

# COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

**Mr. Ericson O. Ang**

(Contact Person)

**722-5417/722-8078**

(Company Telephone Number)

1	2
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Month

3	1
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Day

(Fiscal Year)

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(Form Type)

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Month

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Day

(Annual Meeting)

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(Secondary License Type, If Applicable)

CFD
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Dept. Requiring this Doc.

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Amended Articles Number/Section

### Total Amount of Borrowings

16

Total No. of Stockholders

\_\_\_\_\_

Domestic

\_\_\_\_\_

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

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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, 2019**
2. Commission Identification Number **133828**
3. BIR Tax Identification Number **420-000-188-756**
4. Exact name of issuer as specified in its charter: **PRIMEX CORPORATION**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila**
6. Industry Classification Code: \_\_\_\_\_ (SEC Use Only)
7. Address of Issuer's principal office and postal code:  
  
**Ground Fl., Richbelt Terraces , #19 Annapolis St., Greenhills, San Juan 1502**
8. Issuer's Telephone Number, including area code: **(632) 722-8078**
9. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

**As of March 31, 2019**

Title of each class

Number of shares issued and outstanding

**Common shares**

**1,661,666,665**

Amount of Debt Outstanding

**None**

10. Are any or all of the securities listed on a stock exchange?  
Yes [ ]                      No [ x ]

Stock Exchange: **Philippine Stock Exchange**

Securities Listed: **Common shares**

11. Indicate by check mark whether the registrant:

- (a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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.

Yes [ x ]

No [ ]

(b) has been subject to such filing requirements for the past 90 days:

Yes [ x ]

No [ ]

## **PART I - FINANCIAL INFORMATION**

### **Item 1. Financial Statements**

1. Comparative Consolidated Statement of Financial Position
2. Comparative Consolidated Statement of Income
3. Consolidated Statement of Cash Flow
4. Aging of Accounts Receivables
5. Statement of Changes in Stockholders' Equity

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


## **PART II - OTHER INFORMATION**

The Company is not in possession of any information which may, at its option, be reported under this item and which would otherwise be required to be filed in a report on SEC Form 17-C.

## **SIGNATURE**

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 thereunto duly authorized.

PRIMEX CORPORATION  
Issuer  
by:

  
**ERNESTO O. ANG**  
President / Chairman of the Board

  
Mr. Edgard O. Ang  
Treasurer/Chief Financial Officer

**DATE: May 10, 2019**

## NOTES TO FINANCIAL STATEMENTS

- \* The financial statements have been prepared in accordance with the accounting standards generally accepted in the Philippines.
- \* The same accounting policies and methods of computation have been consistently followed in the interim financial statements and are consistent with those used in the most recent annual financial statements.
- \* No dividends on any class of shares were paid by the company in the first three months of 2019.
- \* In the normal course of operations of the company, commitments, guarantees and contingent liabilities may arise but are not reflected in the accompanying financial statements. However, it is the opinion of the company that losses, if any, from these items will not have any material effect on the financial statements.
- \* For the current interim period, no unusual changes occurred that may affect the company's assets, liabilities, equity, net income or cash flows.
- \* There were no changes in estimates of amounts reported in prior interim periods of the current financial year that will have a material effect in the current interim period.
- \* No issuances, repurchases, repayments of debts and equity securities were made during the interim period.
- \* There were no material events subsequent to the end of the interim period that have not been reflected in the financial statements for the interim period.
- \* There were no changes in the company's composition during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations.
- \* There were no changes in contingent liabilities or contingent assets since the last annual balance sheet.
- \* There are no known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.
- \* There are 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.
- \* There are no material commitments for capital expenditures.

- \* The Company has no investments in foreign securities.
- \* There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the liquidity of the company.
- \* The Company's financial condition and operating results would not be materially affected by the current global condition, particularly on currency, interest, credit and liquidity risks.

#### *Currency Risk*

The Company's risk exposure to foreign currency fluctuations is nil since no commercial or sales transactions nor recognized assets or liabilities are denominated in any foreign currency. Any fluctuation thus will not affect the company's financial position.

#### *Interest Rate Risk*

The primary source of the Company's interest rate risk relates to debt instruments but its current no debt financial position provides the company with sufficient shield from interest rate changes.

#### *Credit Risk*

The Company's credit risk is mainly centered on installment receivables. The company maintains a defined credit policies and continuously monitor its exposure to credit risks. The company's policy of effecting registration of transfer of ownership only upon full payment effectively minimizes its credit risk.

#### *Liquidity Risk*

The company manages its liquidity position with the end view of insuring its operating needs. Liquid assets include cash and cash equivalents and contract receivables. An efficient collection of contract receivables will effectively counter any liquidity risk and manage short-term obligations.

\* The Company's top key performance indicators are as follows:

1. Sales Volume Growth

Measures the percentage change in sales volume over a specific period of time. Sales volume growth is regularly monitored based on project location and classification. For the 1st quarter of the year 2019, Php 2.654 M in real estate sales were made, as compared with the Php 39.629 M in real estate sales recorded during the previous quarter.

2. Revenue Growth

Measures the percentage change in revenues over a specific period of time. Revenue growth is regularly monitored based on all sources of revenues. Total revenues earned for the quarter was Php 27.323 M, as against the Php 75.157 M of the last quarter of 2018.

3. Realized Gross Profit on Sales

Measures the amount of profit derived from sales over a specific period of time. It is the amount of real estate sales less cost of development. Php 14.042 M in Realized Gross Profit was made as compared with the Php 9.325 M during the previous quarter.

4. Operating Margin

Measures general expenditures and operating efficiency. It is the ratio of operating income to sales. An operating loss of Php 8.166 M was derived for the 1st quarter as compared with the operating income of Php 17.189 M of the previous quarter.

5. Asset Growth

Measures the percentage change in Total assets over a specific period of time. Total Assets recorded minimal changes, from Php 2,143.373 M at the end of the fourth quarter of 2018 to Php 2,195.086 M as of the end of the 1st quarter of 2019.

## **MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS**

### **Result of Operations**

#### **Three months ended March 31, 2019 compared to three months ended March 31, 2018**

For the first three months of the year 2018 ended March 31, the Company recorded only Php 2.654 M in Real estate sales, as compared with the No sales posted for the same period last year. This was an offshoot of the self-imposed moratorium on real estate sale of Goldendale Subdivision due to the continued significant rise in real estate prices. This resulted in a realized gross profit from sales of Php 14.042 M as against none earned for the same period last year. Total Expenditures for the 3-month period was up by 130 %, from Php 8.133 M of the same period last year to Php 18.793 M. Salaries, Bonuses and Employees' Benefits was 33 % more, from Php 1.187 M to Php 1.579 M due to the hiring of employees on temporary status ; Taxes and Licenses increased by 260 % than the same period last year, from Php 2.750 M to Php 9.901 M on account of early payment of real estate taxes ; Reduced utilization of company heavy equipment in real estate development was responsible for the 36 % decrease in Gas & Oil, from Php 0.170 M to Php 0.109 M; Security service expense, which was Php 0.100 M in the same period last year, was up to Php 0.152 M due to the additional deployment of the number of security guards per property site; there were no Professional Fees paid for the same period last year as compared to Php 0.205 M for the same period this year on account of fees paid for public relations services while Repairs and Maintenance was down by 60 %, from Php 0.141 M to Php 0.056 M on account of less repairs; The Php 0.737 M spent under Miscellaneous expense was 120 % more this same period this year at Php 1.622 M . While Rental Expense for the same period last year was nil as this rental expense has yet to be paid during the 1<sup>st</sup> quarter as compared with the Php 0.696 M spent last year.

Revenues from Other Income sources earned during the 1st quarter amounted to Php 24.668 M, up two and a half times from the Php 7.444 M earned during the same period last year. Interest Income increased 7-fold, from Php 1.402 M to Php 11.697 M on account of more installment sales contracts. Rental Income, which was nil for the same period last year, rose to Php 0.696 M, as some rental payment has not yet been received during the same period last year. In view of the minimal real estate sales during the 3-month period, the Company incurred a loss before tax of Php 0.688 M, as compared with the Php 41.781 M income earned during the same period last year.

### **Financial Condition**

The Company's Balance sheet reflects a very minimal changes in Total resources. Total Assets, which stood at Php 2,223.327 M as of yearend 2017, is now pegged at Php 2,206.737 million. Cash on hand, which stood at Php 16.008 M at yearend 2017, was down to Php 8.858 M as of March 31, 2018 due to no income from sales. Contract Receivables decrease by 17 %, from Php 217.155 M to Php 180.219 M due to no real estate sales. Accounts and other payables and Total Current Liabilities remains basically unchanged.

There are no material events and uncertainties known to management that would impact or change the reported financial information and condition of the company.

## **PART II – OTHER INFORMATION**

There were no other disclosures other than those made under SEC Form 17-C.

**PRIMEX CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF MARCH 31, 2019 AND DEC. 31,2018**

	UNAUDITED	AUDITED
	31-Mar-19	31-Dec-18
<b>ASSETS</b>		
CURRENT ASSETS		
CASH AND CASH EQUIVALENTS	50,763,559	42,093,963
RECEIVABLES	108,635,659	194,688,031
CONTRACT ASSETS	20,043,594	22,759,156
REAL ESTATE HELD FOR SALE & DEVELOPMENT COST	1,532,875,357	1,469,026,913
OTHER CURRENT ASSETS	229,188,176	224,036,801
<b>TOTAL CURRENT ASSETS</b>	<b>1,941,506,345</b>	<b>1,952,604,864</b>
NONCURRENT ASSETS		
CONTRACT ASSETS - NET OF CURRENT PORTION	63,594,475	63,594,475
INVESTMENT PROPERTIES	83,843,530	83,843,530
PROPERTY AND EQUIPMENT	8,350,434	9,614,821
DEFERRED TAX ASSETS	29,200,432	29,200,432
OTHER NONCURRENT ASSETS	68,591,078	4,514,916
<b>TOTAL NONCURRENT ASSETS</b>	<b>253,579,949</b>	<b>190,768,174</b>
<b>TOTAL ASSETS</b>	<b>2,195,086,294</b>	<b>2,143,373,038</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
CURRENT LIABILITIES		
SHORT-TERM LOANS	330,000,000.00	200,000,000.00
ACCOUNTS AND OTHER PAYABLES	744,400,304	814,472,075
CONTRACT LIABILITIES	122,645,777	122,645,777
INCOME TAX PAYABLE	8,915,851	8,915,851
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,205,961,932</b>	<b>1,146,033,703</b>
NONCURRENT LIABILITIES		
LONG-TERM LOANS	2,000,000	2,000,000
PENSION LIABILITY	5,629,811	5,629,811
REFUNDABLE DEPOSITS	13,584,274	12,984,274
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>21,214,085</b>	<b>20,614,085</b>
<b>TOTAL LIABILITIES</b>	<b>1,227,176,017</b>	<b>1,166,647,788</b>
STOCKHOLDERS' EQUITY		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF PRIMEX CORP.		
CAPITAL STOCK	332,333,333	332,333,333
ADDITIONAL PAID-IN CAPITAL	223,000,000	223,000,000
RETAINED EARNINGS	372,917,438	381,732,411
OTHER EQUITY RESERVES	39,821,375	39,821,375
REMEASUREMENT GAIN ON DEFINED BENEFIT OBLIGATION	(161,869)	(161,869)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>967,910,277</b>	<b>976,725,250</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>2,195,086,294</b>	<b>2,143,373,038</b>



**PRIMEX CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE PERIOD ENDED MARCH 31, 2019 AND 2018**

	<b>UNAUDITED</b>	
	<b>Jan. 1 - March 31, 2019</b>	<b>Jan. 1 - March 31, 2018</b>
<b>INCOME</b>		
REALIZED GROSS PROFIT	(14,042,605)	-
<b>TOTAL INCOME</b>	<b>(14,042,605)</b>	<b>-</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>		
SALARIES, BONUSES, AND EMPLOYEES BENEFITS	1,579,523	1,187,227
TAXES, LICENSES, AND FEES	9,901,290	2,750,518
GAS AND OIL	109,855	170,626
DEPRECIATION EXPENSE	1,313,507	2,002,110
BROKER'S FEE	101,557	1,043,920
SECURITY SERVICES	152,176	100,333
PROFESSIONAL FEE	205,357	-
REPAIRS AND MAINTENANCE	56,125	141,051
MISCELLANEOUS	1,622,917	737,928
INTEREST EXPENSE	3,054,880	
RENTAL EXPENSES	696,000	
<b>TOTAL</b>	<b>18,793,187</b>	<b>8,133,714</b>
<b>NET INCOME (LOSS) FROM OPERATION</b>	<b>(32,835,792)</b>	<b>(8,133,714)</b>
<b>OTHER INCOME - NET</b>		
OTHER INCOME	69,713	322,384
INTEREST INCOME	11,697,449	1,402,481
RENTAL INCOME	12,901,783	5,720,030
<b>TOTAL</b>	<b>24,668,945</b>	<b>7,444,895</b>
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(8,166,846)</b>	<b>(688,819)</b>
<b>PROVISION FOR INCOME TAX</b>		
CURRENT	648,128	669,650
<b>TOTAL</b>	<b>648,128</b>	<b>669,650</b>
<b>NET/CONSOLIDATED INCOME (LOSS) AFTER TAX</b>	<b>(8,814,974)</b>	<b>(1,358,469)</b>
<b>ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT</b>	<b>(8,814,974)</b>	<b>(1,358,469)</b>
<b>ATTRIBUTABLE TO NON-CONTROLLING INTEREST</b>		
<b>TOTAL</b>	<b>(8,814,974)</b>	<b>(1,358,469)</b>
<b>COMPUTATION OF EPS IS AS FOLLOWS</b>		
NET INCOME (LOSS)	(8,814,974)	(1,358,469)
DIVIDED BY WEIGHTED AVERAGE NUMBER OF COMMON SHARES	1,661,666,665	1,661,666,665
<b>EARNINGS PER SHARE</b>	<b>(0.0053)</b>	<b>(0.0008)</b>

**PRIMEX CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**AS OF MARCH 31, 2019 AND 2018**

	<b>UNAUDITED</b>	
	<b>31-Mar-19</b>	<b>31-Mar-18</b>
CAPITAL STOCK P0.20 PAR VALUE		
AUTHORIZED - 4,500,000,000 SHARES		
ISSUED AND OUTSTANDING	332,333,333	332,333,333
SUBSCRIBED AND OUTSTANDING		
TOTAL CAPITAL STOCK	332,333,333	332,333,333
ADDITIONAL PAID-IN CAPITAL	223,000,000	223,000,000
ACTUARIAL GAIN/(LOSS) ON DEFINED BENEFIT OBLIGATION	(161,869)	58,349
RETAINED EARNINGS		
Balance at Beginning of Year	381,732,411	455,172,509
Other Equity Reserve	39,821,375	
Net Income	(8,814,974)	(1,358,469)
Balance at End of Year	412,738,812	453,814,040
TOTAL STOCKHOLDERS' EQUITY	<b>967,910,277</b>	<b>1,009,205,722</b>

**PRIMEX CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED AGING OF CONTRACT RECEIVABLES**  
**AS OF MARCH 31,2019**

	< 30 DAYS	30 - 60 DAYS	> 60 DAYS	TOTAL
	98,200,830	207,212	5,527,605	103,935,647
CONTRACT RECEIVABLES	98,200,830	207,212	5,527,605	103,935,647

**PRIMEX CORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF MARCH 31,2019 AND 2018**

	<b>31-Mar-19</b>	<b>31-Mar-18</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
NET INCOME (LOSS)	(8,814,974)	(1,358,469)
ADJUSTMENT FOR:		
DEPRECIATION/AMORTIZATION	1,313,507	2,002,110
OPERATING INCOME BEFORE CHANGES IN WORKING CAPITAL		
CHANGES IN OPERATING ASSETS AND LIABILITIES		
DECREASE (INCREASE) IN:		
RECEIVABLES	86,052,372	36,935,954
CONTRACT ASSET	2,715,562	
REAL ESTATE HELD FOR SALE AND DEVELOPMENT	(63,848,444)	(23,384,338)
LAND AND IMPROVEMENT		(37,808)
OTHER CURRENT ASSETS	(5,151,375)	(5,072,310)
INCREASE (DECREASE) IN:		
ACCOUNTS AND OTHER PAYABLES	(70,071,771)	(17,353,998)
REFUNDABLE DEPOSIT	600,000	2,122,937
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(57,205,123)</b>	<b>(6,145,922)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
(ACQUISITION) DISPOSALS OF PROPERTY AND EQUIPMENT	(49,120)	(136,040)
DECREASE (INCREASE) IN:		
INVESTMENT IN PRC		
OTHER NONCURRENT ASSETS	(64,076,162)	(554,500)
RECEIVABLES-NET OF CURRENT PORTION		(313,510)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>(64,125,282)</b>	<b>(1,004,050)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
INCREASE (DECREASE) IN CAPITAL	-	
SHORT TERM LOAN	130,000,000	
PROCEEDS FROM ISSUANCE OF CAPITAL STOCK	-	
DIVIDEND PAID		
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>130,000,000</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANK</b>	<b>8,669,595</b>	<b>(7,149,972)</b>
<b>CASH ON HAND AND IN BANK AT BEGINNING OF YEAR</b>	<b>42,093,963</b>	<b>16,008,082</b>
<b>CASH ON HAND AND IN BANK AT END OF QUARTER</b>	<b>50,763,559</b>	<b>8,858,110</b>