amplifying Megaworld’s digital transformation initiatives by developing residential projects that feature smart homes, smart locks, and the Internet of Things which allows houses and appliances to be connected and operated remotely.*

*In terms of office space, Megaworld registered record numbers in leased areas and revenue gains for the year. Office rental income grew 20% in 2019, contributing P10.5 billion to the group’s consolidated revenues for the year.*

*In line with our efforts to support the development of business districts in key provincial cities, Megaworld will be developing new office spaces inside the 140-hectare Maple Grove township in General Trias, Cavite. Megaworld will also be building two office*

towers inside The Upper East township in Bacolod City, the company's very first office development in Bacolod.

We will also be launching the 19-storey International Corporate Plaza, a new office tower inside the Iloilo Business Park, Iloilo's newest central business district. This will come at the heels of the new transport hubs which we recently launched and which will serve the requirements of the region's first Premium P2P service inside the township.

Our property development subsidiary also aggressively expanded its commercial retail portfolio with the opening of 11 commercial properties across its townships nationwide, covering around 54,000 square meters in gross floor area. These new projects bring the Megaworld Lifestyle Malls footprint by yearend to around 800,000 square meters nationwide. We also plan to develop five new lifestyle malls in key provincial cities in the next few years.

Travellers International's Resorts World Manila continues to be the country's most expansive integrated leisure and entertainment resort. In 2019, it registered P945 million in attributable profit and P27.6 billion in gross gaming revenues, 38% higher than that of the previous year despite the highly competitive environment.

Tourism has always been an important industry for the Philippines as it continues to drive economic growth while supporting millions of jobs for Filipinos. For our part, we have constantly aligned ourselves with the developments in the country's hospitality sector through Megaworld and Travellers which, on a combined basis, offer almost 6,200 rooms to our guests.

In 2019, Megaworld opened three new hotels – the 93-room Hotel Lucky Chinatown in Binondo, the 442-room Belmont Hotel in Boracay, and the 547-room Savoy Hotel in Mactan, Cebu. By the end of 2019, Megaworld has already opened five homegrown brands: Richmonde Hotels, Belmont Hotels, Savoy Hotels, Twin Lakes Hotel, and Hotel Lucky Chinatown. The company plans to open more homegrown hotel brands in Parañaque, Bacolod, Iloilo, Boracay, and Laguna in the next five years. More than that, Travellers International also threw 2019 a grand welcome as it started the year with the opening of the Sheraton Manila Hotel. The 5-star hotel, with its 12 two-story lofts, 3 dining outlets, business center, luxury spa, outdoor pool, and health club, caters to the most discerning business and leisure travelers.

I am proud to report that Emperador, Inc. continues to be the country's premier liquor company and the world's largest brandy producer, with liquor products sold in over 100 countries. Emperador registered consolidated revenues of P51.6 billion while attributable core profit reached P7 billion. The company was able to sustain its growth in international operations on the back of its premiumization and the globalization of its whisky and brandy product portfolio. Whyte and Mackay's luxury single malt whisky The Dalmore continued to lead our premium Scotch whisky business followed by Fettercairn, Tamnavulin, Jura, and Shackleton.

Our brandy portfolio is one of the best in the globe, led by the world's leading brandy by volume, Emperador, with other world-renowned liquor products like the Spanish brandies Fundador and Tres Cepas, and the popular Mexican brandy Presidente.

The highlight of the year for our spirits business, however, was the recognition of Fundador Supremo 18 of the ultra-premium "Sherry Cask Collection" by Bodegas Fundador as the world's best brandy by a panel of 400 experts at the International Wine & Spirit Competition (IWSC). Fundador Supremo 18 competed against 100 top-tier brandies from all over the world to win the IWSC Worldwide Best Brandy Award for 2019.

*Golden Arches Development Corporation (GADC) or McDonald's Philippines, a strategic partnership between AGI and the George Yang Group, continued to put up new McDonald's NXTGEN stores in 2019 and expand its roster of stores.*

*GADC closed the year with 58 new stores, bringing the local store network to 669 McDonald's stores nationwide. The company also added 123 new McDonald's NXTGEN stores in 2019, ending the year with a total of 142 next-generation branches.*

*McDonald's Philippines' continued store expansion, product and service innovations, menu updates, and marketing campaigns fueled the company's revenue growth which increased 13% to P32 billion in 2019 while net income stood at P1.9 billion.*

*In 2019, Infracorp Development Inc., the infrastructure arm of AGI and our newest subsidiary, continued to lay the groundwork for the P3.5-billion Makati-Fort Bonifacio Skytrain monorail project. We have ironed out the right-of-way matters and accomplished the bidding processes. Once completed, the Skytrain is expected to help ease traffic congestion in the metro's busiest business districts and benefit up to a hundred thousand commuters every day.*

*The early months of 2020 saw the COVID-19 pandemic impacting global business at an unprecedented pace. I am proud to note, however, that while most companies have struggled fiercely to remain operational through the health crisis, AGI has managed to survive on the back of the strength and resilience that we have patiently built through years of prudent financial and operational management.*

*These fresh challenges have also given all of us the perfect opportunity to unite for the common good, moving us to be more caring for one another and encouraging us to work closer together while creating more opportunities for everyone.*

*We at AGI did our share to help those in need. We have donated a total of P1.1 billion for various projects in support of the efforts of the government and other organizations to protect Filipinos from the further spread of the virus.*

*We gave out a P100-million donation to Project Ugnayan, which was used to distribute food vouchers to thousands of urban poor families in Metro Manila. We also donated P250 million worth of disinfectant alcohol which was distributed to various hospitals, local government units (LGUs), government agencies, and organizations throughout the country. This was on top of a P65-million contribution to various LGUs and non-government organizations for programs related to COVID-19.*

*Megaworld donated P60 million to the Philippine Red Cross for the purchase of four brand new COVID-19 test laboratories that can conduct around 10,000 tests per day. Moreover, Megaworld and the Megaworld Foundation donated P3 million worth of food and groceries for healthcare and security frontliners, and construction workers, as well as provided free transport for medical workers. Megaworld Lifestyle Malls waived its rental charges to support its retail partners.*

*In turn, Resorts World Manila and its various partners donated P125 million worth of Personal Protective Equipment (PPEs) for medical frontliners and grocery bags for poor communities in Metro Manila.*

*McDonald's Philippines' Kindness Kitchen distributed over 100,000 meals to healthcare frontliners, government workers, and urban poor families.*

*Our companies are here to provide assistance however we can as we continuously look for other ways to further extend help and support.*

*As we move forward in a uniquely challenging environment, we will continue to transform the way we do business to keep up with global developments and the ever-changing demands of clients, and to prepare for risks and crises that may come without warning.*

*But as we make incremental shifts in our operations to create added value for our customers, we will continue to further strengthen our core businesses by unlocking the potential of our employees, harnessing what technology can offer, and becoming more efficient in maximizing our businesses' diverse potential.*

*In the coming years, we will continue to build on our achievements with the firm belief that we can rely on the continued support and commitment of our stakeholders, our officers, and our employees to ensure the strength and stability of AGI and its subsidiaries so we can weather any kind of storm that we will face in the years to come.*

After the Chairman's Message, the Presiding Officer presented his pre-recorded report on the performance of the Corporation in 2019 and the outlook moving forward under the New Normal.

## **V. OPEN FORUM**

The Presiding Officer requested the Head of Investor Relations, Ms. Caroline Kabigting to read the questions and the names of the stockholders who sent them. Below is a summary of the questions and the answers that were given:

**Q (Eva Constantino):** How much are you planning to spend this year in terms of capex given the pandemic and how do you propose to fund them?

**A (Presiding Officer):** In view of the pandemic, our Group has opted for cash preservation and therefore reduced our capital expenditures ("capex") this year from an original budget of Php79B to Php42B. About Php36B of said capex will be allocated for Megaworld's residential, office and mall projects that are committed for completion this year. Another Php4B will be allocated for Travellers' capex, with the balance of Php2B spread out between Emperador and GADC. Each of our subsidiaries has always funded their respective capex, normally using internal cash with some borrowings and with no need for capital infusion from the parent.

**Q (Michael Elpedes):** When do you expect your casino operations to reopen?

**A (President):** We have made representations with the regulator, PAGCOR, to allow casino gaming to resume operations, strictly observing safety and health protocols and proper physical distancing. The sector is still awaiting a favorable response from the IATF.

**Q (Juan Carlos De Leon):** Given the impact of the pandemic on the hotel sector, are you rethinking your aggressive plans to double your hotel room capacity in the near-term?

**A (President):** We remain a firm believer of the tourism sector. At this point, however, there is a need to review our plans given that customer demands and behavior are evolving under the New Reality.

**Q (Kathrina Santos):** Will you continue with your share buyback once the program ends by September? If not, will you then resume cash dividend payment?

**A (Presiding Officer):** This is still under review by the Board. Bear in mind that, whatever our decision may be, we have the best interest of our shareholders in mind.

#### **VI. AMENDMENT OF SECTION 4 OF ARTICLE II, AND SECTIONS 3 AND 4 OF ARTICLE IV OF THE AMENDED BY-LAWS**

The Presiding Officer informed the stockholders that the next item on the agenda was the approval of the proposed amendments to Section 4, Article II, and Sections 3 and 4 of Article VII of the Amended By-Laws of the Corporation to allow the stockholders to participate and vote in the Annual Meeting through remote communication or alternative modes of communication, and to also allow members of the Board of Directors to participate and vote in the board meetings through remote communication, and that this is being submitted for approval by the stockholders.

The Corporate Secretary certified that 100% of the voting shares represented in the Meeting have voted in favor of the adoption of the resolutions amending Section 4 of Article II and Sections 3 and 4 of Article IV of the Company's By-Laws to allow the stockholders to participate and vote in the Annual Meeting through remote communication or alternative modes of communication, and to also allow members of the Board of Directors to participate and vote in the board meetings through remote communication. Therefore, the Presiding Officer declared that the following resolution has been approved:

**“RESOLVED, as endorsed by the Board of Directors, to approve the Amendments of Section 4, Article II, and Sections 3 and 4 of Article VII of the Company's Amended By-laws to allow the stockholders to participate and vote in the Annual Stockholders' Meeting through remote communication or alternative modes of communication, and also allow the Board of Directors to participate and vote in the board meetings through remote communication.”**

#### **VII. APPOINTMENT OF EXTERNAL AUDITORS**

The Presiding Officer informed the stockholders that the Board of Directors, upon recommendation of the Audit Committee, has resolved to reappoint Punongbayan & Araullo as external auditors of the Corporation for the audit of the corporation's financial statements for the year ending December 31, 2020, and that this is being submitted for approval by the stockholders.

The Corporate Secretary certified that 100% of the voting shares represented in the Meeting have voted in favor of the engagement of Punongbayan & Araullo as external auditors for the fiscal year ending December 31, 2020. Therefore, the Presiding Officer declared that the following resolution has been approved:

**“RESOLVED, to approve the appointment of PunongBayan & Araullo as the external auditor of the Corporation for the audit of the Corporation's financial statements for the year ending December 31, 2020.”**

#### **VIII. RATIFICATION OF ACTS OF THE BOARD OF DIRECTORS, BOARD COMMITTEES, AND OFFICERS**

The Presiding Officer informed the stockholders that the next item on the agenda is the ratification of all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation since the date of last year's annual stockholders' meeting held on 20 June 2019 until 06

August 2020. He informed the stockholders that a list of such acts was provided in the Definitive Information Statement made available through the Corporation's website and PSE EDGE.

The Corporate Secretary certified that that 99.91% of the voting shares represented in the Meeting have voted in favor of the ratification all acts and resolutions of the Board of Directors, Board Committees and Officers of the Corporation, which were duly adopted in the ordinary course of business since the date of last year's annual stockholders' meeting held on 20 June 2019 until 06 August 2020. Therefore, the Presiding Officer declared that the following resolution has been approved:

**“RESOLVED, to ratify each and every act and resolution taken since the annual stockholders’ meeting on 20 June 2019 until 06 August 2020 (the “Period”), of the Board of Directors (the “Board”), the Board Committees exercising powers delegated by the Board, and each and every act, during the Period, of the Management of the Corporation performed in accordance with the resolutions of the Board, the Board Committees as well as with the By-laws of the Corporation.”**

## **IX. ELECTION OF DIRECTORS**

The Presiding Officer informed the stockholders that, for the current year 2020, the Corporation shall be electing seven (7) directors, at least two of whom shall be independent directors pursuant to the Securities and Regulation Code and the Corporation's Revised Manual of Corporate Governance. He requested Mr. Andrew Aguirre, on behalf of the Corporate Governance Committee, to present the Final List of Nominees for members of the Board of Directors.

Mr. Aguirre, on behalf of the Corporate Governance Committee, presented the Final List of Nominees to the Board of Directors, as follows: Mr. Andrew L. Tan, Mr. Kevin Andrew L. Tan, Mr. Kingson U. Sian, Mrs. Katherine L. Tan, and Mr. Winston S. Co for regular directors, and Mr. Sergio R. Ortiz-Luis, Jr., and Mr. Alejo L. Villanueva, Jr. for independent directors. Mr. Aguirre likewise reported that the Final List of Nominees for election as directors of the Corporation possess all the qualifications and none of the disqualifications to hold office as directors of the Corporation.

The Corporate Secretary then informed the Presiding Officer that no further nominations shall be allowed pursuant to the Corporation's By-Laws, as amended.

The Corporate Secretary certified that each of the nominees have obtained the required number of votes to be elected as members of the Board. Therefore, the Presiding Officer declared that the following resolution electing the members of the Board has been approved:

**“RESOLVED, to elect the following as directors of the Corporation to serve as such beginning today until their successors are elected and qualified:**

- 1. Andrew L. Tan**
- 2. Kevin Andrew L. Tan**
- 3. Kingson U. Sian**
- 4. Katherine L. Tan**
- 5. Winston S. Co**
- 6. Sergio R. Ortiz-Luis, Jr.– Independent Director**
- 7. Alejo L. Villanueva, Jr. – Independent Director”**

**X. ADJOURNMENT**

The Presiding Officer inquired if there are other matters in the agenda. The Corporate Secretary replied there were none. There being no other matters to be discussed, the Meeting was adjourned at 10:17 A.M.

PREPARED BY:

**(SGD). ALAN B. QUINTANA**  
Corporate Secretary

NOTED:

**(SGD.) DR. ANDREW L. TAN**  
Chairman