

March 24, 2006

Dear Papang,

Last October or November, when Mamang came to Manila, she was the one who told me that since both of us seems forever not seeing eye to eye and have encountered so much misunderstandings in the past within our company, she told me that you and her have decided to let go of me with the formula of me having two shares as against one share for each of the other family members, including Mamang and you. It is because of this decision that after two days, I gave Mamang my estimated market value of our family business which amounted to P1.3B.

When this was submitted to you and when I attended your 70th birthday last December 3, 2005, you, together with my cousin, Atty. John Tan, presented to me your "idea" on how you would like that my shares will be divided. In your proposal list, you indicated M/V Stephanie Marie, M/V Mary Joy 2, one con-carrier vessel, and some support equipments totaling to P190M. This is far from my original list which totaled about P350M. However, your reason was that I should not include other properties which were "given" to you by "Lolo".

In your December list totaling P190M, I have observed that you missed 146 containers and so I send back to you and Mamang a corrected list for you to evaluate which, following the two shares Mamang and you formulated, would make my total to P225M.

My other request (not demand) was for me to be given a set of vessels valued to my two shares so that it will be easier for me to operate. It is very difficult for me to operate M/V Stephanie Marie, together with different kinds of vessel operations simply because I have to obtain many offices for each kind of vessel operation.

Last march 10, 2006, I texted John Lu to ask Mamang if I can time charter con-carrier vessels and asked for the price per month if ever I will be granted. There was no reply so I texted again last March 13, 2006 to follow-up my inquiry and added that I understand that APO Cement is chartering our two con-carrier vessels at about P450,000.00 per month (without any advance payment). Here's the exact text I sent to John Lu on March 13, 2006:

"I've received your fax. Thanks. I totaled the amount and it's only 173,780,000.00, way below 224,018,857.14 which should be the amount of my family share (2 shares) computed on the total valuation of 784,066,000.00. Even Papang's December's proposal already totaled 190,064,000.00 (MV Stephanie, LMJ2, 1 Con

Carrier, etc.) One share of 784,066,000.00 equals 112,009,428.50. Can you ask my mom and Papang to focus on the 2 shares valuation and also don't insist to give me LMJ2. Is there something wrong with LMJ2? I really can't have LMJ2 since the start-up company I registered with Marina restricts me with a total gross tonnage of only 2,500 tons total. I have read to Mamang over the phone the Marina circular provision re this. Anyway, I'll send again another **proposal** this week and try to come up with something that would be workable for all parties. In the meantime, can I time charter Con-Carrier vessels muna at P525,000.00 per month with one month advance deposit. Thanks."

I made an offer to charter at P525,000.00 per month with one month advance. I do not demand anything. I'm doing proposals so that we can negotiate on what can work out for all parties.

After two days, I followed-up from John but he replied that you don't like the idea of time charter? I really don't understand your decision but I opted not to pursue my proposal to give Aleson additional P75,000.00 per month per vessel.

In your letter, I am made to understand that I am challenging you by having my own corporation as against your earnest desire for me to still be in the family company. I think you have misunderstood my intentions. I planned to establish my own corporation because I don't feel that I am still welcomed in the family company. Here's one reason for me to feel that: My own corporation was approved even before I received your letter stating your desire for me to go back to the family business. I still considered your request with just one condition. My one and only request was denied because you said that it will bring chaos to the company. So I proposed for us to consult the Chinese temple about the matter on whether it will do chaotic occurrences in the company. But your action not to even ask the Chinese Temple if my proposal will bring chaos or might be a good thing for the company had given me a valid reason to conclude that I really can't be of help to you in your desire to run our family corporation.

Papang, I am willing to let go of all my work with you and our family corporation. Let's just be fair, be civil and stop telling unpleasant things to each other, treating like one of us is the good person and the other is bad.