

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE
OF THE PHILIPPINES

1. For the Fiscal Year ended: **December 31, 2017**
2. Commission Identification No.: **133828**
3. BIR Tax Identification No.: **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 & postal code:
Ground Floor, Richbelt Terraces, 19 Annapolis St., Greenhills, San Juan 1502
8. Issuer's Telephone number, including area code: **(632) 722-80-78**
9. Securities registered pursuant to Sec. 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

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 these securities listed on a Stock Exchange?
Yes () No (☒)

Stock Exchange: **Philippine Stock Exchange**
Securities listed: **1,616,666,665 Common Shares**

11. Check whether the Issuer:
(a) has filed 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, Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12)

months (or for such shorter period that 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 (☐)

The aggregate market value of the voting stock held by non-affiliates of the company, based on the latest traded price of the Company's Common stock on the Philippine Stock Exchange on April 13, 2018 is Php 2,232,448,128.55

515,576,935 shares x 4.33 = Php 2,232,448,128.55

PART 1 - BUSINESS AND GENERAL INFORMATION

Item 1. Business

A. Background Information

1. Brief Company History

Primex Corporation was incorporated under the laws of the Republic of the Philippines and registered with the Securities and Exchange Commission on July 17, 1986 with the primary purpose of engaging in real estate development.

2. Listing in Stock Exchange

The shares of stock of Primex Corporation was listed at the Philippine Stock Exchange on August 10, 2001. The company has an authorized capital stock of Four Billion Five Hundred Million pesos (Php 4,500,000,000), divided into Three Billion Five hundred million (3,500,000,000) common shares with a par value of Php 0.20 per share and One Billion (1,000,000,000) preferred shares with a par value of Php 0.20 per share. Listed common shares of stock at the Philippine Stock Exchange as of December 31, 2017 stands at One Billion Six hundred Sixteen million Six hundred Sixty Six thousand Six hundred Sixty Five (1,616,666,665) shares while Issued and Outstanding common shares is One Billion Six Hundred Sixty One Million Six hundred Sixty Six thousand Six hundred Sixty Five (1,661,666,665) shares. On November 24, 2015, the Board of Directors of the Company approved a resolution for the change in the Par Value of the shares of stock of the corporation from P 1.00/share to P 0.20/share. The resolution was approved by two-thirds of the shareholders of the company in a Special Stockholders meeting held on January 29, 2016.

3. Nature of Operations

The Company is authorized to engage in the real estate business in all its aspects, to purchase, lease, or in any matter dispose of or deal with lands and other real property and any interest therein.

Its completed projects include two high-end residential projects, namely: (1) Goldendale Village located in Malabon; and (2) The Richdale, situated along Sumulong Highway, Antipolo

City. Both projects are being marketed on a lots-only basis. The Company has also completed the development of Goldendale II, a 4.6 hectare mixed-use project. Also marketed on a lots-only basis, the company has commenced marketing of the property. The company has completed the development of the Tresor Residences, a mid-rise residential condominium along Gov. Pascual Ave., Malabon City and the turn-over of units to buyers has commenced. In 2015, the Company acquired a majority stake in an affiliate, Primex Realty Corporation, whose real estate development project, The Stratosphere, is projected to be completed in the first half of 2018. . On January 17, 2018, the Company acquired full ownership and control of Primex Realty Corporation, thereby making it a wholly-owned subsidiary.

Consolidated Total Revenues totaled Php 268.399 M for the year, a decline of 54 % from the Php 589.775 M of the previous year and a 20% growth from the Php 222.231 M of 2015. Real estate sales revenues from The Richdale Subdivision amounted to Php 5.374 M, Goldendale Subdivision contributed Php 53.071 M. in real estate sales revenues, revenues from the sale of its Panghulo property amounted to Php 80.357 while Php 66.45 M was attributable to revenues from the Stratosphere. These revenues earned from real estate sales, in turn accounted for 87 % of all revenue sources. There are no seasonal aspects that will have a material effect on the financial condition or results of operation of the company. There are no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations. There are no significant elements of income or loss that did not arise from continuing operations. The company does not foresee any effect on its business from existing or probable governmental regulations.

Business Competition/Risks

The real estate industry is highly dependent on the state of the national economy as the growth of the industry has a direct correlation with the state of the national income and the effective disposal income of the people. An increase in disposal income shall correspond to a proportionate increase in expenditures on housing.

There are no major risks involved in the businesses of the Company. Transfer of Titles are effected only after payments are made in full, thereby ensuring no bad accounts.

There is a need for real estate companies to secure government approval such as Development Permit, Certificate of Registration and License to Sell before the commencement of any development. The Company has complied with all appropriate government regulations, including environmental laws and has secured all necessary licenses prior to the development and marketing of its Goldendale and Richdale projects.

The company does not own nor does it depend on any patents, trademarks, copyrights, franchises, concessions and/or royalty agreements for its operations. For its development

activities, the company spent Php 13.954 M. in 2015, Php 978.62 M. in 2016 and Php in 2017, which is 6.27%, 166 % and , respectively of their respective yearly's total revenues.

The Company is not aware of any pending legislation or governmental regulation which is expected to materially affect its business.

Expenses incurred by the Company for purposes of compliance with environmental laws consist primarily of payments for government regulatory fees which are standard in the industry and are minimal.

As of December 31, 2017, the Company and its subsidiary, Primex Realty Corporation, both have the same number of full-time employees and positions, broken down as follows:

<u>Department</u>	<u>No. of Employees</u>
Administrative & Personnel	3
Marketing	1
Operations & Engineering	3
Finance	2
	<u>9</u>

There are no supplemental benefits or incentive arrangements with the afore-mentioned employees, aside from what is provided for by law.

The Company engages the services of outside personnel (sales coordinators, brokers, independent contractors, engineers, etc.) to provide the marketing, operations, and engineering services to the company.

The contracting out of engineering services is mostly on a per project or contract basis. The number of personnel involved depends on the requirements of the particular project.

Item 2. Properties

Investment in real properties as of December 31, 2017 are as follows:

<u>Particular</u>	<u>Location</u>	<u>Total area in sq. m.</u>	<u>Description</u>
1. Land	Annapolis, Greenhills	1,000	This property is bounded by Annapolis, Florida and Columbia Sts. Most ideal for a first-class, high-rise residential condominium
2. Land	Sumulong Highway	140,029	This property has a panoramic view of Antipolo City Laguna de Bay and the whole of Metro Manila. With Notice of lis pendens.

3. Land	National Highway	69,599	This property provides a scenic view of the Tagaytay City famed Taal Lake and Taal Volcano.
4. Land	Gov. Pascual Ave.	29,391	Site of the planned Primex Business Park. Malabon City It lies along the main transportation link connecting the town's center of commerce with its industrial hub.
5. Land	Meycauayan Bul.	11,508	Located in Bo. Saluysoy, Meycauayan, Bulacan
6. Land	Richdale Subd.	23,886	Located along Sumulong Highway, Antipolo
7. Land	Goldendale Village	31,744	Located in Bo. Tinajeros, Malabon
8. Land	Naic, Cavite	49,295	Located in Naic, Cavite
9. Building	Valero St., Makati	11,525	The Stratosphere, Makati City

* There are no mortgage, lien or encumbrance over any of the abovementioned properties nor any limitations on ownership or usage over the same.

Item 3. Legal Proceedings

The following cases represent the actions now pending before various fora:

1. Civil Case No. 93-2918, Savino Penaflor vs. NHA, Primex Corporation, et. al., Branch 73 Antipolo Regional Trial Court. - This suit, instituted on October 2, 1993, is essentially an action to claim ownership of The Richdale Subdivision and other parts of Antipolo, based on an alleged handwritten authority given by a long-deceased Philippine President to the complainant to cultivate the property with no definitive description of its boundaries. A Motion to Dismiss was filed by the Company as far back as March 07, 1994. The Company was eventually ordered to, and did, file its Answer with Counterclaim. Handling counsel for the company is Atty. Agustin S. Sundiam.
2. Civil Case No. 60754, Branch 71 of the Pasig City Regional Trial Court entitled Primex Corporation vs. Marcelino E. Lopez, et. al., - an action filed by Primex Corporation on April 29, 1991 for injunction and specific performance (and breach of warranty after the case was filed) against Marcelino E. Lopez, et. al., due to delays in delivering peaceful possession and valid title, and for breach of warranty that there was no pending cases when the property was originally contracted for sale to Primex Corporation. Primex filed a Motion to Reset Pre-trial which was denied. Primex was declared non-suited and its complaint was dismissed. Defendants' evidence on their counterclaim was received ex-parte. On August 11, 1995, the RTC rendered a decision granting the counterclaims of Defendants against Primex. Primex

filed a Motion for New Trial which was denied by the RTC in its order dated November 7, 1995 on the ground that the motion was not timely filed. Primex appealed both the August 11 and November 7, 1995 orders of the RTC to the Court of Appeals (CA). The CA, in its decision dated April 8 1999, set aside both orders and remanded the case to the RTC to conduct a trial de novo. Case pending appeal under CAGR No. CV-163959 and CAGR No. SP-82865.

3. HLURB Case no. TPZNCR-043004-007 - The Richdale Homeowners Association, Inc. and Primex Corporation vs. Goldloop Properties, Inc. This case filed with the Housing and Land Use Regulatory Board (HLURB) involves a boundary dispute and violation of the Zoning ordinance, New Civil Code and other incidents. The case was filed to stop the construction of the project of the Goldloop Properties, Inc. which had mainly affected Lot-16, Block-1 of The Richdale Subdivision. The principal complainant is The Richdale Homeowners Association, Inc. with Primex Corporation as its co-plaintiff. Evidence for the plaintiff is essentially the certificates of title of the plaintiffs, the Zoning Code of Antipolo City, PD 957, the New Civil Code and its rules and regulations. The case is being set for pre-trial. The probable outcome is that the HLURB shall uphold the provisions of the Zoning Code, New Civil Code and PD 957.

Item 4. Submission of Matters to a Vote of Security Holders

A change in the Par Value of the stock of the Company, from Php 1.00/share to Php 0.20/share, was approved by two-thirds of the shareholders of the company in a Special Stockholders meeting held on January 29, 2016.

PART II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholders Matters

Market Information

The Company's shares of common stock are traded on the Philippine Stock Exchange. Below is a history of the trading prices of said shares for each quarter of the past three years.

			<u>Low</u>	<u>High</u>
2015	First Quarter	Php	4.86	7.60
	Second Quarter		7.75	9.17
	Third Quarter		7.65	7.70
	Fourth Quarter		7.80	8.55

2016	First Quarter	Php	8.40	8.70
	Second Quarter		8.50	10.70
	Third Quarter		2.08	3.46
	Fourth Quarter		2.97	4.56
2017	First Quarter	Php	3.53	5.05
	Second Quarter		3.80	4.86
	Third Quarter		3.86	6.37
	Fourth Quarter		5.21	7.41
2018	First Quarter	Php	3.78	5.89

* The par value of the Company's common stock was changed from Php 1.00 per share to Php 0.20 per share during the 3rd quarter of 2016. The price of the company's common shares that was last traded on the First board of the Philippine Stock Exchange was transacted at Php 4.33 per share on April 13, 2018.

Holder's

As of December 31, 2017, there were 20 holders of the Company's shares of Common stock. Below is a List of the Top twenty holders of the Company's shares of Common stock as of the above date.

<u>Name of Stockholder</u>	<u>Number of Shares</u>	<u>Percentage of ownership</u>
PCD NOMINEE CORP.(FIL)	493,250,064	29.684 %
HIGHVALUE HOLDINGS, INC.	376,623,330	22.665 %
5 CALIBRE HOLDINGS, INC.	193,235,000	11.629 %
EXCELLAR HOLDINGS INC.	193,235,000	11.629 %
HIGH INTEGRITAS HOLDINGS INC.	159,895,000	9.623 %
EA HOK KI HOLDINGS CORP.	137,778,335	8.292 %
PCD NOMINEE CORP (NON-FILIPINO)	28,653,101	1.724 %
YU, JR., LUIS	15,000,000	0.903 %
JANUARIUS HOLDINGS CORP.	15,000,000	0.903 %
KWANTLEN DEV. CORP.	15,000,000	0.903 %
CO, HELEN	12,500,000	0.752 %
CHAN, JOSSIE O.	6,750,000	0.406 %
ANG, ERICSON O.	5,383,330	0.324 %
DY, GONZALO C.	3,250,000	0.196 %
DY, GLORIA A.	3,250,000	0.196 %
CO, KATHRYN	2,500,000	0.150 %
GOCHeco, DORIS	325,000	0.020 %
BORJA, GEORGE C.	20,000	0.001 %

GARCIA, LEIGH LAUREN P.	13,500	0.001 %
ARANAS, KENNEDY	5,000	0.000 %
GAN, RUBEN M.	5	0.000 %

* Highvalue Holdings, Inc. is owned and controlled by Mr. Ernesto O. Ang, President and CEO and Chairman of the Board of the Company.

* 5 Calibre Holdings, Inc. is owned and controlled by Atty. Ericson O. Ang, VP-Legal and Director of the Company.

* Excellar Holdings Inc. is owned and controlled by Edgard O. Ang, CFO and Director of the Company.

* High Integritas Holdings Inc. is owned and controlled by Emilio O. Ang, Vice Pres. And Director of the Company.

* EA Hok Ki Holdings Corp. is owned and controlled by Eduardo O. Ang, Director of the Company.

Dividends

It is the Company's current intention to periodically declare a portion of its unrestricted retained earnings as dividend either in the form of cash or stock.

The payment of dividends in the future will depend upon the company's earnings, cash flow and financial condition, among other factors. The Company may declare dividends only out its unrestricted retained earnings. These represent the net accumulated earnings of the Company, with its capital unimpaired, which are not appropriated for any other purpose.

The Company may pay dividends in cash, by the distribution of property, or by the issue of shares of stock. Dividends paid in cash are subject to the approval of the Board of Directors. Dividends paid in the form of additional shares are subject to approval by both the Board of Directors and at least two-thirds (2/3) of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose.

No cash dividends were declared on the company's common shares for the two most recent fiscal or any interim period. However, in lieu of cash, the company's Board of Directors have approved the payment of the cumulative dividends of its preferred shares in the form of common shares. The same preferred shares have since been converted to common shares.

The Corporation Code prohibits stock corporations from retaining surplus profits in excess of one hundred percent (100%) of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board of Directors or when the corporation is prohibited under any loan agreement with any financial institution or creditor from declaring dividends without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation.

Recent Sales of Unregistered or Exempt Securities

On December 08, 2003, the company's Board of Directors approved the conversion of 100,000,000 shares of Preferred stock to Common shares. In lieu of cash, the Board of Directors also approved the issuance of 6,333,333 shares of Common stock exclusively to existing Preferred shareholders as payment for the accumulated cash dividends. A Certification from the Corporate Finance Department of the Securities and Exchange Commission was issued on December 12, 2003, certifying that the issuance are exempt transactions under Section 10.1 (e) and (g) of the Securities Regulation Code. On August 15, 2014, the Company issued 17,000,000 shares of common stock in favor of a private placement investor. On October 10, 2016, the Company accepted an offer for private placement of 45,000,000 common shares at P 4.00/share. The company has already applied for listing for the aforesaid shares with the Philippine Stock Exchange.

Item 6. Management's Discussion and Analysis

Please see Exhibit "1" hereof.

Item 7. Financial Statements

Please see Exhibit "2" hereof.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no disagreements with the accountants on accounting and financial disclosures.

PART III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers

The NINE (9) members of the Company's Board of Directors were elected during the company's Annual Stockholders Meeting held on June 23, 2017 at the Verbena Room of the Marco Polo Hotel Ortigas and they shall hold office until their successors have been duly elected and qualified.

Directors and Executive Officers

Listed below are the business experience of the company's Directors and Executive Officers covering the past five (5) years.

Ernesto O. Ang, 71 years old, Filipino, President and Chairman of the Board of Directors of the Company since its inception. He is concurrently a Director of the following corporations:

Omega Lumber Corporation, Primex Development Corporation, Primex Domains, Inc., Omega Fish Farm Corporation, Primex Realty Corporation, Primex Land, Inc., Meycauayan Market Corporation, and Richville Development Ltd. He graduated Cum Laude from the Mapua Institute of Technology with a Bachelor's Degree in Mathematics and was a Gold Medalist as well as a recipient of the Don Tomas Mapua Memorial Scholarship Award. He also took Graduate studies in Management Engineering at the Adamson University where he was a former Professor in Mathematics.

Eduardo O. Ang, 74 years old, Filipino, has been a Director of the Company since 1986. He is concurrently a Director of Omega Lumber Corporation, Primex Development Corporation, Primex Realty Corporation, and Primex Land, Inc. Mr. Ang is also the General Manager of Omega Lumber Corporation. He holds a Bachelor's Degree in Mechanical Engineering from the Mapua Institute of Technology.

Emilio O. Ang, 65 years old, Filipino, Exec. Vice President, has been a Director of the Company since 1986. He is the Managing Director of Farmlake Corporation and Omega Fisheries Corporation. He also holds Directorship in Omega Lumber Corporation, Primex Development Corporation, Primex Domains, Inc., Primex Realty Corporation and Primex Land, Inc. Mr. Ang graduated from the University of Santo Tomas with a Bachelor's Degree in Banking and Finance.

Jossie O. Chan, 62 years old, Filipino, has been a Director of the Company since 1995. Ms. Chan is concurrently a Director of Omega Lumber Corporation, Primex Domains, Inc., Primex Realty Corporation, and Primex Land, Inc. She is a holder of a Bachelor's of Science Degree, major in Business Administration from the University of Santo Tomas.

Edgard O. Ang, 58 years old, Filipino, is the Treasurer and Chief Financial Officer of the Company. He has been a Director of the Company for the past 8 years. A Marketing Graduate of the De la Salle University, Mr. Ang is also a Director of Primex Domains, Inc., Primex Realty Corporation, Primex Land, Inc. and Primex Development Corporation.

Ericson O. Ang, 55 years old, Filipino, Vice President-Legal, has been a Director of the Company since 1998. He is concurrently a Director of Primex Domains, Inc., Primex Realty Corporation, Primex Land, Inc. and Primex Development Corporation. Mr. Ang is a Management graduate of the Ateneo de Manila University. He also completed his Bachelor of Laws at the Ateneo Law School and is a member of the Integrated Bar of the Philippines (Rizal Chapter).

Karlvin Ernest L. Ang, 37 years of age, Filipino, Corporate Secretary, he is the Chairman and President of Novelty Specialist, Inc. and Chairman of the Board of Headhigh Venture Holdings Corporation. He is an alumnus of the De la Salle University where he graduated with a Bachelor's Degree in Business Management.

Benito Chua Co Kiong , 65 years of age, Filipino, he is the President of BNC Ingredients Corporation and the former Vice President for Sales of Malabon Longlife Trading Corporation. He holds a Bachelor of Science degree Major in Chemical Engineering from Adamson University. He is also a member of various prestigious business/professional associations, including the American Chamber of Commerce, Canadian Chamber of Commerce, Management Association of the Philippines and the Makati Business Club.

Willy G. Ong, 53 years old, Filipino, is concurrently the President of Willex Printing and also the Vice President of Sureprint Packaging Corporation. Mr. Ong holds a Bachelor of Science degree in Industrial Management Engineering from the De La Salle University. He was previously the Production head, Desktop Publishing Division (1988-1992) of Microprint, a large printing company in San Francisco, California, USA.

* There are no other persons, other than the executive officers, who is expected by the Registrant to make significant contributions to the business.

Family Relationship

The following directors/executive officers of the Company are siblings: Ernesto O. Ang, Eduardo O. Ang, Emilio O. Ang, Edgard O. Ang, Ericson O. Ang and Jossie O. Chan while Mr. Karlvin Ernest L. Ang is the eldest son of Mr. Ernesto O. Ang.

Involvement in Legal Proceedings of any of the Directors and Executive Officers during the past five years

There were no bankruptcy petition filed by or against any business of which any director or executive officer of the company was a general partner or executive officer either at the time of bankruptcy or within two years prior to that time.

No director or executive officer were convicted by final judgement, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses.

No director or executive officer were the subject to any order, judgement, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities.

No director or executive officer were found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign Exchange or other organized trading market or self regulatory organization, to have violated a securities or commodities law or regulation and the judgement has not been reversed, suspended, or vacated.

Item 10. Compensation of Executive Officers and Directors

A. EXECUTIVE OFFICERS

NAME	POSITION
Ernesto O. Ang	President, CEO
Emilio O. Ang	Exec. Vice Pres.
Edgard O. Ang	Treasurer, CFO
Ericson O. Ang	Vice-Pres.-Legal
Karlvin Ernest L. Ang	Corporate Secretary

	<u>Year</u>	<u>Salary</u>	<u>Bonus</u>	<u>Others</u>	<u>Total</u>
All executive Officers as a Group	2016	5,458,069	236,146		5,694,215
	2017	5,458,069	236,146		5,694,215
	2018*	5,458,069	236,146		5,694,215

*Estimated for 2018

B. DIRECTORS

	<u>Year</u>	<u>Directors Fee</u>	<u>Total</u>
Directors' Per Diem As a group	2016	90,000	90,000
	2017	90,000	90,000
	2018*	90,000	90,000

- Estimates for the year 2018
- There were no standard or other arrangements for which the directors of the registrant are to be compensated.

Item 11. Security Ownership of Certain Beneficial Owners and Management

Security Ownership of 5%+ Beneficial Owners as of December 31, 2017

<u>Title of Class</u>	<u>Name, address of Record owner and relationship to Issuer</u>	<u>Name of beneficial owner and relationship with record owner</u>	<u>Citizenship</u>	<u>No. of shares held</u>	<u>Percent</u>
Common	Ernesto O. Ang # 6 Young St. Corinthian Gardens Quezon City Chairman/President	Ernesto O. Ang	Filipino	378,948,330	22.805

Common	Eduardo O. Ang 1109 Narra St., Mla. Director	Eduardo O. Ang	Filipino	200,278,335	12.052
Common	Emilio O. Ang 51 Flamengo St. Green Meadows Subd. Quezon City Director/Exec. Vice-Pres.	Emilio O. Ang	Filipino	180,778,335	10.879
Common	Ericson O. Ang Ph-B, Richbelt Terraces 19 Annapolis St. Greenhills San Juan Director/Vice-Pres.	Ericson O. Ang	Filipino	198,618,330	11.953
Common	Edgard O. Ang 14-A, Greenrich Mansion Lourdes St., Ortigas Ctr. Pasig City Director/Treasurer	Edgard O. Ang	Filipino	193,235,000	11.629

Voting Trust holders of 5% or more

The Company has no knowledge of any person/s holding more than five percent (5%) of the Company's shares of common stock under a voting trust or similar agreement.

Security Ownership of Management as of December 31, 2017

<u>Title of Class</u>	<u>Name of Beneficial owner</u>	<u>Amount and Nature of beneficial ownership</u>	<u>Citizenship</u>	<u>Percent of Class</u>
Common	Ernesto O. Ang	378,948,330 - Indirect	Filipino	22.805 %
Common	Eduardo O. Ang	62,500,000 - Direct	Filipino	3.761 %
Common	Eduardo O. Ang	137,778,335 – Indirect	Filipino	8.292 %
Common	Emilio O. Ang	20,883,335 - Direct	Filipino	1.254 %
Common	Emilio O. Ang	159,895,000 – Indirect	Filipino	9.622 %
Common	Ericson O. Ang	193,235,000 - Indirect	Filipino	11.628 %
Common	Ericson O. Ang	5,383,330 – Direct	Filipino	0.323 %
Common	Edgard O. Ang	193,235,000 - Indirect	Filipino	11.628 %
Common	Jossie O. Chan	6,750,000 - Direct	Filipino	0.406 %
Common	Willy G. Ong	20,000 - Direct	Filipino	0.001 %
Common	Karlvin Ernest L. Ang	400,000 - Direct	Filipino	0.024 %

Common	Benito Chua Co Kiong	5,000 - Direct	Filipino	0.0003 %
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* The total number of shares owned by all directors and officers as a group is 1,159,033,330 shares, which is equivalent to 69.751 % of the total issued and outstanding capital stock of the Registrant.

* Registrant has no knowledge of any arrangement which may result in a change in control of the registrant.

Item 12. Certain Relationships and Related Transactions

In the normal conduct of business, the Company has transactions with its stockholders and related parties consisting of principally non interest-bearing advances without definite call dates.

PART IV – CORPORATE GOVERNANCE

Item 13. Corporate Governance

The Company's Board of Directors and Management believe that good corporate governance is a necessary component of sound strategic business management.

In 2002, a Manual on Corporate Governance was adopted by the Company to institutionalize the principles of good corporate governance in the entire organization. As contained in the Manual, the Nomination, Compensation and Remuneration and Audit committees were created. Each committee has three (3) voting members, one of whom is an independent director. The Company's Manual on Corporate Governance was revised and adopted on Feb. 15, 2011 to incorporate additional provisions promulgated by the Securities and Exchange Commission. An amended Manual on Corporate Governance was again filed with the Securities & Exchange Commission on April 08, 2015. An amended Manual on Good Corporate Governance was filed with the Securities and Exchange Commission on May 31, 2017.

The Company has designated a Compliance Officer who is tasked with monitoring compliance with the provisions and requirements of the Manual. No violations or sanctions have been imposed on any director, officer or employee for non-compliance with the Manual.

The Company's Manual on Corporate Governance also requires that the Company's External Auditor be rotated or the Handling partner be changed every five (5) years or earlier. Starting with the audit of year 2015, a new partner-in-charge, Ms. Jennifer D. Tielao, was appointed. All the Directors of the Company have already attended their annual seminar on Corporate Governance.

PART V - EXHIBITS AND SCHEDULES

Item 14. Exhibits and Reports on SEC Form 17-C

Exhibits

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
1	Management's Discussion and Analysis
2	Consolidated Financial Statements of Primex Corp. and Subsidiary, Primex Realty Corporation.

Report on SEC Form 17-C

During the last six-month period covered by this report, the Company filed the following reports on SEC Form 17-C.

<u>DATE</u>	<u>DISCLOSURES</u>
June 23, 2017	Election of Directors and officers, Appointment of Committee members.
Jan. 03, 2018	Cert. on compliance with Manual on Corporate Governance
Jan. 03, 2018	Certification on the attendance of Directors

SIGNATURES

Pursuant to the requirements of Section 17 of the Securities Regulation Code and Section 141 of the Corporation Code, this report is signed on behalf of the Issuer by the undersigned, thereunto authorized, in the City of San Juan on day of April, 2018.

PRIMEX CORPORATION

Company

By:

ERNESTO O. ANG

President

EDGARD O. ANG

Treasurer

LOURDES P. MAMERTO

Principal Accounting Officer

KARLVIN ERNEST L. ANG

Corporate Secretary

SUBSCRIBED AND SWORN to before me this ... day of April, 2018, affiants exhibiting to me their Taxpayer Identification nos. as follows:

<u>NAMES</u>	<u>TIN NO.</u>
Ernesto O. Ang	108-929-290
Edgard O. Ang	109-929-273
Karlvin Ernest L. Ang	212-621-196
Lourdes P. Mamerto	108-929-249

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Series of 2018

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION FOR EACH OF THE LAST THREE FISCAL YEARS

2017

For the year 2017 ended December 31, the Company recorded a consolidated real estate sales of Php 233.829 M. This is composed of Php53.071 M. from sales of the Goldendale, Php 5.374 M. from the Richdale, Php 80.357 M from the sale of its Panghulo property while Php 66.454 M. was attributable to real sales from the Stratosphere project of its now wholly-owned affiliate, Primex Realty Corporation. This 2017 real estate sales represents a 58 % decline from the Php 554.850 M. registered in 2016 and a 20 % increase from the Php 195.272 M. in 2015. The decrease in real estate sales can be attributed to a temporary self-imposed moratorium on real estate sales at Goldendale until prices stabilizes due to the continued significant rise in real estate prices and on account of still unrecognized sales of units of the Stratosphere based on prescribed accounting standards. Total rental Income reached Php 25.126 M., almost unchanged from the Php 25.157 M. earned of the previous year but 62 % more than those earned in 2015. Interest Income from banks remained basically unchanged. Cost of Real Estate sales and services amounted to Php 99.054 M., as against the Php 294.369 M. incurred in 2016 and the Php 98.084 M. in 2015. Operating expenses for the year amounted to Php 38.971 M. This was 31 % and 52 % more than the Php 29.720 M. and Php 25.596 M. of the two prior years. Salaries, wages and employee benefits expense amounted to Php 5.989 M., which is almost the same as the Php 5.694 M. in 2016 and 28 % higher than the Php 4.681 M. in 2015. The Php 5.604 M. in Depreciation expense was almost the same as the previous year’s level of Php 5.413 M. and by 19 % more from 2015 level of Php 4.921 M. on account of construction equipment involved in the development of the Stratosphere project. Interest expense amounted to Php 0.719 M., down from the Php 1.745 M in 2016 and 2015’s Php 1.220 M on account of the pre-payment of loans. Rent expense amounted to Php 3.412 M. due to lease payment for the showroom of the Stratosphere. The amount is 5 % lower from 2016 levels and 32 % higher than those in 2015. The Php 6.463 M under Taxes and licenses was 27 % higher for the year than the Php 5.062 M of the previous year. Commission paid out for the year amounted to Php 0.745 M., which is 24 % of the Php 3.106 M paid in 2016 and 40 % of the Php 1.882 M in 2015. Light, water and dues decreased to Php 1.250 M. from the Php 2.545 M in 2016 but 10 % higher from 2015 levels. Gas & Oil expense ballooned to Php 1.826 M from the Php 0.145 M. of the previous year and the

Php 1.596 M in 2015. Retirement expense remained at the Php 0.300 level for both 2017 and 2016. Selling and Marketing expense incurred amounted to Php 3.037 M from the Php 0.299 M in 2016 and the Php 1.434 M. in 2015 due to advisory and research fees. Professional Fees incurred amounted to Php 0.914 M. from the Php 0.879 M of the previous year and the Php 1.161 M. of 2015 due to audit fees, actuarial and legal consultation fees incurred by the two companies starting in 2015. Security, messengerial & janitorial services was lower by 15 % and 23 % respectively from the two previous years on account of the decreased number of security guards deployed. Repairs & Maintenance grew 30 % from 2016 amounts and 39 % from 2015 levels due to additional maintenance and repairs. Communication and transportation expense reflects minimal changes at the Php 0.270 level. Entertainment, amusement and recreation jumped to Php 2.958 M., from Php 0.162 M the previous year, with Primex Realty Corporation accounting for almost all of the increase. Insurance expense was up by 94% from the Php 0.187 M. of 2016, with the difference attributable to the affiliate company. Training and Development was up by 89 % on account of additional seminar fees.

The Company's Balance Sheet reflects significant changes as of December 31, 2017. Total Assets, which stood at Php 1,874.071 M as of yearend 2016 jumped to Php 2,223.327 M as of December 31, 2017. Cash, which was Php 46.117 M as of yearend 2016 was down to Php 16.008 M. Receivables increased by 50 %, from Php 144.132 M to Php 217.155 M, majority on account of receivables of the affiliate Likewise, the 25 % rise in Real estate held for sale and the 7-fold increase in other current assets, respectively was attributable to the Company's stake in Primex Realty Corporation..

In summation, the 58 % decline in real estate sales attributed to a temporary self-imposed moratorium on real estate sales at Goldendale until prices stabilizes due to the continued significant rise in real estate prices and several still unrecognized sales of units of the Stratosphere based on prescribed accounting standards resulted in the 52 % reduction in Net Income of the Company, from Php 185 M in 2016 to Php 89 M this year.

2016

For the twelve months of 2016 ended December 31, the Company recorded a consolidated total revenues of Php 589.775 M., which is 160 % more than the Php 222.231 M. last year and 30 times more than the total revenues earned in 2014. Consolidated real estate sales totaled Php 297.707 M. This is composed of Php 6.787 M. from sales of the Goldendale, Php 2.019 M. from the Richdale, Php 10.488 M from its Panghulo property while Php 261.523 M. was attributable to revenues from real estate sales from the Stratosphere project of its majority-controlled affiliate, Primex Realty Corporation. This significant increase represents a 52% rise from the Php 195.272 M. registered in 2015 and an almost 22-fold increase over the Php 12.923 M. in 2014. Total rental Income reached Php 25.157 M., a 63 % rise from the Php 15.480 M. of the previous year and 400% more than the Php 4.929 M earned in 2014. Interest Income amounted to Php 9.263 M, which is 19 % lower than the Php 11.435 M. in 2015, but 9 times more than the Php 0.919 M. in 2014. Cost of Real Estate sales rose to Php 126.733 M., of which

only Php 7.649 M. was spent by the parent company, as against the Php 98.084 M. incurred in 2015 and the Php 4.755 M. in 2014. Expenses in operation for the year amounted to Php 29.720 M., with the Company recording its expense account at Php 13.425 M. This was 16 % and 152 % more than the Php 25.596 M. and Php 11.752 M. of the two prior years. Salaries, wages and employee benefit expense amounted to Php 5.694 M., which is 21 % more the Php 4.681 M. in 2015 and almost double the Php 2.875 M. in 2014. The Php 5.413 M. in Depreciation expense rose by almost 10 % from the previous year's level of Php 4.921 M. and by one and a half times more from 2014 level of Php 2.143 M. on account of construction equipment involved in the development of the Stratosphere project. Rent expense, which was not incurred in 2014, amounted to Php 3.602 M., which is 39 % higher than the Php 2.574 M. in 2015. This is due to rental fees for the showroom of the Stratosphere. Taxes and licenses, which remained almost the same in 2014 and 2015 at the Php 1.9 M levels, rose to Php 5.062 M. due to the significant increase in real estate sales of the Stratosphere project. From none in 2014, Broker's Fee paid out for the year amounted to Php 3.106 M., a jump of 65 % from the Php 1.882 M. paid out in 2015, with 92% of the sales commission paid out for the sale of units of the Stratosphere. Light, water and dues jumped to Php 2.545 M. from PHP 1.138 M. on account of development activities of the Stratosphere. Gas & Oil expense was down to Php 0.145 M. from the Php 1.596 M of 2015 and the Php 2.404 M of 2014 as the cost of petroleum products was capitalized as development cost. Retirement decreased to Php 0.340 M from the Php 1.596 M. spent last year and the Php 0.174 M. incurred in 2014. Coming from none incurred in 2014, Selling and Marketing expense amounted to Php 0.299 M., down 80 % from the Php 1.434 M. of 2015. Professional Fees reached Php 0.879 M., lesser by 24 % from the Php 1.161 M last year but 61 % more than the 0.543 M in 2014. Security, messengerial & janitorial services was lower by 9 % in 2016 from 2015 levels but 270% higher than the Php 0.221 M. in 2014. Repairs & Maintenance continues to decrease, from Php 0.355 M. in 2014, it was 9 % less in 2015 and 15 % less in 2016 due to newer equipment that requires lesser maintenance and repairs. Communication and transportation expense rose by 93% to Php 0.276 M. from 2014's Php 0,143 M. and by 140% from the Php 0.115 M in 2013, due to the developmental operations of the affiliate company. Entertainment, amusement and recreation was 20 % less for the year at Php 0.162 M., but 39 % more than the Php 0.116 M of 2014. Insurance expense was down by 21 % from the Php 0.238 M. of 2015, with the difference attributable to the affiliate company. Training and Development was down by 17 % on account of lower seminar fees.

The Company's Balance Sheet reflects a 22 % change as of December 31, 2016. Total Assets, which stood at Php 1,530.972 M as of yearend 2015 jumped to Php 1,874.071 M as of December 31, 2016. Cash, which was Php 29.706 M as of yearend 2015 was up to Php 46.117 M., of which Php 5.871 belongs to the subsidiary. Receivables was up by 4-fold, from Php 36.716 M to Php 148.532 M, solely on account of receivables also of the subsidiary, which has receivables totaling Php 139.582 M. Likewise, the 9.6 % rise in Real estate held for sale and the 31 % increase in total current assets, respectively was attributable to the Company's majority stake in Primex Realty Corporation..

In summation, the strategic move made by the Company for majority control of its affiliate in the year 2015 was the compelling reason that saw the company's total revenues rose by more than 160 % to Php 589.775 M. and by 171 % more in Income to Php 263.94 M., from the Php 97.33 M. recorded for 2015.

2015

For the year 2015 ended December 31, the Company recorded a consolidated real estate sales of Php 195.272 M. This is composed of Php19.987 M. from sales of the Goldendale, Php 5.302 M. from the Richdale while Php 181.563 M. was attributable to real sales from the Stratosphere project of its majority-controlled affiliate, Primex Realty Corporation. This significant increase represents a 14-fold rise from the Php 12.923 M. registered in 2014 and an almost 18-fold increase from the Php 10.166 M. in 2013. Total rental Income reached Php 15.480 M., a 210% rise from the Php 4.929 M. of the previous year and 200% more than that earned in 2013. Interest Income reached Php 11.435 M., 11 times more than the Php 0.919 M. in 2014 and 10 times higher than 2013's Php 1.019 M. Cost of Real Estate sales ballooned to Php 96.201 M., of which only Php 7.649 M. was spent by the parent company, as against the Php 4.755 M. incurred in 2014 and the Php 3.518 M. in 2013. Expenses in operation for the year amounted to Php 26.817 M., with the Company recording its expense account at Php 13.425 M. This was 14% and 12.6% more than the Php 11.752 M. and Php 11.924 M. of the two prior years. Salaries, wages and employee benefit expense amounted to Php 4.681 M., of which the parent Company spent Php 2.887 M., which is almost the same as the Php 2.875 M. in 2014 and the Php 2.788 M. in 2013. The Php 4.921 M. in Depreciation expense rose by 129% from the previous year's level of Php 2.143 M. and by 2 times more from 2013 level of Php 1.764 M. on account of construction equipment involved in the development of the Stratosphere project. From nil the two previous years, Interest expense rose to Php 3.103 M. on account of bank loans of the two companies. Rent expense, which was also not incurred in the two prior years amounted to Php 2.574 M. due to lease payment for the showroom of the Stratosphere. Taxes and licenses remains almost at par with 2014 and 2013 levels. From none in the past two years, Broker's Fee paid out for the year amounted to Php 1.882 M., 92% of which was paid out for the sale of units of the Stratosphere. Light, water and dues jumped to Php 1.138 M. also due to development activities of the Stratosphere, although the Php 0.187 M spent individually by the Company was 62% and 115% higher than 2014 and 2013 respectively. Gas & Oil expense decreased by 33% and 38% from 2014 and 2013 due to lower petroleum product prices. Retirement rose to Php 1.596 M. since this expense covers employees from both companies. Coming from none incurred during the past two years, Selling and Marketing expense incurred amounted to Php 1.434 M. due to the selling of units of the Stratosphere. Professional Fees reached Php 1.161 M., up a little over 110% from the two previous years due to audit fees, actuarial and legal consultation fees incurred by the two companies starting in 2015. Security, messengerial & janitorial services was higher by 350% in 2014 and 440% in 2013 on account of the deployment of additional security guards. Repairs & Maintenance continues to decrease, 10% from 2014 amounts and 660% from 2013 levels due to newer equipments that requires lesser maintenance and repairs.

Communication and transportation expense rose by 93% to Php 0.276 M. from 2014's Php 0,143 M. and by 140% from the Php 0.115 M in 2013, due to operations of the affiliate company. Entertainment, amusement and recreation increased by 75%, from Php 0.116 M the previous year to Php 0.204 M., with Primex Realty Corporation accounting for 65% of the increase. Insurance expense was up by 34% from the Php 0.177 M. of 2014, with the difference attributable to the affiliate company. Training and Development was down by 30% on account of lower seminar fees.

The Company's Balance Sheet reflects a very significant change as of December 31, 2015. Total Assets, which stood at Php 490.062 M as of yearend 2014 jumped to Php 1,530.972 M as of December 31, 2015. Cash, which was Php 3.716 M as of yearend 2014 was up to Php 29.706 M., of which Php 25.413 belongs to the affiliate. Receivables increased by 285%, from Php 9.524 M to Php 36.716 M, solely on account of receivables also of the affiliate Likewise, the 230% rise in Real estate held for sale and the 12 times increase in other current assets, respectively was attributable to the Company's majority stake in Primex Realty Corporation..

In summation, the strategic move made by the Company for majority control of its affiliate in the year 2015 was the compelling reason that saw the company's total revenues rose 11-fold, from Php 19.008 M. in 2014 to Php 222.231 M in 2015 and also resulted in a 38-fold increase in income, from the Php 2.499 M. earned last year to Php 97.33 M. recorded for 2015.

There are no events that will trigger any 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 known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations.

There are no material commitments for capital expenditures.

EXTERNAL AUDIT FEES

The aggregate fees billed for the last two (2) fiscal years for professional services rendered by company's external auditors for the audit of its annual financial statements or for services that are normally provided in connection with statutory and regulatory filings are:

Year 2016 = Php 714,286.00

Year 2017 = Php 714,286.00

The Company's Top key performance indicators:

1. Sales Volume Growth

The Company registered a consolidated Real Estate sales of Php 233,829 M., as compared with the Php 554.850 M. for the twelve months of 2016 and the Php 195.272 M of 2015. This translates to a drop of 58 % from the total sales of 2016 and a 20 % growth from that of 2015.

2. Revenue Growth

Total revenues for the twelve month period ended December 31, 2017 amounted to Php 268.399 M as compared with the Php 589.775 M in the twelve months period of 2016 and 2015's Php 222.231 M., a decline of 54 % from 2016 and 21 % over 2015 levels.

3. Realized Gross Profit on Sales

For its sales efforts, the Company was able to realize Gross Profit on sales of Php M as compared with the Php 297.707 M. of 2016 and the Php 195.272 M for 2015. This is the amount of real estate sales less the cost of development. 2016's realized gross profit from sales is 52 % higher than that of 2015 and almost 22 times more than 2014's.

4. Operating Margin

For the twelve month period of 2017, the Company incurred operating expenses of Php 38.971 M, as compared with the Php 29.72 M spent in 2016 and the Php 25.596 M incurred in 2015. This resulted in an operating income from sales of Php 194.858 M as compared with the Php 525.130 M operating income of 2016 and the Php 169.676 M operating income from sales of 2015.

5. Asset Growth

Over the twelve months of 2017, total assets jumped to Php 2,223.327 M. , from Php 1,874.071 M in December 31, 2015.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **Primex Corporation** is responsible for the preparation and fair presentation of the financial statements including the schedule attached therein, for the years ended 2015, 2016 and the year ended December 31, 2017, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible from assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders or members.

Sycip, Gorres, Velayo & Co., the independent auditors appointed by the stockholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

ERNESTO O. ANG
Chairman of the Board

ERNESTO O. ANG
Chief Executive Officer

EDGARD O. ANG
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this day of April, 2018, affiants exhibiting the following Taxpayer's Identification no:

NAMES	TIN NO.
Ernesto O. Ang	108-929-290
Edgard O. Ang	109-929-273