

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

March 1, 2010
Suite 2002 Antel 2000 Corporate Center
121 Valero Street, Makati City

Directors Present:

RENATO B. MAGADIA
ROGELIO D. GARCIA
ATTY. LAMBERTO B. MERCADO, Jr.
RICARDO M. DE LA TORRE (Independent Director)
RENO I. MAGADIA
NESTOR S. ROMULO
JAMES PALIT-ANG (Independent Director)

Also Present:

ATTY. NESTOR S. ROMULO (As Corporate Secretary)

CALL TO ORDER

Mr. Renato B. Magadia called the meeting to order at 3:00 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 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 special meeting of the Board on January 2, 2010. 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.

NOMINATION AND ELECTION OF NEW DIRECTORS

The board was informed of the need to elect two new (2) directors in view of the vacancies created by the resignation of directors Elvira Ting and Kenneth Gatchalian on October 27, 2009. After some discussion, the board approved the following resolution:

"Resolution number 2, series of 2010:

"RESOLVE, as it is hereby RESOLVED, that Atty. Nestor S. Romulo and Mr. James B. Palit-Ang be as they are hereby elected directors of the corporation effective immediately.

“RESOLVE FURTHER, as it is hereby RESOLVED, that Mr. James B. Palit-Ang be as he is hereby elected as member of the Nomination Committee effective immediately.

OPERATIONAL HIGHLIGHTS AND PETROCHEMICAL PROJECT STATUS/ISSUES

a. Status of 2007 and 2008 financial statements audit

In 2006, NPC Alliance was consolidated in the books of Polymax, and Polymax was included in the consolidation of Metro Alliance. SGV issued a disclaimer opinion on the 2006 audited consolidated financial statements because they have not audited the financial statements of NPC Alliance Corp. (NPCA) and Polymax Worldwide Limited. Metro Alliance's advances in Polymax represent approximately 76% of Metro Alliance's consolidated total assets.

For the year 2007, Metro Alliance has appointed KPMG Manabat San Augustin to audit the financial statements. The Chairman informed the board that he has been meeting with KPMG Manabat San Augustin and they discussed the issues that prevented SGV from issuing an unqualified opinion and that the new auditors are optimistic they can resolve these issues.

The board noted the report of the Chairman

b. Petrochemical project status/issues

The Chairman discussed the issues on the petrochemical Project and updated the board on the developments. These are all detailed in the reports and written materials provided to the members of the board. After some discussion the board noted the report of the Chairman.

c. Operational highlights (Results of operations and company updates)

Metro Alliance

Metro Alliance (parent company only) financial statements registered unaudited net loss of P10.1 million for the year ended December 31, 2009. This is mainly due to operating expenses such as (1) the Chairman's management fees; (2) representation expenses and (3) audit, legal and other professional fees.

Consumer Products

Consumer Products financial statements registered unaudited net loss of P19,015 for the year ended December 31, 2009. This represents the 2009 business permit and related expenses. Consumer Products remained to be non-operational.

d. Status of pending legal cases

Metro Alliance and Polymax Worldwide Limited vs Philippine Veterans Bank

On November 2, 2006, Metro Alliance and Philippine Veterans Bank (PVB) executed a Loan Agreement/Promissory Note amounting to P98,278,949 which matured on December 29, 2006. Among others, the loan agreement is secured by real estate mortgage (REM) and shares of stock owned by the Wellex Group of Companies.

On May 20, 2008, PVB filed a Petition for Foreclosure on the real estate mortgage. On November 24,

2009, the RTC foreclosed the REM and was able to sell to the highest bidder at P71.325 million. The book value of the property as of that date is P105.060 million. After the foreclosure of the property, there still remained a liability to PVB of P68.873 million. In the Notice of Sheriff's sale dated January 20, 2010, shares of stock of the Wellex Group of Companies is the subject of foreclosure and will be sold at public auction on March 23, 2010. The Chairman informed the board that the lawyers for the group have filed the necessary petition/complaint to restrain/enjoin the foreclosure of the shares. The board noted the report.

Metro Alliance vs Banco de Oro Unibank Inc. and Tosoh Corp

On October 26, 2009, Metro Alliance filed a civil case against Banco de Oro for specific performance, declaration of nullity of application of payments and damages, and on November 16, 2009, Metro Alliance filed an Amended Complaint against Banco de Oro and Tosoh Corporation for specific performance, declaration of nullity of application of payments and damages with a prayer for a writ of preliminary attachment. The Chairman discussed the nature of the case and the possible outcome like compromise. After some discussion the board noted the report of the Chairman

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 annulment of 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, SCA 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.

The Chairman discussed what the lawyers for the group have been doing on the cases which were noted by the board.

Polymax Worldwide Limited VS NPC International Limited, Petrochemical Industries Investment Company and NPC Alliance Corporation

On November 27, 2007, Polymax filed Civil Case No. 07-1091 against NPCI, PIIC and NPCA for Declaratory Relief and accounting, with application for temporary restraining order and injunction. In the said case, Polymax is asking the following judgment (a) declaring the Share Purchase Agreement and Stockholders' Agreement as null and void; (b) declaring the transfer of the 60% equity share of the NPC Alliance Corporation to the NPCI group as null and void and declaring the said shares to be rightfully owned by Polymax; (c) ordering the NPCI Group to render an accounting of the revenues earned and costs incurred by NPC Alliance and reimbursing Polymax for costs incurred by the joint venture but wrongfully charged against Polymax; and (d) pay Polymax cost and expenses of litigation.

The Chairman informed the board that NPCI, PIIC on the other hand have filed a petition for arbitration which the group have been contesting, but without submitting to the jurisdiction of the Arbitration Tribunal, that said Tribunal has no jurisdiction because of the pendency of a civil suit in the Philippine jurisdiction.

The board noted said report.

d. Status of loans/advances

The Chairman informed the board that Metro Alliance loans/advances amount to Php2.07 billion the details of which are shown in the reports and written materials provided to the members of the board. After apprising the board of status of the loans and management settlement strategy and plans on the loans and after some discussion the board noted the reports.

STATUS OF SEC AND PSE COMPLIANCES

PSE

a. Submission of reportorial requirements

Metro Alliance trading of shares with the PSE is suspended effective May 21, 2007 due to its failure to submit its SEC Form 17-A for the year ended December 31, 2006 (Annual Report). The 2006 annual report and the 2007 (1st, 2nd and 3rd) quarterly reports were submitted to the PSE in August 2008. To date, Metro Alliance has not yet submitted the following reports due to the delayed completion of the 2007 Annual Report: (a) 2007 and 2008 annual reports; and (b) 1st, 2nd and 3rd quarterly reports for 2008 and 2009.

Penalties accrued for the non-submission of the reports as of December 31, 2009 totaled to P1,275,000. Trading of shares remained suspended to date due to the nonsubmission of the reports and the non-payment of penalties.

b. Delisting procedures

For the continuous failure to submit the reportorial requirements, on December 5, 2008, Metro Alliance received a show cause letter from the PSE regarding PSE's initiation of delisting procedures. Atty. Nestor S. Romulo replied to the PSE letter. To date, we have not yet received any feedback from the PSE on the matter.

SEC

a. Submission of reportorial requirements

To date, Metro Alliance has not yet submitted the following reports due to the delayed completion of the 2007 Annual Report: (a) 2007 and 2008 annual reports; and (b) 1st, 2nd and 3rd quarterly reports for 2008 and 2009.

Penalties accrued for the non-submission of the reports as of December 31, 2009 totaled to P608,200. The 2006 annual report and 2007 (1st, 2nd and 3rd) quarterly reports submitted in August 2008 is NOT acceptable and considered as NOT filed with the SEC due to the SGV disclaimer opinion of the 2006 consolidated financial statements.

b. Revocation of registration of company's securities

For the continuous failure to submit the reportorial requirements, on November 21, 2008, the SEC directed Metro Alliance to justify why Metro Alliance's registration of securities with the SEC should not be revoked. Metro Alliance, through Atty. Nestor S Romulo, replied to the SEC letter.

On June 25, 2009, SEC revoked Metro Alliance's registration of and permit to sell securities. Metro Alliance filed a Memorandum on Appeal with the Office of the General Counsel to contest the revocation of Metro Alliance registration and permit to sell securities. On October 23, 2009, Metro Alliance received the Corporate Finance Department's Reply Memorandum with regards to the abovementioned Memorandum on Appeal with the prayer – to dismiss the subject appeal for utter lack of Merit.

After some discussion on the foregoing the board noted the reports.

STATUS OF BIR CASE/AUDITS/ASSESSMENTS

Metro Alliance

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 from the BIR but the Supreme Court denied Metro Alliance's petitions.

In November 2008, BIR representatives served a notice of garnishment per CTA resolution, however, per Mr. Renato Magadia's instruction, we refused to receive the notice of garnishment. On November 12, 2008, BPI Better Living Branch informed us that our account with them amounting to P53,297 was garnished due to the CTA resolution. Metro Alliance's US\$ account amounting to US\$500 in Banco de Oro Dela Rosa-Rada Branch was also garnished.

On July 24, 2009, BPI informed Metro Alliance that the bank received an Order of release warrant of Garnishment from the BIR against our account amounting to P53,297. The bank was instructed to prepare a manager's check in favor of BIR..

After some discussion the board noted the report.

Consumer Products (CPDSI)

On March 9, 2009, CPDSI also received a collection letter from the BIR for pending tax liabilities totaling to P2,717,436,126.

This tax liability resulted from the following suppliers who inadvertently/erroneously use CPDSI TIN no. in reporting their 2003 transactions. CPDSI was formerly involved in the wholesale distribution of pharmaceutical and consumer products.

| | |
|------------------------------|----------------------|
| Name of seller | Gross taxable sales |
| Wyeth Philippines, Inc. | 2,678,890,314 |
| Land R US Realty Corporation | 16,613,102 |
| Metro Drug, Inc. | 2,290,268 |
| Total | 2,697,793,684 |

CPDSI has repeatedly explained its current situation to the BIR in various letters and also provided the BIR certification from Wyeth stating that Wyeth has mistakenly used CPDSI TIN number in reporting their transactions. However, the BIR ignored CPDSI's efforts.

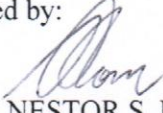
In its letter dated March 19, 2009, Mr. Elvira A Ting (CPDSI President) requested BIR the immediate withdrawal/re-evaluation of the assessment.

On June 25, 2009 BIR garnished the cash accounts of Consumer Products. Consumer Products has consulted KPMG Manabat Sanagustin to assist us in handling the necessary procedures with the BIR in order to stop or lift the garnishment of accounts. Engagement fees amounts to P448,000. CPDSI is currently awaiting the Position Paper prepared by KPMG for submission to the BIR.

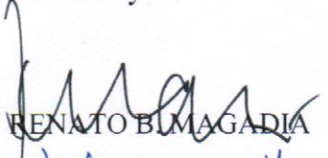
ADJOURNMENT

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 5:15 p.m.

Certified by:


ATTY. NESTOR S. ROMULO
Corporate Secretary

Attested by:

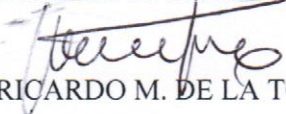

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