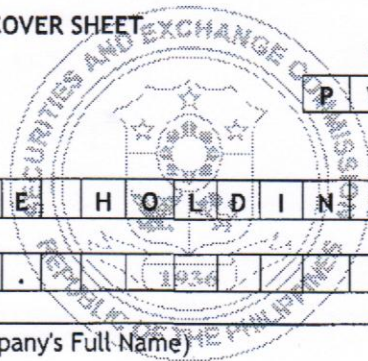


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SEC Registration No.

M E T R O A L L I A N C E H O L D I N G S & E Q U I T I E S C O R P .

(Company's Full Name)

2 2 N d F L O O R C I T I B A N K T O W E R , 8 7 4 1 P A S E O D E R O X A S , M A K A T I C I T Y

(Business Address : No. Street City / Town / Province)

Atty. Nestor S. Romulo  
Contact Person

(632) 848-0848  
Contact Telephone No.

1 2 3 1  
Fiscal Year

1 7 - Q  
FORM TYPE

Any day in May  
Month Day  
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

880  
Total No. of Stockholders

Total Amount of Borrowings  
Domestic: Php 599,907,675  
Foreign: -

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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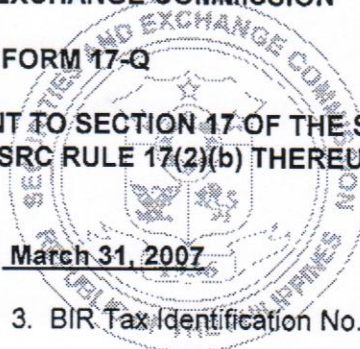
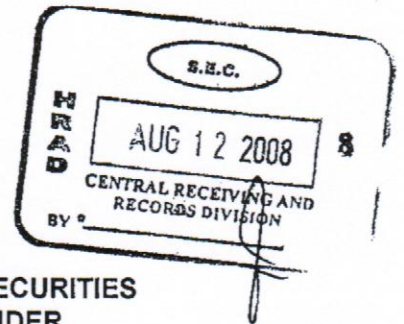
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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER



1. For the quarterly period ended ..... March 31, 2007
2. Commission identification number... 296    3. BIR Tax Identification No..... 000-130-411-000.
4. Metro Alliance Holdings & Equities Corp.  
Exact name of issuer as specified in its charter
5. Philippines  
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Cod     SEC use Only)
7. 22<sup>nd</sup> Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City    1226  
Address of issuer's principal office    Postal Code
8. (632) 848-0848  
Issuer's telephone number, including area code
9. Not applicable  
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Class A	183,673,470
Common Class B	122,448,979
Outstanding Debt	Php 599,907,675

11. Are any or all of the securities listed on a Stock Exchange?

Yes [ x ] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippines Stock Exchange

Common Class A and Class B

12. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)  
Yes [  ] No [  ]
- (b) has been subject to such filing requirements for the past ninety (90) days.  
Yes [  ] No [  ]

## PART I--FINANCIAL INFORMATION

### Item 1. Financial Statements.

Please see attached Consolidated Balance Sheets, Income Statements, Changes in Stockholders' Equity, Cash Flows and Notes to Interim Consolidated Financial Statements.

### Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following companies are included in Metro Alliance consolidated financial statement: GACL, MVC, CPDSI, FEZ-EAC, ZDI and AHI. While Metro Alliance owns less than the 50% voting shares of stock of MVC, MVC qualifies as a subsidiary because Metro Alliance is the single biggest stockholder with 42.69% as of March 31, 2007 and holds the Chairmanship of MVC's Board of Directors.

Under SIC 12, a special purpose entity (SPE) shall be consolidated when the substance of the relationship between an entity and the SPE indicates that the SPE is controlled by that entity. Metro Alliance consolidated Polymax Worldwide Limited (Polymax). Under the new requirements of the PFRS, the assets and liabilities of Polymax are required to be consolidated on a line-by-line basis. Polymax's deficit amounting to P1.266 billion and P1.155 billion as of March 31, 2007 and December 31, 2006, respectively, were included in the stockholders' equity attributable to the equity holders of the Metro Alliance (parent company).

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User Name: ALFREDDEVON

**a) Key Performance Indicators**

Metro Alliance and its majority-owned subsidiaries key performance indicators follow:

Metro Alliance

Metro Alliance's key performance indicators include the following:

1. Net income
2. Earnings per share – net income attributable to each share of common stock (net income / weighted number of shares outstanding)
3. Return on average equity – ability to generate returns on investment of stockholders. (net income / average equity)
4. Debt to total asset ratio – the proportion to total assets financed by creditors. (total debt / total assets)
5. Debt to Equity ratio – an indicator of which group has the greater representation in the assets of the company (total debt / equity)

Metro Alliance parent company financial statements registered unaudited net loss of P5.6 million for the quarter ended March 31, 2007. This is mainly due to Metro Alliance's finance costs on loans obtained not related to the petrochemical project. As compared for the quarter ended March 31, 2006, net loss amounts to P4.8 million due also to finance costs.

The increase in net loss resulted to the increase in loss per share and loss on average equity. Debt to assets ratio remained constant while there is a slight increase on the debt to equity ratio due to reduction in equity.

Comparative analysis of Metro Alliance's (parent company) key performance indicators follows:

Performance indicator	2007		2006	
	March 31	December 31	December 31	March 31
Net loss - in millions Php	(6)	(32)	(32)	(5)
Loss per share (in Php)	(0.02)	(0.11)	(0.11)	(0.02)
Loss on average equity (In Php)	(0.02)	(0.10)	(0.10)	(0.01)
Debt to total assets (in %)	24	24	24	32
Debt to equity (in %)	200	192	192	226

GAC Logistics, Inc. (GAC)

GAC's key performance indicators include the following:

1. Profitability
  - a. Gross profit margin – measures the profitability of revenues (services) in relation to the cost of services (gross profit / revenues)
  - b. Net profit margin – ability to generate surplus for stockholders. (net income / sales)

- c. Return on assets – ability to generate returns from assets.  
(net income / assets)
- d. Return on equity – ability to generate returns on investment of stockholders.  
(net income / stockholders equity)

2. Liquidity ratios

- a. Current ratio – capacity to meet current obligations out of its liquid assets  
(current assets / current liabilities)
- b. Receivables turnover and days' sales in receivables – measures the ability to collect receivables  
(net credit sales / average trade receivables)  
(365 days / receivables turnover)

Gross profit for the quarter ended March 31, 2007 remained at 24% as compared to the same quarter in 2006. With the increase in operating income brought about by the additional business, net profit margin, return on assets and return on equity increased. Current ratio decreased due to the increase in receivables and prepayments related to the additional business. In addition, receivables turnover and days sales in receivable also increased.

Comparative analysis of GAC's key performance indicators follows:

Performance indicator	2007		2006
	March 31	December 31	March 31
<u>Profitability</u>			
a. Gross profit margin	0.24	0.23	0.24
b. Net profit margin	0.09	0.04	0.07
c. Return on assets	0.06	0.01	0.05
d. Return in equity	0.09	0.02	0.09
<u>Liquidity</u>			
a. Current ratio	2.16	1.90	2.51
b. Receivables turnover	1.80	2.0	2.76
c. Days' sales in receivables	202	183	132

MVC

MVC's key performance indicators include the following:

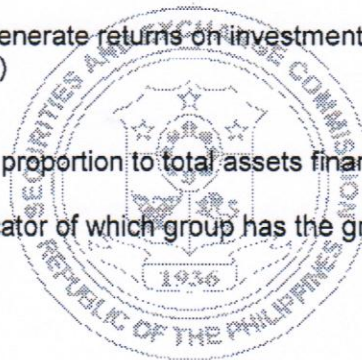
1. Liquidity

- a. Quick ratio – capacity to cover its short-term obligations using only its more liquid assets.  
[(cash + cash equivalents + receivables) / current liabilities]
- b. Current ratio – capacity to meet current obligations out of its liquid assets.  
(current assets / current liabilities)

2. Profitability

- a. Net profit margin – ability to generate surplus for stockholders.  
(net income / sales)

- b. Return on equity – ability to generate returns on investment of stockholders. (net income / stockholders equity)
3. Leverage
- a. Debt to total asset ratio – the proportion to total assets financed by creditors. (total debt / total assets)
- b. Debt to Equity ratio – an indicator of which group has the greater representation in the assets of the company (long-term debt / equity)



MVC's comparative key performance indicators are as follows:

Performance indicator	2007		2006	
	March 31	December 31	December 31	March 31
<u>Liquidity</u>				
a. Quick-ratio	2.6	2.9	2.9	2.2
b. Current ratio	3.9	4.4	4.4	3.4
<u>Profitability</u>				
a. Net profit margin	0.047	0.034	0.034	0.041
b. Return on equity	0.014	0.041	0.041	0.013
<u>Leverage</u>				
a. Debt to total asset ratio	0.189	0.178	0.178	0.217
b. Debt to equity ratio	0.033	0.039	0.039	0.056

MVC is highly liquid to meet its short-term obligations and is very financially capable in meeting all its currently due obligations.

MVC has performed better than expected due to an improvement in gross profit rate and lesser interest expense. Actual return on equity is much better than forecasted ratio due to a 10% favorable net income generated during the quarter.

Debt to assets ratio is slightly higher than projected due to the declaration of P0.03 per share cash dividend payable in May 7, 2007. Debt to equity reduction in ratio means MVC is regularly paying its quarterly installments.

Consumer Products Distribution Services, Inc. (CPDSI), FEZ-EAC Holdings, Inc.(FEZ-EAC), Zuellig Distributors, Inc. (ZDI) and Asia Healthcare, Inc. (AHI)

Currently, CPDSI, FEZ-EAC, ZDI and AHI have no performance indicators because these are non-operating companies.

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**b) Changes in Financial Condition**

From December 31, 2006 to March 31, 2007	From December 31, 2005 to March 31, 2006	From December 31, 2004 to March 31, 2005
---------------------------------------------	---------------------------------------------	---------------------------------------------

**Cash and cash equivalents increased by P48 million**  
Increase is due mainly to MVC's excess funds from intensified collection of receivables

**Cash and cash equivalents decreased by P19 million**  
Decrease mainly represents MVC's payment of cash dividends in March 2006

**Cash and cash equivalents decreased by P86 million**  
Decrease mainly represents MVC's use of cash to build-up finished goods and raw materials and partial settlement of trust receipts payable with Banco de Oro

**Receivables decreased by P43 million**  
Decrease is due mainly to MVC's higher collection from major customers

**Receivables decreased by P16 million**  
Decrease is due to CPDSI's collection of receivables from third parties

**Receivables increased by P32 million**  
Increase is due to the following: (a) MVC's increase in receivables by P20 million arising from its improvement in revenues by 38%; (b) CPDSI's interest receivable on its advances to third parties; and (c) GACL's trade receivables arising from the improvement of its trade receivables

**Inventories decreased by P7 million**  
Decrease is due to MVC's raw materials and supplies normal consumption for the quarter

**Inventories decreased by P35 million**  
Decrease is due to MVC's finished goods of P11 million lower inventory level of Hcl acid and caustic soda and raw materials of P24 million depletion of salt inventory

**Inventories increased by P76 million**  
Increase is due to MVC's substantial increase in cost of caustic soda and the arrival of 14,400 MT of salt in March, at a price higher than the previous years contract

**Assets held for sale decreased by P77 million**  
Decrease is due to the decommissioning and re-commissioning costs incurred by NPC Alliance during the quarter

**Assets held for sale in March 2006 and December 2005** pertains to Polymax's ownership interest in NPCA of which 60% is subject for sale to NPCI and PIIC. No change in balance from December 2005 to March 2006

No balance as of March 31, 2005

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**Property, plant and equipment increased by P14 million**

Increase is mainly due to MVC's downpayment of equipment for Retrofitting project

**Loans payable, current and long-term portion of Long term debt – decreased by P6 million**

Due to mainly to MVC's payment of loan amortization

**Accounts payable and accrued expenses increased by P37 million**

Increase is due to accrual of finance costs

**Liabilities under trust receipts increased by P6 million**

Increase is due to MVC's availment of trust receipts loan in payment of imported caustic soda

**Due to affiliates increased by P12 million**

Increase is due to availment of advances from affiliates to finance Metro Alliance operations and payment of current liabilities

**Property, plant and equipment decreased by P21 million**

Decrease is due mainly to depreciation and amortization

**Loans payable, current and long-term portion of Long term debt – decreased by P232 million**

Due mainly to Metro Alliance's partial payment of loans to Philippine Veterans Bank, which was financed by Polymax

**Accounts payable and accrued expenses decreased by P33 million**

Decrease is due to Metro Alliance's payment of interest and other bank charges on the its loans and MVC's payment of power, bunker fuel, shipping and trucking cost incurred in 2005.

**Liabilities under trust receipts decreased by P24 million**

Decrease is due to the reduction in the price of MVC's caustic soda and at a lesser volume

**Due to affiliates decreased by P7 million**

Decrease is due to settlement of advances from affiliates which was financed by Polymax

**Property, plant and equipment decreased by P20 million**

Decrease is due mainly to depreciation and amortization

**Loans payable, current and long-term portion of Long term debt – decreased by P59 million**

Due mainly to Metro Alliance's partial payment of loans to Equitable PCI Bank, financed by its advances from affiliates

**Accounts payable and accrued expenses increased by P50 million**

Increase is due mainly from advances from third party to finance the BPC Project and Metro Alliance's operations.

**Liabilities under trust receipts increased by P26 million**

Increase is due to MVC's availment of trust receipts loan in payment of imported caustic soda

**Due to affiliates decreased by P110 million**

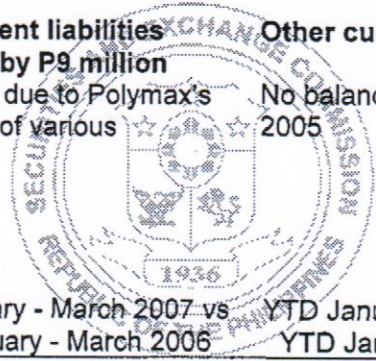
This resulted from the assignment of MVC shares to MVC in settlement of the Metro Alliance's liabilities in MVC

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**Other current liabilities increased by P3 million**  
Increase is due to Polymax's incurrence of various expenses

**Other current liabilities increased by P9 million**  
Increase is due to Polymax's incurrence of various expenses

**Other current liabilities**  
No balance as of March 31, 2005



**c) Changes in Operating Results**

1 <sup>st</sup> quarter 2007 vs 1 <sup>st</sup> quarter 2006	YTD January - March 2007 vs YTD January - March 2006	YTD January - March 2006 vs YTD January - March 2005
<b>Net Sales and services decreased by P19 million</b>  Decrease is mainly due to MVC's drop in sales volume of one of its main products by 11%	<b>Net Sales and services increased by P19 million</b>  (same explanation as 1 <sup>st</sup> quarter result)	<b>Net Sales and services decreased by P7 million</b>  Decrease is greatly due to a reduction in sales volume of Hcl and partly due to declining price of caustic soda
<b>Cost of sales and services decreased by P18 million</b>  Decrease is mainly due to a reduction in sales volume and partly due to cost of improvement on MVC's Hcl acid	<b>Cost of sales and services decreased by P18 million</b>  (same explanation as 1 <sup>st</sup> quarter result)	<b>Cost of sales and services increased by P13 million</b>  Increase is due mainly to MVC's high production costs of Hcl and high sales volume of sodium hypo
<b>Expenses – no significant change</b>	<b>Expenses – no significant change</b>	<b>Expenses increased by P6 million</b>  Increase is due mainly to MVC's higher delivery cost as a consequence of increase in sales volume on caustic soda by 6% and 16% on sodium hypo
<b>Finance cost decreased by P12 million</b>  Decrease is due to partial settlement of loans	<b>Finance cost decreased by P12 million</b>  (same explanation as 1 <sup>st</sup> quarter result)	<b>Finance cost decreased by P15 million</b>  Decrease is due to partial settlement of loans

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**Losses of a subsidiary held for sale increased by P68 million**

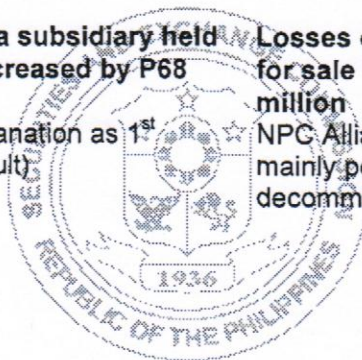
Substantial increase represents NPC Alliance's expenses resulted from the hiring of employees and the incurrence of other administrative expenses in preparation for the recommissioning of the former BPC plant facilities

**Losses of a subsidiary held for sale increased by P68 million**

(same explanation as 1<sup>st</sup> quarter result)

**Losses of a subsidiary held for sale increased by P8 million**

NPC Alliance expenses mainly pertains to decommissioning costs



**Trends, Demands, Commitments, Events or Uncertainties**

Except as those mentioned in Notes 2 and 6 of the Notes to Interim Consolidated Financial Statements, there are no other known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in Metro Alliance's liquidity increasing or decreasing in any way. Pending the completion of the petrochemical project and the eventual recoverability of Metro Alliance's advances in Polymax, Metro Alliance remained to experience cash flow and liquidity problems.

**Contingent or Financial Obligation**

Development of the petrochemical project will trigger direct or contingent financial obligation such as taxes, licenses and other liabilities that may be assumed as provided for in the SPA that is material to Metro Alliance. Except for the petrochemical project mentioned above, there are no additional known events that will trigger direct or contingent financial obligation that is material to Metro Alliance, including the default of acceleration of an obligation, except for Metro Alliance loans as mentioned in the Notes to the Unaudited Consolidated Financial Statements that remain outstanding.

**Material Off-Balance Sheet Transactions, Arrangements, Obligations**

There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of Metro Alliance with unconsolidated entities or other persons created during the reporting period. Completed transactions in connection with our investment in the petrochemical project were fully recorded in the financial statements. Other events or transactions such as direct or contingent financial obligation in relation to the acquisition of the 83% equity share of BPC through Tybalt Investment Limited will be recognized in the financial statements upon completion of the requirements of the Share Purchase Agreement or after the closing conditions are fully complied with. Negotiations on the Petrochemical Project with the parties concerned are still ongoing.

### **Commitment For Capital Expenditures**

In addition to the regular capital expenditures that will improve the reliability of manufacturing plants and depots, MVC has earmarked in 2007, through internal cash generation P142.1 million as partial payment to equipment suppliers and general contractor for the retrofitting (modernization) of the old Diaphragm Cell Plant into an Ion-Exchange Membrane Plant in Iligan City. The project is expected to be completed in mid-2008 at a total cost of P565.0 million. A term loan of P400 million will be secured from a local bank for the remaining funding requirement.

### **Trends, events or uncertainties that have had a material impact on Net Sales / Net Income**

MVC's net sales in 2007 is projected to slightly improve from P1.350 billion to P1.382 billion or a 2% increase over 2006 while net income will remain at the same level of P46 million.

### **Significant Element of Income or Loss That Did Not Arise From Continuing Operations.**

There is no significant element of income or loss that did not arise from continuing

### **Material Changes on Line Items in the Financial Statements**

Material changes on line items in the financial statements are presented under the captions "Changes in Financial Condition" and "Changes in Operating Results" above.

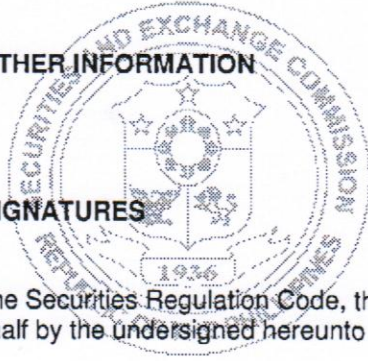
### **Effect of Seasonal Changes in the Financial Condition or Results of Operations of the Company**

The financial condition or results of operations is not affected by any seasonal change.

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PART II-OTHER INFORMATION

None



SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

[Signature]  
Renato B. Magadia  
Chairman of the Board and President

[Signature]  
Carmelita E. Elegio  
Principal Accounting Officer

Date: \_\_\_\_\_

Date: \_\_\_\_\_

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 2008 affiants exhibiting to me their Community Tax Certificates, as follows:

AFFIANTS	Community Tax Certificate No.	Date of Issue	Place of Issue
Renato B. Magadia	19492753	January 18, 2008	Makati City
Carmelita E. Elegio	13402216	January 12, 2008	Manila

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Book No. 05  
Series of ny

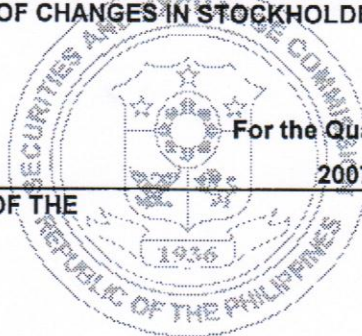
[Signature]  
ATTY. RUEL L. EVANGELISTA  
NOTARY PUBLIC  
U.S.P. No. 01-2008  
IBP No. 74000000-03-06 PASIG  
PTR No. 00000000-03-08 MAKATI  
ROLL No. 31492/APPT. No. 14-88 (d)

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**METRO ALLIANCE HOLDINGS & EQUITIES CORP. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (in Php)**

	31-March-2007 (Unaudited)	31-Dec-2006 Audited
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	168,445,638	120,911,209
Receivables - net	816,475,128	858,900,208
Inventories - net	230,874,000	237,537,491
Prepaid expenses and other current assets	35,040,593	32,779,283
	<b>1,250,835,359</b>	<b>1,250,128,191</b>
Assets held for sale	5,174,044,950	5,250,819,964
<b>Total Current Assets</b>	<b>6,424,880,309</b>	<b>6,500,948,155</b>
<b>Noncurrent Assets</b>		
Available-for sale-investments	19,221,552	19,221,947
Property, plant and equipment – net	631,734,018	616,782,843
Other noncurrent assets	6,526,658	7,289,267
<b>Total Noncurrent Assets</b>	<b>657,482,228</b>	<b>643,294,057</b>
<b>TOTAL ASSETS</b>	<b>7,082,362,537</b>	<b>7,144,242,212</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Loans payable	725,458,949	725,458,949
Accounts payable and accrued expenses	944,310,442	907,326,723
Liabilities under trust receipts	131,337,993	124,927,143
Due to affiliates	506,812,060	494,443,669
Current portion of:		
Long term debt	184,593,841	184,628,727
Obligations under finance lease	1,944,368	2,864,334
Other current liabilities	1,423,442,612	1,420,219,755
<b>Total Current Liabilities</b>	<b>3,917,900,265</b>	<b>3,859,689,300</b>
<b>Noncurrent Liabilities</b>		
Long-term debt	12,534,885	18,820,000
Obligations under finance lease	2,666,528	2,666,528
Deferred income tax liabilities	21,703,445	34,065,393
Customer deposits	18,639,000	18,032,329
Other noncurrent liabilities	4,596,692	3,318,865
<b>Total Noncurrent Liabilities</b>	<b>60,140,550</b>	<b>76,903,115</b>
<b>Total Liabilities</b>	<b>3,978,040,815</b>	<b>3,936,592,415</b>
<b>Stockholders' Equity</b>		
Attributable to the equity interest of the Parent Company	2,446,099,113	2,562,458,419
Minority Interest	658,222,609	645,191,378
<b>Total Stockholders' Equity</b>	<b>3,104,321,722</b>	<b>3,207,649,797</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>7,082,462,537</b>	<b>7,144,242,212</b>

**METRO ALLIANCE HOLDINGS & EQUITIES CORP. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(In Php)



For the Quarter Ended March 31

2007 2006

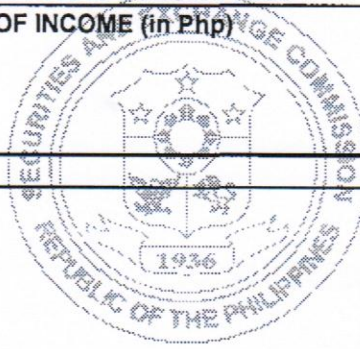
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT COMPANY		
<b>Capital Stock - P1 par value</b>		
Common shares		
Class "A"		
Authorized - 720,000,000 shares		
Issued and outstanding - 183,673,470 shares		
Class "B"		
Authorized - 480,000,000 shares		
Issued and outstanding - 122,449,979	306,122,449	306,122,449
<b>Additional paid-in capital</b>	3,571,921	3,571,921
<b>Excess of par value of retired treasury shares over costs</b>	3,179,451,270	3,179,451,270
<b>Share in revaluation increment in properties of subsidiaries</b>	30,329,391	30,298,499
<b>Reserve for fluctuations in available-for-sale investments</b>	5,880,181	1,580,700
<b>Share in reserve for fluctuations in available-for-sale investments of subsidiaries</b>	2,608,889	39,900
<b>Deficit</b>		
Balance at beginning of the year	(965,505,682)	(680,050,642)
Net loss	(116,359,306)	(58,357,573)
Balance at end of the period	(1,081,864,988)	(738,408,215)
<b>Subtotal</b>	2,446,099,113	2,782,656,524
<b>MINORITY INTERESTS</b>	658,222,609	649,690,356
<b>TOTAL STOCKHOLDERS' EQUITY</b>	3,104,321,722	3,432,346,880

Date: 18-12-2014 Time: 3:53:22 PM

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**METRO ALLIANCE HOLDINGS & EQUITIES CORP. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME (in Php)**



For the Quarter Ended  
 March 31 (Unaudited)

	2007	2006
<b>CONTINUING OPERATIONS</b>		
<b>NET SALES AND SERVICE INCOME</b>	<b>361,608,927</b>	380,777,039
<b>COST OF SALES AND SERVICES</b>	<b>267,768,067</b>	287,562,098
<b>GROSS PROFIT</b>	<b>93,840,860</b>	93,214,941
Expenses	(81,319,991)	(81,524,056)
Finance costs	(47,825,189)	(60,178,401)
Interest income	4,704,041	5,766,025
Others – net	1,496,536	1,006,696
	<b>(122,944,603)</b>	(134,929,736)
<b>LOSS BEFORE INCOME TAX</b>	<b>(29,103,743)</b>	(41,714,795)
Provision for income tax	10,480,549	7,910,131
<b>LOSS FROM CONTINUING OPERATIONS</b>	<b>(39,584,292)</b>	(49,624,926)
<b>DISCONTINUED OPERATIONS</b>		
Losses of a subsidiary held for sale	(76,775,014)	(8,732,647)
<b>NET LOSS</b>	<b>(116,359,306)</b>	(58,357,573)
<b>Attributable to:</b>		
Equity holders of the Parent Company	126,761,243	67,437,851
Minority Interest	(10,401,937)	(9,080,278)
	<b>116,359,306</b>	<b>58,357,573</b>
<b>Basic Loss Per Share*</b>		
For loss for the period/quarter attributable to the equity holders of the Parent Company	0.41	0.22
For loss from continuing operations attributable to the equity holders of the Parent Company	0.38	0.19

\* Based on the weighted average number of shares of 306,122,449.

**METRO ALLIANCE HOLDINGS & EQUITIES CORP. AND SUBSIDIARIES**  
**UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS (In Php)**

For the Quarter Ended March 31

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before income tax	(105,878,757)	(41,367,164)
Adjustments for:		
Interest income	(4,704,041)	(5,766,003)
Depreciation and amortization	25,314,139	35,232,336
Finance costs	47,825,189	(60,178,401)
Operating income before working capital changes	(37,443,470)	(72,079,232)
Decrease (increase) in:		
Receivables – net	47,129,121	11,800,162
Inventories – net	6,663,491	34,504,445
Prepaid expenses and other current assets	(12,741,859)	6,685,342
Assets held for sale	76,775,014	-
Increase (decrease) in:		
Accounts payable and accrued expenses	(10,841,471)	15,850,594
Trust receipts	6,410,850	(24,423,142)
Due to affiliates	12,368,391	281,014,614
Customer deposits	606,671	-
Net cash provided by operating activities	88,926,738	253,352,783
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property plant and equipment	(40,265,314)	-
Decrease (increase) in available-for-sale investment	395	181
Decrease in obligations under finance lease	(739,966)	(806,897)
Decrease (increase) in other noncurrent assets	762,609	(26,538,296)
Net cash used in investing activities	(40,242,276)	(27,345,012)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net payments of borrowings	(6,320,001)	(231,320,000)
Increase (decrease) in other current liabilities	3,222,858	(20,390,572)
Increase (decrease) in other noncurrent liabilities	(11,084,091)	-
Increase in minority interest	13,031,231	6,419,087
Net cash used in financing activities	(1,150,033)	(245,291,485)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>47,534,429</b>	<b>(19,283,714)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>120,911,209</b>	<b>160,946,962</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>168,445,638</b>	<b>141,663,248</b>

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**METRO ALLIANCE HOLDINGS & EQUITIES CORP. AND SUBSIDIARIES**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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**1. Corporate Information**

Metro Alliance Holdings & Equities Corp. (the Company) is incorporated in the Philippines. The Company and its subsidiaries (collectively referred to as "the Group") are involved in the manufacture of chemicals and contract logistics. Certain subsidiaries previously engaged in the importation and distribution of polypropylene resin and pharmacy management have ceased operations.

The registered office address of the Company is 22nd Floor, Citibank Tower, 8741 Paseo de Roxas, Makati City.

**2. Status of Operations**

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As of December 31, 2006, the Company has significant liabilities, consisting mainly of bank loans, interest and penalties that are past due. In addition, the Company has advances to Polymax Worldwide Limited (Polymax), a special purpose entity incorporated in the British Virgin Islands, amounting to ₱2.0 billion as of March 31, 2007 and ₱1.7 billion as of December 31, 2006, relating to the acquisition of the petrochemical plant of Bataan Polyethylene Corporation (BPC) [the "Petrochemical Project"]. BPC has ceased operations because of continuing unfavorable market conditions and financial and other difficulties and has decommissioned its plant facilities and terminated all its employees. The realization of the advances to Polymax depends on the completion of the closing requirements under the transactions described in the succeeding paragraphs and the successful recommissioning and commercial operations of the petrochemical plant. These conditions indicate a material uncertainty that may cast significant doubt on the ability of the Company to continue as a going concern.

On December 4, 2003, the Company entered into a Memorandum of Agreement (MOA) with Polymax, whereby the Company confirmed the designation of Polymax as the acquisition company in the proposed acquisition of the senior secured debt papers of BPC from International Finance Corporation (IFC). Under the MOA, the Company and Polymax agreed that (a) the acquisition of the secured debt papers would be for the account and benefit of the Company; (b) the funding for the acquisition would be provided and arranged by the Company; and (c) the exercise of creditor rights arising from the secured debts via foreclosure and takeover of the assets of BPC would be directed by and for the account and benefit of the Company. In addition, the Company would make certain advances to Polymax.

On December 19, 2003, Polymax and IFC entered into an Assignment and Transfer Agreement (the Agreement) for the purchase of the senior secured debt papers of BPC. The Company advanced to Polymax the initial deposit of US\$5.0 million, which was remitted to IFC for the assignment payment, pursuant to the terms of the Agreement. On February 11, 2004, IFC confirmed that it has received the full payment for the assignment of the senior secured debt papers of BPC.

To partially finance the Company's advances relating to the Petrochemical Project, the Company obtained short-term loans from local banks (see Note 6). With the delay in the completion of the activities and the conditions required for the Petrochemical Project, the Company was unable to pay the bank loans on maturity dates. As of March 31, 2007 and December 31, 2006, the amounts payable to the banks totaled ₱895.0 million and ₱866.7 million, consisting of the outstanding principal balance of ₱378.3 million and finance charges of ₱516.7 million and ₱488.4 million, respectively.

Pursuant to the Company's plan of acquiring full control of BPC, instead of exercising creditor rights, the Company, on April 16, 2004, entered into a Share Purchase Agreement (SPA) with BPC, Tybalt Investment Limited (TIL), BP Holdings International B.V. (BPHI) and Petronas Philippines, Inc. (PPI), with TIL as the purchaser of the 83% interest of the foreign shareholders of BPC. As agreed by the parties, the SPA is to take effect as of March 31, 2004, subject to closing conditions, as defined in the SPA, which the parties have to comply with within a period of 60 days or later if the conditions are not met.

On July 7, 2005, Polymax and BPC executed a Deed of Conveyance, transferring to Polymax, under an asset for share swap, the petrochemical plant of BPC in exchange for 85 million common shares of Polymax with par value of US\$1 per share, or a total par value of US\$85 million.

On July 20, 2005, the Company, Polymax and NPC International Limited (NPCI) entered into an SPA which provided that, subject to certain conditions, including the transfer of the petrochemical plant of BPC free from encumbrances, NPCI will acquire 60% of the issued share capital of NPC Alliance, Corp. (NPCA) from Polymax.

On August 9, 2005, Polymax and NPCA executed a Deed of Conveyance, transferring to NPCA, under an asset for share swap, the same petrochemical plant in exchange for 4.8 million shares of common stock of NPCA with a total par value of ₱4.8 billion, resulting in 100% ownership interest of Polymax in NPCA.

On November 15, 2005, BPC and Polymax executed a Deed of Assignment whereby BPC transferred and conveyed to Polymax all its rights and interest to Polymax's 85 million shares of common stock, with a total value of US\$85 million, in exchange for the discharge of a portion of BPC's secured debt, which was acquired by Polymax from IFC, up to the extent of the value of the shares transferred. Polymax retired the said shares 10 days from the date of the Deed of Assignment.

On December 16, 2005, Polymax, NPCI, Petrochemical Industries Investment Company (PIIC) and the Company entered into an amended SPA whereby NPCI and PIIC will purchase 40% and 20% of NPCA's shares of common stock, respectively, from Polymax. In addition to the conditions set forth in the original SPA, the amended SPA also involves advances to be provided by NPCI amounting to US\$15 million representing an advance payment which may be used to fund the bona fide third party costs of NPCA or BPC for the recommissioning, operation and maintenance of the petrochemical plant or such other third party costs or expenses, taxes or duties as agreed between Polymax and NPCI.

On the same date, the Company, NPCI and PIIC entered into a Guarantee and Indemnity agreement whereby the Company irrevocably and unconditionally guaranteed the prompt performance and observance by Polymax and the payment on demand by Polymax of all moneys, obligations and liabilities which are now or at any time after the execution of the agreement become due from or owing or incurred by Polymax under or in connection with any of the SPA and the Shareholders' Agreement. The Company also guaranteed that it shall be liable for Polymax's obligations, as if it were a principal debtor, if Polymax's obligations are no longer recoverable from Polymax.

On March 18, 2006, Polymax, NPCI, PIIC and the Company entered into an Agreement of Variation (March 2006 Variation Agreement) to vary and amend the terms of the Amended and Restated Share Purchase Agreement (ARSPA) and the Shareholders' Agreement entered on December 16, 2005. Under the March 2006 Variation Agreement, completion of the conditions and conditions subsequent set forth in the ARSPA was extended to April 30, 2006. Moreover, additional conditions that Polymax needs to satisfy prior to completion were agreed upon.

On the same date, Polymax and NPCI executed a Deed of Absolute Sale whereby Polymax sold, transferred and conveyed to NPCI all the rights, title and interest in 19,090,000 NPCA shares of common stock, equivalent to 40% ownership interest, for a consideration of ₱1.91 billion.

On September 11, 2006, Polymax, NPCI, PIIC, the Company and NPCA entered into another Agreement of Variation (September 2006 Variation Agreement) to further vary and amend the terms of the ARSPA and the Shareholders' Agreement (both initially amended and varied by the March 2006 Variation Agreement). Polymax, in accordance with its obligations under the ARSPA, has notified NPCI and PIIC that it is aware that certain conditions will not be fulfilled by April 30, 2006. As a result, the parties agreed to transfer to PIIC the 9,545,000 NPCA shares of common stock prior to completion, while certain conditions will become conditions subsequent to be completed on or before December 31, 2006.

On September 20, 2006, Polymax and PIIC executed a Deed of Absolute Sale whereby Polymax sold, transferred and conveyed to PIIC all the rights, title and interest in 9,545,000 NPCA shares of common stock, equivalent to 20% ownership interest, for a consideration of ₱954.5 million.

As of March 31, 2007, however, the ARSPA Variation Agreement expired and has not been extended, while the conditions subsequent remained unsatisfied. Moreover, as of the same date, NPCA has not yet started commercial operations. The ultimate effect of the foregoing uncertainties, which may be material, cannot presently be determined. The consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

### 3. Summary of Significant Accounting and Financial Reporting Policies

The principal accounting and financial reporting policies adopted in preparing the consolidated financial statements are as follows:

#### Basis of Preparation

The consolidated financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) using the historical cost convention, except for land, land improvements and buildings and improvements which are stated at appraised value and available-for-sale (AFS) financial assets which have been measured at fair value. The consolidated financial statements are presented in Philippine peso, which is the Company's functional currency. All values are rounded off to the nearest peso except when otherwise indicated.

#### Basis of Consolidation

The consolidated financial statements comprise the financial statements of the parent company, Metro Alliance Holdings and Equities Corp., Polymax as a Special Purpose Entity (SPE) and the following subsidiaries:

	Percentage of Ownership	
	2007	2006
GAC Logistics, Inc. (GAC)	51.00	51.00
Mabuhay Vinyl Corporation (MVC)	42.69	43.43
Consumer Products Distribution Services, Inc. (CPDSI)*	100.00	100.00
FEZ-EAC Holdings, Inc. (FEZ-EAC)*	100.00	100.00
Zuellig Distributors, Inc. (ZDI)*	100.00	100.00
Asia Healthcare, Inc. (AHI)*	60.00	60.00
* Non-operating		

A subsidiary is an entity in which the Company has control. Subsidiaries are consolidated from the date on which control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Company. An SPE is consolidated from the date on which the substance of the relationship between the Company and the SPE indicates that the SPE is controlled by the Company.

While the Company owns less than 50% of the voting shares of stock of MVC, MVC qualifies as a subsidiary because the Company is the single biggest stockholder with 42.69% ownership interest on March 31, 2007 and December 31, 2006, and holds the chairmanship of MVC's BOD.

The Company prepared its consolidated financial statements for the year 2007 and 2006 following the presentation rules under SFAS No. 30/IAS No. 34 on "Interim Financial Reporting".

#### 4. Receivables

Receivables as of March 31, 2007 and December 31, 2006 are as follows:

	2007	2006
Notes	149,316,480	149,316,480
Trade	350,425,086	395,288,995
Due from affiliates	27,048,977	27,354,337
Interest	6,976,374	3,588,756
Others	293,108,683	293,764,190
	826,875,600	869,312,758
Less allowance for doubtful accounts	10,400,472	10,412,550
	<b>816,475,128</b>	<b>858,900,208</b>

The notes receivable are payable in 365 days on demand and are subject to interest ranging from 3.5% to 9% in 2007 and 2006. Other receivables include ₱254.7 million noninterest-bearing receivables of Polymax from third party business partners that are subject to liquidation.

#### 5. Assets Held For Sale / Discontinued Operation

As mentioned in Note 2, the Company and Polymax entered into an amended SPA on December 16, 2005 whereby Polymax will sell 40% and 20% of its ownership interest in NPCA to NPCI and PIIC, respectively. The disposal of Polymax's interest in NPCA is expected to be completed in 2006. However, as of December 31, 2006 and March 31, 2007, certain conditions of the sale remained unsatisfied. In accordance with PAS 27 and PFRS 5, the assets of NPCA is presented as assets held for sale in the consolidated balance sheets and the gain totaling ₱76.8 million in March 2007 and ₱8.7 million in March 2006, is presented as discontinued operation in the consolidated statements of income.

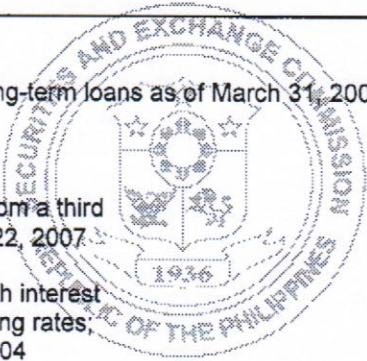
The assets of NPCA as of March 31, 2007 and December 31, 2006 are as follows:

	2007	2006
Cash	296,046,250	484,740,585
Receivables - net	100,918,066	2,859,369
Inventories - net	8,585,754	-
Other assets - net	8,494,880	3,220,010
	414,044,950	490,819,964
Property, plant and equipment - at cost	4,760,000,000	4,760,000,000
	<b>5,174,044,950</b>	<b>5,250,819,964</b>

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6. Loans Payable

Loans payable, inclusive of short term and long-term loans as of March 31, 2007 and December 31, 2006 are as follows:



a. Secured, non-interest bearing loan from a third party; payable on or before May 22, 2007.	294,180,000
b. Secured loans from a local bank - with interest rate at the bank's prevailing lending rates; payable on or before June 15, 2004	280,000,000
c. Secured loans from a local bank - with interest rate ranging from 14% to 15%; payable on April 6, 2004	98,278,949
d. Unsecured loans from a local bank - with interest rate at 12.25%; payable on March 31, 2004	35,000,000
e. Unsecured loans from a local bank - with interest rate of 9.61% in 2006 and 8.25% in 2005, renewed on January 23, 2006 for another year	18,000,000
	<u>725,458,949</u>

- a. This represents the \$6.0 million loan granted by NPCI to Polymax by virtue of an Omnibus Agreement (the Agreement) made and executed by both parties on November 22, 2006. The loan is payable on or before six (6) months from the date of the Agreement and is secured by 3,808,000 common shares of stock of NPCA owned by Polymax. As of March 31, 2007, the loan remains outstanding.
- b. The loans amounting to P280.0 million from a local bank are secured by shares of stock and real estate mortgage on properties owned by certain stockholders, directors and officers of the Company. In case of default in payment of these loans, penalty for delinquency and liquidation damages of 2% per month based on the outstanding principal and total amount of unpaid interest shall be charged from the date of default until full payment of the obligation. Accrued penalties on these loans amounted to P236 million and P218.0 million as of March 31, 2007 and December 31, 2006, respectively.
- c. The P550.0 million secured loans from a local bank, with a remaining balance of P98.3 million as of March 31, 2007 and December 31, 2006, were obtained jointly and severally by the Company and Polymax to partially finance the acquisition of the secured debt papers of IFC (see Note 2). The loans are secured by real estate and chattel mortgages on certain properties and shares of stock owned by certain stockholders and directors of the Company and a third party, a deed of assignment on a portion of the IFC debt papers, and suretyship of certain stockholders.

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As consideration for the additional security provided by the third party to fully collateralize the said secured loans, in January 2004, the Company executed a Deed of Assignment in favor of the third party, which provides that the Company and Polymax assign, in favor of the third party, 29.42% of the US\$150.7 million senior debt papers of IFC, and to said extent of 29.42%, the Company and Polymax's rights and interest in the land of BPC or the landholding company for the polyethylene manufacturing facilities located in Mariveles, Bataan. Both assignments are effective upon non-payment of the loans. The assignments, however, shall be null and void upon full payment of the loans.

The loan agreements provide for certain restrictions with respect to, among others, purchase of treasury shares, encumbrance of assets, dissolution, and declaration and payment of cash dividends. It also provides that the bank shall have the option, at its sole discretion, to convert the loans or a portion thereof, into equity ownership of a proportionate number of shares of the Company.

In case of non-payment on due date or violation of any of the terms and conditions of the loan agreements, the whole sum outstanding and unpaid amount shall become immediately due and payable without need for demand or notice. Penalty charges equivalent to 1.5% per month (a fraction of a month shall be counted as one month) of principal, interest or any other amount due but unpaid shall also be charged. Accrued penalties on these loans amounted to ₱192.0 million as of December 31, 2006 and 2005, respectively.

On January 5, 2006, the BOD authorized the Company to give consent to Polymax to pledge and/or mortgage Polymax's shares in NPCA equivalent to 40% of the total issued and outstanding shares of NPCA to secure the Company's loan obligation with the local bank.

On January 10, 2006, the Company and Polymax made a partial payment to the local bank amounting to ₱225.0 million of the principal and ₱28.1 million of the accrued interest.

On the same date, the Company and Polymax entered into an amendment of the loan agreement with the local bank whereby the Company and Polymax shall provide additional collateral for the remaining balance of the principal of the loan, amounting to ₱325.0 million in exchange for the release of the deed of assignment on a portion of the IFC debt papers. The additional collateral consist of a deed of pledge over 40% shares of stock of NPCA equivalent to 19.1 million shares, hold-out of Polymax's US\$ time deposit account with the local bank amounting to US\$2.0 million and deed of assignment over the proceeds of the sale of NPCA shares by Polymax to NPCI and PIIC up to the extent of ₱325.0 million.

In February 2006, the Company was able to seek extension from the bank up to December 29, 2006 and made a total of ₱451.7 million principal payments for the year ended December 31, 2006. The loans remains outstanding to date.

As agreed with Polymax, all finance charges incurred or may be incurred by the Company from the ₱550.0 million and ₱280.0 million loans will be for the account of Polymax as these loans were obtained in relation to the Petrochemical Project (see Note 2).

- d. The unsecured loans from a local bank amounting to ₱35.0 million also have provisions for penalties in case of default in payment. An additional amount equivalent to 2% per month or a fraction of a month of the amount due, but in no case less than ₱10,000, until fully paid shall be charged to the Company as liquidating damages. If the loans are referred to an attorney-at-law or collection agency for collection, the further sum of 15% of the total amount due, but in no case less than ₱10,000, exclusive of costs and other judicial or extra judicial expenses, shall also be charged. Accrued penalties on these loans amounted to ₱23.5 million and ₱17.1 million as of March 31, 2007 and December 31, 2006, respectively.

**7. Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses as of March 31, 2007 and December 31, 2006 are as follows:

	2007	2006
Trade payables	84,847,856	50,461,075
Accrued finance charges	626,246,461	661,754,545
Accrued expenses and other current liabilities	233,216,125	195,111,103
	<b>944,310,442</b>	<b>907,326,723</b>

**8. Long-term Debt**

Long-term and current portion of long-term debt as of March 31, 2007 and December 31, 2006 are as follows:

	2007	2006
a. Secured three and a half-year loan from a local bank - with annual interest rate at 5% above the 91-day treasury bill rate; payable quarterly	159,348,727	159,348,727
b. Secured five-year loan - with interest rate at 8.50% for first 92 days, subject to quarterly adjustment thereafter, payable in 16 equal quarterly installments until July 18, 2008	37,500,000	43,750,000
c. Secured loan from a local bank - with total add-on financing charges of 49% over 48 months; payable in monthly installments starting April 25, 2004	280,000	350,000
	<b>197,128,727</b>	<b>203,448,727</b>
Less current portion	<b>184,593,841</b>	<b>184,628,727</b>
	<b>12,534,885</b>	<b>18,820,000</b>

- a. In 2003, the Company converted the remaining balance of a P200.0 million unsecured short-term loan in 2002 into the secured three and a half-year loan. The loan is secured by a Deed of Chattel Mortgage over 264,536,654 MVC shares of stock owned by the Company.

The principal payment shall be based on 100% of the cash dividends (with a minimum annual cash dividend of P0.10 per share) declared over MVC shares of stock mortgaged, with a minimum annual principal payment based on the following schedule:

Date of Payment	Amount
July 31, 2004	P55,000,000
July 31, 2005	40,000,000
July 31, 2006	84,433,141
	<b>P179,433,141</b>

The loan agreement provides for certain restrictions, with respect to, among others, change in ownership structure, merger and disposition of assets, encumbrance of assets, incurrence of debt, maintenance of certain financial ratios, declaration and payment of cash dividends and management bonus, and the sale of MVC shares mortgaged to the bank. As of December 31, 2006 and 2005, the Company is not in compliance with the financial ratio requirements of the loan agreement and has overdue principal amortization and interest totaling ₱205.2 million and ₱193.4 million, respectively.

In February 2005, the Company and the local bank entered into a MOA whereby the Company offered to settle the obligation by way of assignment and transfer to the local bank of all its rights and interests over 234,592,391 MVC shares of stock. The local bank has agreed to the full settlement of the loan (₱176.7 million as of February 15, 2005, including interest) on the Company's representation and warranty that cash dividends in the amount of ₱28.0 million will be earned on MVC shares which shall be paid to the local bank on or before April 29, 2005, subject to the decision of MVC's BOD to declare such cash dividends. The remaining 29,944,263 security shares shall remain subject of security documents and shall continue to secure the Company's compliance with all its obligations under the loan agreement and the MOA. In addition, both parties agreed that each MVC share of stock shall have an assigned value of ₱1.10 per share.

As of March 31, 2007, the 234,592,391 shares have not been transferred to the local bank. Accordingly, the loans payable to the local bank remained outstanding as of March 31, 2007.

In June 2007, all the rights and interests of the 234,592,391 MVC shares of stock were assigned and transferred to the local bank. Consequently, the loan obligation to the local bank was fully settled.

- b. The five-year loan with an outstanding balance of ₱37.5 million and ₱43.8 million as of March 31, 2007 and December 31, 2006, respectively, is secured by MVC's properties (land, machinery, equipment and furniture) in Iligan.

The proceeds of the loan were used to partially finance the construction of MVC's IEM plant and the acquisition of the related machinery and equipment. Payment of principal has a grace period of one year. Thereafter, it is payable in 16 equal quarterly installments of ₱6.2 million starting October 21, 2004 until final maturity in July 2008. Average interest rates in 2007 and 2006 is 8%.

- c. The loan with an original principal of ₱0.9 million was obtained by the Company to finance the acquisition of a transportation equipment. The loan is secured by a chattel mortgage over the said transportation equipment.

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## 9. Related Party Transactions

Significant transactions with related parties include the following:

- a. Management consultancy agreement

The agreement, which is for an initial period of five years up to March 31, 2004, is with a stockholder whereby the Company pays the amount mutually agreed upon based on the nature of services rendered. On April 1, 2004, a new agreement was signed for an indefinite term until terminated by either party by giving six months prior written notice. Management fees charged to operations amounted to ₱6.0 million annually from 2004. The outstanding liability due to this stockholder amounted to ₱17.5 million and ₱16.1 million as of March 31, 2007 and December 31, 2006, respectively.

b. Advances from Acesite (Phils.) Hotel Corporation (Acesite) and Waterfront Philippines, Inc. (WPI)

In 2006, Acesite, an affiliate, provided short-term noninterest-bearing advances to the Company. The balance of this account is ₱4.3 million as of March 31, 2007 and December 31, 2006.

In addition, WPI, an affiliate, provided noninterest-bearing advances to the Company to finance the latter's working capital requirements and capital expenditures. As of March 31, 2007 and December 31, 2006, the balance of these advances from WPI amounted to ₱292.8 million.

c. Advances from affiliates

The Company obtained noninterest-bearing advances from affiliates related to the Petrochemical Project and for other investments. The outstanding advances of ₱195.3 million as of March 31, 2007 and December 31, 2006, are included under the "Due to affiliates" account in the consolidated balance sheets.

d. Purchases from Mitsubishi Corporation (Mitsubishi)

MVC purchases inventories from Mitsubishi, a stockholder, based on agreed commercial terms and conditions. As of March 31, 2007 and December 31, 2006, MVC has no outstanding trade payable to Mitsubishi.

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10. Events After the Balance Sheet Date

The Company has no material events subsequent to March 31, 2007 that have not been reflected in the financial statements as of March 31, 2007. In addition, there were no subsequent events that are not disclosed in the most recent audited financial statements.

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11. Other Matters

The interim operation is under normal business condition and is unaffected by any seasonal or cyclical nature.

There were no material changes in estimates of amounts reported or changes in estimates of amounts reported in prior financial years.

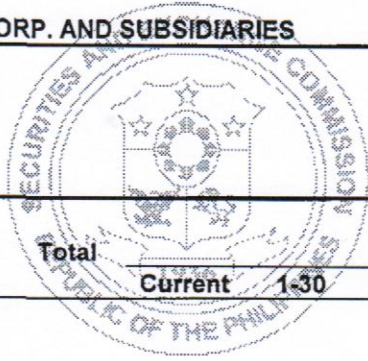
There were no material issuances, repurchases and repayments of debt and equity securities.

There were no dividend payments during the quarter and prior year first quarter.

There were no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

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**METRO ALLIANCE HOLDINGS & EQUITIES CORP. AND SUBSIDIARIES**  
**TRADE RECEIVABLES AGING SUMMARY**  
in Php '000s



Principal/Customer	Credit Terms	Total	Amount				
			Current	1-30	31-60	61-90	Over 90
<b><u>CPDSI</u></b>							
Petrochemical Corp of Asia-Pacific	90 days	724	-	-	-	-	724
<b><u>Asia Healthcare</u></b>							
Philam Care	90 days	338	-	-	-	-	338
<b><u>GAC Logistics</u></b>							
Johnson & Johnson	30 days	7,284	689	4,287	969	1,092	247
3M Philippines	30	4,968	154	2,920	1,625	157	112
Others	Various	7,467	421	9,898	699	271	179
		19,719	1,125	13,243	3,293	1,520	538

**Mabuhay Vinyl Corporation**  
In million pesos

	Total	1 month	2-3 months	4-5 months	7 months- 1 year
Luzon	194.8	136.5	32.7	9.0	16.6
Visayas	33.9	26.0	5.6	0.8	1.5
Mindanao	99.3	70.8	14.9	9.0	4.5
Total	328.0	233.3	53.2	18.8	22.6
Less allowance for doubtful accounts	8.7				
	319.3				

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