

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
METRO ALLIANCE HOLDINGS & EQUITIES CORPORATION**

April 20, 2007

Suite 2002 Antel 2000 Corporate Center
121 Valero Street, Makati City

Directors Present:

RENATO B. MAGADIA
ELVIRA A. TING
ROGELIO D. GARCIA
ATTY. LAMBERTO B. MERCADO, Jr.
RICARDO M. DE LA TORRE (Independent Director)

Absent:

KENNETH T. GATCHALIAN

Also Present:

ATTY. NESTOR S. ROMULO

CALL TO ORDER

Mr. Renato B. Magadia called the meeting to order at 3:30 p.m. and presided thereat. The Corporate Secretary, ATTY. NESTOR S. ROMULO was instructed to record the Minutes of the Meeting.

EXISTENCE OF A QUORUM

Upon the Chairman's inquiry, the Corporate Secretary certified that a majority of all the directors of the Corporation were personally present and therefore, a quorum existed to transact business.

APPROVAL OF THE MINUTES OF THE LAST BOARD MEETING

The Chairman called the Board's attention to the minutes of the meeting of the Board on December 12, 2006, February 7, 2007 and February 26, 2007. Copies of the same were previously circulated to the Board for the directors' comments and correction. As there were no objections to the minutes as well as to the Resolutions, the same were approved by the Board.

PETROCHEMICAL PROJECT UPDATE

The Chairman discussed the status of the Petrochemical Project and the various issues confronting the project. The Chairman updated the members of the Board that there is still this re-connection issue with the power substation of Mirant and because of this the NPC Alliance Corp Board approved the importation of mobile generators from Singapore and that presently the first five of these mobile generators are already in operation and providing power to the Petrochemical Plant. Another resolution approved by the NPCA Board was the capital call which Polymax has to comply in order to preserve its 40% equity in NPCA. This will mean US\$4 million additional subscription to the capital stock of NPC Alliance Corp which has to be addressed immediately.



OPERATIONAL HIGHLIGHTS AND OTHER ISSUES

a. Status of pending cases

Metro Alliance and BPC vs. Mirant (Philippines) Energy Corporation

Metro Alliance and BPC filed a civil action against Mirant on November 23, 2006 for its continuing refusal to reconnect the power substation, and which refusal is a violation of the Electric Power Purchase Agreement dated December 24, 1999 as well as the Contract of Sublease covering Mirant's substation occupancy of the subleased property, not to mention the various agreements with the national Power Corporation to operate the substation among others. Metro Alliance and BPC were able to secure a preliminary mandatory injunction from the RTC of Bataan enjoining Mirant to make the re-connection but Mirant appealed it to the Court of Appeals which issued a temporary restraining order. The order however had lapsed already and Metro Alliance and BPC can now take the necessary steps to compel Mirant to make the re-connection by filing the proper motion with the RTC of Bataan.

Metro Alliance vs. Commissioner of Internal Revenue

The case pertains to an assessment for deficiency withholding taxes for the years 1989, 1990 and 1991 amounting to P83,757,397.

Details of the deficiency withholding taxes follow:

Basic tax -----	25,770,276
25% surcharge -----	6,442,569
20% interest -----	51,540,552
Total -----	83,753,397

Metro Alliance has sought a reconsideration of the assessment but the Supreme Court denied Metro Alliance's petition. In the meantime Metro Alliance is making representation with the BIR.

Metro Alliance vs. WESTLB AG

This pertains to a case against WESTLB AG, A German Bank, filed in the High Court of Singapore on July 13, 2006 for the return of US\$1.635 million deposited with WESTLB as part payment for the purchase of the assets of BPC foreclosed by the IFC. The Agreement stipulated that upon deposit of US\$1,635 million, WESTLB AG will immediately effect the full assignment and transfer of the legal and beneficial title to the assets to Metro Alliance as well as to obtain the necessary consents required by the loan agreement. Metro Alliance has hired the services of a lawyer who is licensed to practice in Singapore who is now representing Metro Alliance

Metro Alliance and Philippine Estate Corp. vs. Philtrust Bank

On September 14, 2005, Metro Alliance and Philippine Estate Corporation filed a Civil Action for Declaratory Relief, Accounting, Reformation of Contracts, Annulment and Decrease in Interest Rates, Service Charge, Penalties and Notice of Sheriffs Sales, plus Damages with prayer for the Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction. Damages sought are P1,000,000 as and by way or exemplary damages and P500,000 as and by way of attorney's fees; litigation expenses and cost of suit. The case is now pending with the Regional Trial Court of Tagaytay City, Branch 18, Case No. TG-05-2519. The case stemmed from the imminent extra-judicial foreclosure of properties covered by Transfer Certificate of Title Nos. T-35522, T-35524 and T-35552 subject to the

real Estate Mortgage executed by Metro Alliance and Philippine Estate Corporation on the amount of P42,000,000 which amount was never received. On October 6, 2005, the Regional Trial Court (RTC) of Tagaytay City issued and granted the Writ of Preliminary Injunction. On June 26, 2006, the Court resolves to grant Philtrust's Motion for Preliminary Hearing on its affirmative defense of lack of jurisdiction pursuant to the provisions of Section 6, Rule 16, Revised Rules of Civil Procedure. The Court also holds in abeyance the resolution of the Motion for Reconsideration and directs the parties to maintain the status quo. On September 4, 2006, Philtrust Bank filed a Petition for Special Civil Action for Certiorari under Rule 65 of the 1997 Rules of Court so as to set aside the following Orders issued by the Honorable Public Respondent, to wit: (a) The Order dated October 6, 2005; and (b) The Order dated June 26, 2006. However, this has not been acted upon by the Court.

b. Status of Loans/Advances

Metro Alliance loans and other liabilities amounts to Php 1.695 billion (inclusive of the Php 435 million penalties) as of December 31, 2006 and P1.732 billion (inclusive of the Php454.0 million penalties) as of March 31, 2007. Except for the liabilities in Equitable PCI Bank and PBCom, the loans/advances were acquired to finance the petrochemical project. According to the Chairman, PBV penalties amounting to P191,959,368 has been waived by the bank in December 2006.

Philippine Veterans Bank

As of December 31, 2006, a total of Php510 million has been paid to Philippine Veterans Bank. Polymax and advances from Waterfront Philippines, Inc. financed the transactions. Outstanding liability in PVB, excluding penalties amounts to Php100,313,499 (principal – P98,278,949; accrued interest –P2,034,550).

Philtrust Bank

No payment was made on the Philtrust loan in 2006. Liabilities with Philtrust Bank of P600 million (inclusive of penalties amounting to P236 million) as of March 31, 2007 remained outstanding to date.

Unimark Investments (formerly PBCom loan)

Unimark has been following up Metro Alliance's settlement scheme of the liabilities. However there are accounting issues that have to be settled first before Metro Alliance can act on the demand of Unimark Investments.

c. Status of Investment in MVC

In March 2005, Metro Alliance entered into a MOA whereby Metro Alliance offered to settle its obligation amounting to P176.7 million as of February 15, 2005 by way of assignment and transfer to Equitable PCI Bank of all its rights and interests over the 234,592,391 MVC shares. The MOA provides for a repurchase option within one year. There were no transfers of shares of stock from March 2005 to date. Metro Alliance's failure to exercise the repurchase technically vests in the Bank the right to sell the shares to any buyer. Because of Mr. Renato B. Magadia's good relations with the bank, he has been able to postpone the sell of the shares and is now negotiating with another third party to take over the bank's interest on the shares. Final discussions as to how this will be resolved are now underway and hopefully a second reprieve of another one year can be obtained.

d. Results of operations and company updates.

d.1 Metro Alliance 2006 consolidated financial statements

In the December 31, 2005 financial statements, NPC Alliance was included in the consolidation of Polymax being a wholly owned subsidiary of Polymax. As of December 31, 2006, NPC Alliance will no longer be consolidated in Polymax's financial statements due to Polymax's sale of 60% ownership interest in NPCA to NPCI and PIIC. But the equity method shall apply in Polymax books. Polymax was also included in the consolidation of Metro Alliance being a special purpose entity. Metro Alliance 2006 consolidated financial statements are not yet available to date (April 20, 2007) pending the resolution of Polymax-NPC Alliance issues. Among others, NPC Alliance 2006 financial statements has not yet audited to date. Polymax needs the 2006 audited financial statements (audited net income/loss) of NPC Alliance to complete its transactions, being 40% shareholder of NPC Alliance. In addition, a review of Polymax and NPC Alliance unaudited financial statements reveal discrepancies in balances. In Polymax books, Polymax has receivables from NPC Alliance amounting to P7 million while in NPC Alliance books, NPC Alliance has receivables from Polymax amounting to P59 million. NPC Alliance's majority partner is insisting that because of the delays in the petrochemical project, all the expenses are for the account of Polymax, thus, NPC Alliance's pre-commissioning cost and operating expenses for the year ended December 31, 2006 amounting to P13.3 million and P81.3 million, respectively, were capitalized and recorded as receivables from Polymax. This is a major concern that may cause dispute. Failure to immediately resolve the Polymax and NPC Alliance issues may result to the delay in the preparation of Metro Alliance audited consolidated financial statements and SEC Form 17-A which may mean penalties, again, to the PSE and SEC, and possible suspension of Metro Alliance by PSE.

Operating results

Metro Alliance

Metro Alliance remains to participate in the petrochemical project. Metro Alliance (parent company only) financial statements registered unaudited net loss of P35 million for the year ended December 31, 2006. This is mainly due to Metro Alliance's finance costs on loans obtained not related to the petrochemical project – Equitable PCI Bank and Unimark Investments (formerly loan from PBCom) totaling to P35 million. Dividend income from MVC and gain on extinguishments of liabilities from MVC amounts to P15 million and P1.8 million, respectively. Operating expenses of P16.6 million pertains mainly to: (1) the Chairman's P6.0 million management fees (accrual only); (2) representation expenses of P6.4 million and other administrative expenses of Misons Industrial); and (3) audit, legal and other professional fees. The Wellex Group and Polymax are financing the expenses.

Consumer Products

CPDSI remains to be non-operating in 2006. However, it registered unaudited net loss of P17 million for the year ended December 31, 2006. This is mainly due to the finance cost on its loans from Unimark Investments (formerly loans PBCom loan) of P23 million, and operating expenses, reduced by its interest income resulting from its receivables from Plastic City and Forum Holdings. The Wellex Group and Polymax also financed its expenses. CPDSI employees were transferred to Metro Alliance and the Wellex Group. Significant issues include the BIR tax audits for the years 2002, 2003, 2004 and 2005 that remained pending to date.

GAC Logistics

GAC Logistics registered audited net income of P6 million for the year ended December 31, 2006 or a P1 million increase as compared to the December 31, 2005 net income. Net income increase was attributed mainly to the cost cutting scheme implemented. Service income increased from P133 million to P140 million mainly due to the increase in logistics principals and the provision of additional services to existing and new principals such as trucking, pallet rentals and warehouse rentals.

Mabuhay Vinyl Corporation

MVC registered net income of P46 million. Net income went down to P46 million in 2006 from P81.3 in 2005. Softening of international caustic soda price, increase in production cost and reduction in sales volume of two major products are the combined factors affecting net income. Gross profit rate dropped to 24% in 2006 from 26% in 2005 - mainly due to increase in cost of locally produced products brought about by successive increases in power and fuel costs. Operating expense decreased by 2% in 2006 as compared to 2005. Reduction of volume hauled on the two major products and implementation of cost saving measures particularly on the utilization of the vessel tankers are the major contributors. Interest income slightly dropped to P4.6 million in 2006 from P4.9 in 2005. This is mainly due to a reduction in money market placement rates. Interest and financing charges is P5.6 million or 26% lower than the 2005 level of P21.4 million. Early settlement of trust receipts loan and regular payment of long-term loan amortization caused the decrease.

6. OTHER MATTERS

DEFERMENT AND RESCHEDULING OF THE ANNUAL STOCKHOLDER'S MEETING, SETTING OF THE RECORD DATE FOR THE PURPOSE OF DETERMINING THE SHAREHOLDERS ENTITLED TO RECEIVE NOTICES OF MEETING AND ENTITLED TO VOTE DURING SAID MEETING AND LIST OF NOMINEES TO THE BOARD OF DIRECTORS

The board was informed of the need to postpone the annual stockholder's meeting, the setting of the record date for the purpose of determining the shareholders entitled to receive notices of meeting and entitled to vote during said meeting and finalization of the list of nominees to the board of directors for the purpose of the annual stockholder's meeting. After some discussion, the board approved the following resolution:

“Resolution number 4, series of 2007:

“RESOLVED, as it is hereby resolved, that in view of the preparations and requirements to be complied with, such as, but not limited to, printing of the Annual Report and the Information Statement, prior to conducting the regular Annual Meeting of the Stockholders of the Corporation in May, 2007, said Annual Meeting is hereby deferred and scheduled to be conducted on September 21, 2007 at 2:00 in the afternoon at the Top of the Citi, 34th Floor Citibank Tower, 8741 Paseo de Roxas, Makati City.

“RESOLVED, as it is hereby resolved, that the Corporation hereby set August 17, 2007 as record date for purposes of determining the shareholders entitled to receive Notice of the Annual Meeting and to vote and be elected during said meeting.



“RESOLVED FURTHER, as it is hereby resolved, that the Nomination Committee is hereby directed to screen, evaluate and submit a list of nominees to the board of directors for election as members of the board of directors for the ensuing year 2007.

“RESOLVED FURTHER, as it is hereby resolved, that the Corporate Secretary is hereby instructed to file the necessary disclosures with the Securities and Exchange Commission and with the Philippine Stock Exchange, and is hereby authorized to coordinate, arrange and ensure compliance with the requirements for the conduct of the Annual Stockholders’ Meeting on September 21, 2007.”

AUTHORITY TO SELL EQUITY IN GACL

The board was informed of the need to sell the Corporation’s 51% equity in GACL. After some discussion, the board approved to sell said equity and authorized the Chairman, Renato B. Magadia to sell at such price and under such terms and conditions as he may deem for the best interest of the Corporation and the Board passed the following resolution:

“Resolution number 5, series of 2007:

“RESOLVED, as it is hereby resolved, that the Chairman, Renato B. Magadia be authorized to sell the corporation’s 51% equity in GACL under such terms and conditions which he deems for the best interest of the Corporation.”


“RESERVED, further, that Chairman, Renato B. Magadia be authorized to sign, execute and deliver all such contracts, deeds or other pertinent papers necessary for such purposes including the issuance of necessary instrument to accomplish the above acts.”

ADJOURNMENT

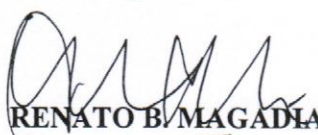
There being no other business to be discussed or acted upon by the Board, upon motion duly made and seconded, the meeting was adjourned at 5:10 p.m.



Certified by:

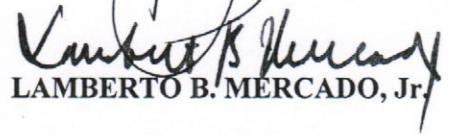

ATTY. NESTOR S. ROMULO
Corporate Secretary

Attested by:


RENATO B. MAGADIA


ROGELIO D. GARCIA


ELVIRA A. TING


LAMBERTO B. MERCADO, Jr.


RICARDO M. DE LA TORRE