107262016000480

SECURITIES AND EXCHANGE COMMISSION

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Company Information

SEC Registration No.	0000159950
Company Name	CROWN ASIA CHEMICALS CORPORATION
Industry Classification	
Company Type	Stock Corporation

Document Information

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COVER SHEET

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S.E.C. Registration Number

CROWN ASIA CHEMICALS

CORPORATION .

(Company's Full Name)

KM 33 MC ARTHUR HIGHWAY

BO TUKTUKAN GUIGUINTO BULACAN

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

TITA P. VILLANUEVA	413 8032
Contact Person	Company Telephone Number

1 2 3 1	SEC FORM 17-Q JUNE 30, 2016	0 5 1 9
Month Day	FORM TYPE	*Month Day*
Fiscal Year		Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.	Amended Articles Number/Section

Total Amount of Borrowings

1 9		
Total No. of Stockholders	Domestic	Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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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 . **.June 30, 2016**

2. SEC Identification number **159950**

3. BIR Tax Identification No **000-240-902-000**

4. Exact name of issuer as specified in its charter **CROWN ASIA CHEMICALS 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 **Km 33 Mc Arthur Highway Tuktukan Guiguinto, Bulacan**

   Postal Code **3015**

8. Issuer's telephone number, including area code **(2) 412-06-39 to 41**
   (44) 794-02-68 to 70

9. Former name, former address and former fiscal year, if changed since last report **Not Applicable**

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 stock	**630,800,000**

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

    Yes [/] No [ ]

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

    The Philippine Stock Exchange Inc.

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 there under or Sections 11 of the RSA and RSA Rule 11(a)-1 there under, 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.

The Interim Financial Statements are attached as Exhibits 1 to 5 hereof and incorporated herein by reference.

Exhibit 1 – Statements of Financial Position as of December 31, 2015 and June 30, 2016

Exhibit 2 - Statements of Comprehensive Income for the periods ended June 30, 2016 and June 30, 2015

Exhibit 3 – Statements of Changes in Equity as of June 30, 2016 and June 30, 2015

Exhibit 4 – Statements of Cash Flow as of June 30, 2016 and June 30, 2015

Exhibit 5 - Notes to Interim Financial Information

Item 2 – Management's Discussion and Analysis of Results of Operations and Financial Position

Please refer to Exhibit 6 hereof.

Item 3 – Aging of Accounts Receivable

Please refer to Exhibit 7 hereof.

Item 4 - Key Performance Indicators

Please refer to Exhibit 8 hereof.

EXHIBIT 1

CROWN ASIA CHEMICALS CORPORATION
(Formerly Crown Asia Compounders Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND DECEMBER 31, 2015
(Amounts in Philippine Pesos)

	UNAUDITED JUNE 30, 2016	AUDITED DECEMBER 31, 2015
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	67,397,569	118,822,778
Trade and other receivables - net	299,563,672	253,251,344
Inventories	304,731,255	300,856,055
Prepayments and other current assets - net	61,740,590	59,167,989
Total Current Assets	733,433,086	732,098,165
NON-CURRENT ASSETS		
Property, plant and equipment - net	274,765,324	254,068,132
Other non-current assets - net	12,312,605	13,857,035
Total Non-Current Assets	287,077,929	267,925,167
TOTAL ASSETS	1,020,511,015	1,000,023,332
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Trade and other payables	98,369,101	119,149,897
Interest-bearing loans and borrowings	1,221,270	
Income tax payable	13,547,873	13,494,191
Total Current Liabilities	113,138,244	132,644,088
NON-CURRENT LIABILITIES		
Interest-bearing loans and borrowings	5,532,901	1,797,401
Deferred tax liabilities - net	9,346,713	9,346,713
Post-employment defined benefit obligation	7,701,711	6,277,496
Advances from stockholders	46,057	46,057
Total Non-current Liabilities	22,627,382	17,467,667
Total Liabilities	135,765,626	150,111,755
EQUITY		
Capital stock	630,800,000	630,800,000
Additional Paid In Capital	52,309,224	52,309,224
Revaluation reserves	33,651,957	33,651,957
Retained earnings	167,984,207	133,150,396
Total Equity	884,745,388	849,911,577
TOTAL LIABILITIES AND EQUITY	1,020,511,015	1,000,023,332

See Notes to Financial Statements.

EXHIBIT 2

CROWN ASIA CHEMICALS CORPORATION
(Formerly Crown Asia Compounders Corporation)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX (6) MONTHS ENDED JUNE 30, 2016 AND JUNE 30, 2015
(Amounts in Philippine Pesos)

	FOR THE PERIOD		FOR THE QUARTER	
	UNAUDITED JUNE 2016	UNAUDITED JUNE 2015	2016	2015
REVENUES	562,776,522	499,267,524	285,519,605	262,417,022
COST OF GOODS SOLD	397,462,789	380,779,173	198,672,552	197,988,082
GROSS PROFIT	165,313,733	118,488,350	86,847,052	64,428,940
OTHER OPERATING EXPENSES	70,133,400	54,712,815	39,610,387	26,345,351
OTHER INCOME (CHARGES)				
Finance costs	(717,323)	(2,237,520)	(659,573)	(1,100,460)
IPO related expense	-	(4,208,025)	-	(3,523,823)
Finance income	1,249,485	61,685	402,042	41,943
Foreign currency gains (losses) - net	(647,202)	1,581,960	1,876,938	931,084
Other income	74,538	6,030	5,926	3,734
	(40,501)	(4,795,870)	1,625,333	(3,647,522)
PROFIT BEFORE TAX	95,139,832	58,979,665	48,861,998	34,436,067
TAX EXPENSE	28,766,020	17,703,370	14,724,174	10,337,550
NET PROFIT	66,373,811	41,276,295	34,137,824	24,098,517
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of land				
Remeasurements of post-employment defined benefit plan				
Tax income (expense)				
TOTAL COMPREHENSIVE INCOME	66,373,811	41,276,295	34,137,824	24,098,517
BASIC AND DILUTED EARNINGS PER SHARE	0.11	0.07	0.05	0.04

See Notes to Financial Statements.

CROWN ASIA CHEMICALS CORPORATION
(Formerly Crown Asia Compounders Corporation)
STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX (6) MONTHS ENDED JUNE 30, 2016 AND JUNE 30, 2015
(Amounts in Philippine Pesos)

	UNAUDITED 2016	*UNAUDITED 2015*
CAPITAL STOCK		
Balance at beginning of year	630,800,000	472,800,000
Issuance of shares during the period	-	158,000,000
Balance at end of year	630,800,000	630,800,000
ADDITIONAL PAID IN CAPITAL		
Balance at beginning of year	52,309,224	
Offer price P 1.41 per share		
Par value 1.00 per share		
Premium P0.41 per share x 158,000,000 for IPO		64,780,000
Less: expenses attributable to issuance of shares	-	(12,470,776)
Balance at end of year of year	52,309,224	52,309,224
REVALUATION RESERVES		
Balance at beginning of year	33,651,957	32,096,000
As previously reported		
Effect of revaluation of land - net of tax	-	-
As restated	-	-
Revaluation of land during the year - net of tax		
Remeasurement of post-employment defined benefit - net of tax	-	-
Balance at end of year	33,651,957	32,096,000
RETAINED EARNINGS		
Appropriated		
Balance at beginning of year		
Reversal of appropriation		
Appropriation during the year	-	-
Balance at end of year	-	-
Unappropriated		
Balance at beginning of year	133,150,396	58,003,420
Net profit for the period	66,373,811	41,276,295
Stock dividend		
Cash dividend	(31,540,000)	(25,000,000)
Balance at end of year	167,984,207	74,279,715
Total Retained Earnings	167,984,207	74,279,715
TOTAL EQUITY	884,745,388	789,484,939

See Notes to Financial Statements.

EXHIBIT 4

CROWN ASIA CHEMICALS CORPORATION
(Formerly Crown Asia Compounders Corporation)
STATEMENTS OF CASH FLOWS
FOR THE SIX (6) MONTHS ENDED JUNE 30, 2016 AND JUNE 30, 2015
(Amounts in Philippine Pesos)

	UNAUDITED 2016	UNAUDITED 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	95,139,832	58,979,665
Adjustments for:		
Depreciation and amortization	13,813,105	11,580,257
Unrealized foreign currency gains	46,922	-1,581,960
Interest expense	717,323	2,133,785
Impairment loss on trade receivables		-
Finance income	(1,249,485)	-61,685
Gain on sale of property and equipment	-	-
Operating profit before working capital changes	108,467,697	71,050,062
Increase (decrease) in trade and other receivables	(46,359,251)	-43,219,890
Increase (decrease) in inventories	(3,875,200)	16,620,664
Increase in prepayments and other current assets	(2,572,601)	-5,902,176
Decrease (increase) in other non-current assets	1,544,430	-3,912,576
Increase in trade and other payables	(20,780,796)	-46,798,289
Decrease in post-employment defined benefit obligation	1,424,215	-
Cash generated from (used in) operations	37,848,494	(12,162,204)
Cash paid for income taxes	(28,712,338)	(16,048,991)
Net Cash From (Used In) Operating Activities	9,136,156	(28,211,195)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(34,510,297)	-28,418,566
Proceeds from disposal of property, plant and equipment		
Interest received	1,249,485	52,215
Net Cash Used in Investing Activities	(33,260,812)	(28,366,351)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds/Payment from/of borrowings	4,956,769	-
Dividends paid	(31,540,000)	-25,000,000
Interest paid	(717,323)	-2,133,785
Payments to interest-bearing loans and borrowings		-34,188,513
IPO proceeds on issuance of 158,000,000 shares		222,780,000
Payments related to issuance of shares	-	(12,470,776)
Net Cash From (Used in) Financing Activities	(27,300,553)	148,986,926
Effect of Exchange Rate Changes on Cash	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	-51,425,210	92,409,380
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	118,822,778	34,317,966
CASH AND CASH EQUIVALENTS AT END OF PERIOD	67,397,568	126,727,346

See Notes to Financial Statements.

EXHIBIT 5

CROWN ASIA CHEMICALS CORPORATION
(Formerly Crown Asia Compounders Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015
(UNAUDITED)
(With Comparative Audited Figures for December 31, 2015)
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

Crown Asia Chemicals Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on February 10, 1989 primarily to engage in, operate, conduct and maintain the business of manufacturing, importing, exporting, buying, selling or otherwise dealing in, at wholesale and retail such goods as plastic and/or synthetic resins and compounds and other allied or related products of similar nature.

The Company's Board of Directors (BOD) approved the change in name of the Company from Crown Asia Compounders Corporation to Crown Asia Chemicals Corporation on March 4, 2014. The SEC approved the change in name of the Company and the corresponding amendment in the Company's Articles of Incorporation on September 29, 2014.

On September 5, 2014, the BOD and shareholders approved the Company's application for the registration of 630.8 million of its common shares with the SEC and apply for the listing thereof in the Philippine Stock Exchange (PSE). The BOD's approval covered the planned initial public offering of 158.0 million unissued common shares of the Company. The Company's shares were listed on the PSE on April 27, 2015.

The Company declared Cash dividend of P0.05 per share for stockholders on record date May 10, 2016 and with payment date of May 27, 2016.

The Company's registered office, which is also its principal place of business, is located at Km. 33, Mc Arthur Highway, Bo. Tuktukan, Guiguinto, Bulacan. The Company's administrative office is located at Units 506 and 508 President's Tower, No. 81 Timog Ave, South Triangle, Quezon City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these interim financial statements are summarized below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of Preparation of Interim Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The interim unaudited financial statements of the Company consisting of Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow of the Company as of and for the six (6) months ended June 30, 2016 and 2015 and Statement of Financial Position with comparative audited Statement of Financial Position as of December 31, 2015 have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy (BOA).

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below and in the succeeding pages.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. These do not include all of the information required in an annual financial statements in accordance with PAS1, *Presentation of Financial Statements*.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the Company are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Company operates.

2.2 Adoption of New and Amendments to PFRS

(a) Effective in 2015 that are Relevant to the Company

The Company adopted for the first time the following amendmentand annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after July 1, 2014, for its annual reporting period beginning January 1, 2015:

PAS 19 (Amendment)	:	Employee Benefits – Defined Benefit Plans – Employee Contributions
Annual Improvements	:	Annual Improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle)

Discussed below are the relevant information about these amendment and improvements.

(i) PAS 19 (Amendment), *Employee Benefits– Defined Benefit Plans – Employee Contributions*. The amendment clarifies that if the amount of the contributions to defined benefit plans from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit. The amendment did not have a significant impact on the Company's financial statements since the Company's defined benefit plan does not require employees or third parties to contribute to the benefit plan.

(ii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Company but had no material impact on the Company's financial statements as these amendments merely clarify the existing requirements:

Annual Improvements to PFRS (2010-2012 Cycle)

- PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets*. The amendments clarify that when an item of property, plant and equipment and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with a revaluation of the carrying amount of the asset.

- PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

- PFRS 8 (Amendment), *Operating Segments*. The amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segment assets to the entity's assets if that amount is regularly provided to the chief operating decision maker.

Annual Improvement to PFRS (2011-2013 Cycle)

PFRS 13 (Amendment), *Fair Value Measurement*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of and accounted for in accordance with PAS 39, *Financial Instruments: Recognition and Measurement*, or PFRS 9,*Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32, *Financial Instruments: Presentation*.

(b) Effective Subsequent to 2015 but not Adopted Early

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to 2015 which are adopted by the FRSC. Management will adopt the relevant pronouncements discussed in the succeeding page in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements.

(i) PAS 1 (Amendment), *Presentation of Financial Statements–Disclosure Initiative*(effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures or functions. It further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(ii) PAS 16 (Amendment), *Property, Plant and Equipment*,and PAS 38 (Amendment), *Intangible Assets– Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendment to PAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.

(iii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will replace PAS 39and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

The Company does not expect to implement PFRS 9 (2014) until its effective date. In addition, management is currently assessing the impact of PFRS 9 (2014) on the financial statements of the Company and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(iv) Annual Improvements to PFRS (2012-2014 Cycle) (effective from January 1, 2016). Among the improvements, the following amendments are relevant to the Company but management does not expect these to have material impact on the Company's financial statements:

Annual Improvements to PFRS (2010-2012 Cycle)

- PFRS 7 (Amendment), *Financial Instruments – Disclosures*. The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purposes of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

- PAS 19 (Amendment), *Employee Benefits*. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

2.3 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Company's strategic steering committee, its chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Company's products and service lines as disclosed in Note 4, which represent the main products and services provided by the Company.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Company uses for segment reporting under PFRS 8 are the same as those used in its financial statements. However, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to any segment.

There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgment in Applying Accounting Policies

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

(a) Determining Cost of Inventories

In inventory costing, management uses estimates and judgment in properly allocating the labor and overhead between the cost of inventories on hand and cost of goods sold. Currently, the Company allocates production overhead on the basis of units produced. However, the amount of costs charged to finished goods inventories would differ if the Company utilized a different allocation base. Changes in allocated cost would affect the carrying cost of inventories and could potentially affect the valuation based on lower of cost and net realizable value.

(b) Distinction between Operating and Finance Leases

The Company has entered into various lease agreements. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or a finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Management has assessed that the Company's lease arrangements are operating leases.

(c) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Impairment of Trade and Other Receivables

Adequate amount of allowance for impairment is provided for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates the amount of allowance for impairment based on available facts and circumstances affecting the collectability of the accounts, including, but not limited to, the length of the Company's relationship with the customers, the customers' current credit status, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

(b) Determining Net Realizable Value of Inventories

In determining the net realizable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The Company's core business is continuously subject to rapid technology changes which may cause inventory obsolescence. Moreover, future realization of the carrying amounts of inventories is affected by price changes. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's inventories within the next financial reporting period.

(c) Estimating Useful Lives of Property, Plant and Equipment and Intangible Assets

The Company estimates the useful lives of property, plant and equipment and intangible assets based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment and intangible assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

Based on management's assessment as at June 30, 2016 and 2015, there is no change in estimated useful lives of property, plant and equipment and intangible assets during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(d) Measurement of Fair Value of Land

The Company's land is carried at revalued amount at the end of the reporting period. In determining its fair value, the Company engages the services of professional and independent appraisers applying the relevant valuation methodology.

When the appraisal is conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in these elements may affect prices and the value of the assets.

(e) Determining Realizable Amount of Deferred Tax Assets

The Company reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Management assessed that the deferred tax assets recognized as at June 30, 2016 and December 31, 2015 will be fully utilized in the coming years.

(f) Impairment of Non-financial Assets

The Company's policy on estimating the impairment of property, plant and equipment, intangible assets and other non-financial assets is discussed in Note 3.1 (c). Though management believes that the assumptions used in the estimation of fair values are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

There was no impairment loss recognized on non-financial assets in June 2016 and 2015.

(g) Valuation of Post-employment Defined Benefit Obligation

The determination of the Company's obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense and the carrying amount of the post-employment defined benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 5(a).

4. SEGMENT REPORTING

4.1 Business Segments

The Company is organized into business units based on its products for purposes of management assessment of each unit. For management purposes, the Company is organized into two major business segments, namely: compounds and pipes. These are also the basis of the Company in reporting to its chief operating decision-maker for its strategic decision-making activities.

The products under the compounds segment are the following:

- Polyvinyl Chloride (PVC) compounds for wires and cable; and,
- PVC for bottles, integrated circuit tubes packaging and films.

The products under the pipes segment are the following:

- PVC pipes and fittings;
- Polypropylene Random Copolymer Type 3 (PP-R) pipes and fittings; and,
- High-density Polyethylene (HDPE) pipes and fittings.

The Company's products are located in Guiguinto, Bulacan and in its Davao branch.

4.2 Segment Assets and Liabilities

Segment assets are allocated based on their use or direct association with a specific segment and they include all operating assets used by a segment and consist principally of trade and other receivables and inventories, net of allowances and provisions. Similar to segment assets, segment liabilities are also allocated based on their use or direct association with a specific segment. Segment liabilities include all operating liabilities and consist principally of trade and other payables and interest-bearing loans. Segment assets and liabilities do not include deferred taxes and tax liabilities.

4.3 Intersegment Transactions

Segment revenues, expenses and performance do not include sales and purchases between business segments.

5. EMPLOYEE BENEFITS

The Company provides post-employment benefits to employees through defined benefit plan and other employee benefits which are recognized and measured as follows:

(a) Post-employment Defined Benefit Plan

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Company, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Company's defined benefit post-employment plan covers all regular full-time employees. The pension plan is partially funded, tax-qualified, non-contributory and administered by a trustee.

The liability recognized in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using a discount rate derived from the interest rates of a zero coupon government bond, as published by the Philippine Dealing and Exchange Corporation, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance Costs or Finance Income account in the statement of comprehensive income.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment and curtailment.

Characteristics of Post-employment Defined Benefit Plan

The Company maintains a tax-qualified, partially funded and non-contributory post-employment defined benefit plan covering all regular full-time employees. The Company conforms to the minimum regulatory benefit of Republic Act 7641, *Retirement Pay Law,* which is of a defined benefit type and provides for a lump sum retirement benefit equal to 22.5-day pay for every year of credited service. The normal retirement age is 60 with a minimum of five years of credited service.

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 33.9 years. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of a zero coupon government bond, with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

Risks Associated with the Retirement Plan

The plan exposes the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(iii) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the Company's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the post-employment defined benefit plan are described in the succeeding pages.

(iii.a) Sensitivity Analysis

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(iii.b) Asset-liability Matching Strategies

The retirement plan trustee has no specific matching strategy between the plan assets and plan liabilities. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

There has been no change in the Company's strategies to manage its risks from previous periods.

(b) Post-employment Defined Contribution Plans

A defined contribution plan is a post-employment plan under which the Company pays fixed contributions into an independent entity. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

Funding Arrangements and Expected Contributions

The Company has yet to decide the amount of contribution to the retirement plan for this year.

The Company is not required to pre-fund the future defined benefits payable under the plan assets before they become due. For this reason, the amount and timing of contributions to the plan assets are at the Company's discretion. However, in the event a benefit claim arises and the plan assets are insufficient to pay the claim, the shortfall will be due, demandable and payable from the Company to the plan assets.

(c) Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits at the earlier of when it can no longer withdraw the offer of such benefits and when it recognizes costs for a restructuring that is within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets,* and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(d) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included in the Trade and Other Payables account in the statement of financial position at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

6. EARNINGS PER SHARE

Basic earnings per share (EPS) were computed as follows:

	June 30, 2016	**June 30, 2015**
Net profit	**P 66,373,811**	P 41,276,295
Divided by weighted average number of outstanding common shares	**630,800,000**	630,800,000
Basic and diluted earnings per share	**P 0.11**	P 0.07

The Company does not have dilutive potential common shares outstanding as of June 30, 2016 and December 31, 2015; hence, diluted EPS is equal to the basic EPS.

7. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Company:

7.1 Operating Lease Commitments – Company as Lessee

The Company is a lessee under non-cancellable operating leases covering its warehouse and office spaces. The lease for warehouse has a term of two years and includes annual escalation rate of 5.00%, while the leases for office space have terms of five to ten years with escalation rates ranging from 5.00% to 10.00%. All leases have renewal options.

7.2 Unused Credit Lines

The Company had unused credit lines of the approved Omnibus Line of Credit from local banks.

7.3 Others

There are other commitments and contingent liabilities that arise in the normal course of the Company's operations which are not reflected in the financial statements. As of June 30, 2016 and December 31, 2015, management and its legal counsel are of the opinion that losses, if any, from these items will not have a material effect on the Company's financial statements.

8. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks in relation to financial instruments. The Company's financial assets and financial liabilities by category are summarized in Note 9. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is coordinated by its BOD, and focuses on actively securing the Company's closely short-to-medium term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Company is exposed to are described below.

8.1 Market Risk

The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk and interest rate risk which result from both its operating, investing and financing activities.

(a) Foreign Currency Risk

Most of the Company's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars. The Company also holds US dollar-denominated cash and cash equivalents.

To mitigate the Company's exposure to foreign currency risk, non-Philippine peso cash flows are monitored.

Exposures to foreign exchange rates vary during the period depending on the volume of foreign currency denominated transactions.

(b) Interest Rate Risk

The Company's policy is to minimize interest rate cash flow risk exposures on long-term financing. Long-term borrowings are therefore usually made at fixed rates. At June 30, 2016 and December 31, 2015, the Company is exposed to changes in market interest rates through its cash and cash equivalents, which are subject to variable interest rates. All other financial assets and liabilities have fixed rates.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at the end of each reporting period that are sensitive to changes in interest rates. All other variables are held constant.

8.2 Credit Risk

Credit risk is the risk that counterparty may fail to discharge an obligation to the Company. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company's policy is to deal only with creditworthy counterparties.

None of the financial assets are secured by collateral or other credit enhancements except for cash and cash equivalents and certain trade receivables with entrusted and on hand post-dated checks issued by customers. Bank deposits are only maintained with reputable financial institutions, as a matter of Company policy. Cash in banks are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500 thousand per depositor per banking institution.

The credit risk with respect to trade and other receivable is not concentrated to any single counterparty as these are due from various customers located in a widely dispersed geographical area but generally within the Philippines.

Management assessed that the past due trade and other receivables over 120 days but less than one year as of June 30, 2016 are not impaired.

8.3 Liquidity Risk

The Company manages its liquidity needs by carefully monitoring scheduled debt servicing payments, if any, for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Company maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash is invested in short-term placements. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

9. CATEGORIES AND OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

9.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the statements of financial position at amortized cost are shown below.

	Notes	Carrying Amounts June 30, 2016	December 31, 2015
Financial assets –			
Loans and receivables			
Cash and cash equivalents	5	**P 67,397,569**	P118,822,778
Trade and other receivables (except Advances to suppliers and contractors)	6	**274,112,893**	228,936,267
Security deposits	10	**2,600,654**	5,112,280
		P344,111,116	P352,871,325
Financial liabilities –			
At amortized cost			
Interest-bearing loans and borrowings	12	**P 6,754,171**	P 1,797,401
Trade and other payables (except Advances from customers And tax-related payables)	11	**86,511,284**	108,639,689
Advances from stockholders		**46,057**	46,057
		P 93,311,512	P110,483,147

	Notes	Fair Values June 30, 2016	December 31, 2015
Financial assets –			
Loans and receivables			
Cash and cash equivalents	5	**P 67,397,569**	P118,822,778
Trade and other receivables (except Advances to suppliers and contractors)	6	**274,112,893**	228,936,267
Security deposits	10	**2,600,654**	5,112,280
		P344,111,116	P352,871,325
Financial liabilities –			
At amortized cost			
Interest-bearing loans and borrowings	12	**P 6,754,171**	P 1,797,401
Trade and other payables (except Advances from customers And tax-related payables)	11	**86,511,284**	108,639,689
Advances from stockholders		**46,057**	46,057
		P 93,311,512	P110,483,147

9.2 Offsetting Financial Assets and Financial Liabilities

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between the Company and counterparties (i.e., related parties including subsidiaries and associates) allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities will be settled on a gross basis; however, each party to the master netting agreement or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

By default, the Company does not elect to settle financial assets and financial liabilities with counterparties through offsetting. Gross settlement is generally practiced.

9.3 *Fair Value Measurements and Disclosures*

In accordance with PFRS 13, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly(i.e., derived from prices); and,

c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Company uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

The Company has no financial assets or financial liabilities measured at fair values.

9.4 Fair Value Measurement for Non-financial Assets

The fair value of the Company's land amounting to P83.6 million as of June 30, 2016 and December 31, 2015 is classified under Level 3 in the fair value hierarchy. The Level 3 fair value of land was derived using market comparable approach that reflects recent transaction prices for similar properties in nearby locations, adjusted for key attributes such as property size, age, condition and accessibility of the land. The most significant input into this valuation approach is the price per square foot; hence, the higher the price per square foot, the higher the fair value.

There has been no change to the valuation techniques used by the Company during the year for its non-financial assets. Also, there were no transfers into or out of Level 3 fair value hierarchy as of June 30, 2016 and December 31, 2015.

10. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Company's capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity as presented in the statements of financial position.

There were no internally and externally imposed capital requirements to be complied with as of June 30, 2016 and December 31, 2015.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

11. EVENTS AFTER THE END OF THE REPORTING PERIOD

Any post-year-end event that provides additional information about the Company's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

EXHIBIT 6

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

Results of Operation

(Based on Financial Statements adopted in accordance with the Philippine Financial Reporting Standards)

Review of June 30, 2016 versus June 30, 2015

Sales Revenues increased to P 562.78 from P 499.27M or by P 63.51M or 12.72%. This was due to the significant increase in Pipe Group sales driven by of broader customer base and more orders.

Cost of Sales rose by 4.38% from P 380.78M as of second quarter 2015 to P 397.46 as of second quarter of 2016 due to lower raw materials cost and efficient control of manufacturing overhead.

Gross Profit Margin increased to P 165.31M from P118.49M or an increase by P46.82M or 39.52% due to higher sales revenues.

Gross Profit rate went up to 29.37% as compared with 23.73% as of the second quarter of 2015 resulting in improvement of 23.77% in gross profit rate.

Other Operating expenses increased by P15.42M or 28.18% from P 54.71M as of second quarter of 2015 to P70.13M as of second quarter of 2016 due to increase in selling and marketing expenses on higher revenues and increases in salaries to comply with wage orders.

There were no IPO related costs incurred as of the second quarter of 2016 compared with same period in 2015 for P4.21M.

Finance costs were lower by P 1.52M or 67.94% from P 2.24M to P0.72M due to settlement of bank loans.

Other Income (net) which included interest income, net foreign exchange loss and other miscellaneous income, decreased by P0.97M from other income (net) of P 1.65M as of second quarter 2015 to other income (net) of P 0.68M as of second quarter 2016 or 58.97%. Foreign exchange loss during the period mostly accounted for the decrease, despite of the increase in finance income.

Income Tax expense increased by P 11.06M from P 17.70M to P28.77M or 62.49% reflecting the higher taxable income for the period.

Financial Condition

Review of financial condition as of June 30, 2016 compared with financial condition as of December 31, 2015

Cash and cash equivalents decreased by P51.42M or 43.28% from P118.82M to P67.40M due to payment of cash dividends for P31.54M and acquisition of machineries and equipments and transportation equipments

Trade and Other Receivables increased by P46.31M or 18.29% from P253.25M to P299.56M due mostly to the increase in sales revenues.

Inventories increased by P3.88M or 1.29% from P300.86M to P304.73M due to higher level of finished goods in the PPR/HDPE division.

Prepayments and Other Current Assets increased by P2.57M or 4.35% from P59.17M to P61.74M due to higher input VAT from purchases.

Property, Plant and Equipment (net) increased by P20.70M or 8.15% from P 254.07M as of December 31, 2015 to P 274.77M as of June 30, 2016 due to new acquisitions of machineries and equipments by both Compounds and Pipe Group and transportation equipments of Compounds, Pipes and Corporate Divisions.

Other Non-current Assets decreased by P 1.54M or 11.15% from P13.86M to P12.31M due to refund of Meralco utility deposits as a result of the consolidation of accounts with change in service voltage.

Trade and Other Payables decreased by P 20.78M or 17.44% from P119.15M to P98.37M due to settlement of accounts.

Non-Current Liabilities increased by P5.16M or 29.54% from P17.47M to P22.63M mostly due to increase in Interest Bearing Loans and Borrowings for the purchase of transportation equipments and accrual of retirement benefit.

Total Equity increased by P34.83M or 4.10% from P849.91M to P884.75M due to increase in Retained Earnings from Net Profit after Tax during the period.

Material Changes as of June 30, 2016 Financial Statements

Statement of Financial Position
(Increase/decrease of 5% or more versus December 31, 2015)

43.28% decrease in cash and cash equivalents
Due to payment of cash dividends and acquisitions of machineries and equipments and transportation equipments

18.29% increase in trade and other receivables
Primarily due to increase in sales revenue

8.15% increase in property, plant and equipment- net
Due to payment of cash dividends for P31.54M and acquisitions of and machineries and equipments and transportation equipment.

11.15% decrease in other non-current assets
Due to refund of Meralco utility deposits as a result of the consolidation of accounts with change in service voltage.

17.44% decrease in trade and other payables
Due to settlement of accounts

29.54% increase in non-current liabilities
Due to additional purchase of transportation equipments and accrual of retirement benefit

Statement of Income

(Increase/decrease of 5% or more versus June 30, 2015)

12.72% increase in revenues
Due to higher sales for the period

39.52% increase in gross profit
Due to higher sales for the period

28.18% increase in other operating expenses
Due to additional selling and marketing expenses to boost sales revenues and implementation of wage orders

67.94% decrease in finance cost
Due to settlement of bank loans as of end of the 2015 and of period end

58.97% decrease in other income (net)
Due to foreign exchange losses incurred, net of interest income and other miscellaneous income

62.49% increase in income tax expense
Due to higher taxable income

There are no other significant changes in the Company's financial position (5% or more) and condition that will warrant a more detailed discussion. Further, there are no material events and uncertainties known to management that would have impact or change the reported financial information and condition of the Company.

There are no known trends or demands, commitments, events or uncertainties that would result in or that are reasonably likely to result in increasing or decreasing the Company's liquidity in any material way. The Company does not anticipate having any cash flow or liquidity problems. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangement requiring it to make payments.

The Company has no unusual nature of transactions or events that affects assets, liabilities, equity, net income or cash flows.

The unaudited interim financial statements do not include all the information or disclosure required in the financial statements and should be read in conjunction with the Company's audited annual financial statements as of and for the year ended December 31, 2015.

The accounting policies and methods of computation adopted in preparation of the Company's unaudited interim financial statements are the same with the most recent audited annual financial statements for the year ended December 31, 2015.

There were no known material events subsequent to the end of the interim period that have not been reflected in the Company's Financial Statements for the second quarter of 2016.

There were no changes in estimates of amount reported in the current financial year or changes in estimates of amounts reported in prior financial years.

There was no contingent liability reflected in the most recent annual financial statements, the same in the current year financial statements for the second quarter of 2016. There are commitments, guarantees, and contingent liabilities that arise in the normal course of operations of the Company which are not reflected in the accompanying financial statements. The Management of the Company is of the opinion that losses, if any, from these items will not have any material effect on its interim financial statements.

There are no material commitments for capital expenditures, events or uncertainties that have had or that are reasonable expected to have material impact on the continuing operations of the Company.

Item 3 - Aging of Accounts Receivable

EXHIBIT 7

CROWN ASIA CHEMICALS CORPORATION
(Formerly Crown Asia Compounders Corporation)
Aging of Accounts Receivable
As of June 30, 2016
(Amounts in Philippine Pesos)
(UNAUDITED)

Type of Receivable	Balance	Current/ Not yet due	Over 30 Days	Over 60 days	Over 90 days	Over 120 days	Accounts under Litigation
a. Trade and Other Receivables-net	274,112,893	237,878,080	15,179,864	6,841,702	1,382,498	12,830,749	-

EXHIBIT 8

Item 4 – Key Performance Indicators

Key Performance Indicators

LIQUIDITY RATIOS		
Key Indicators	**June 30, 2016**	**December 31, 2015**
Current ratio	6.48 : 1.00	5.52 : 1.00
Acid test ratio	3.24 : 1.00	2.81 : 1.00
Book value per share	1.40	1.35
	SOLVENCY RATIOS	
Key Indicators	**June 30, 2016**	**December 31, 2015**
Debt to equity ratio	0.15 : 1.00	0.18 : 1.00
Asset to equity ratio	1.15 : 1.00	1.18 : 1.00
	PROFITABILITY RATIOS	
Key Indicators	**June 30, 2016**	**June 30, 2015**
Earnings per share	0.11%	0.07%
Return on assets	6.57%	4.57%
Return on equity	7.65%	6.10%
Gross profit ratio	29.37%	23.73%
Net profit ratio	11.79%	8.27%

Notes:

1. Current Ratio (Current Assets/Current Liabilities)
   To test the Company's ability to pay its short-term debts
2. Acid Test Ratio (Quick Assets/Current Liabilities)
   Measures the Company's ability to pay its short-term debts from its most liquid assets without relying on inventory.
3. Book Value per Share (Equity/Shares Outstanding)
   Measures the amount of net assets available to stockholders of a given type of stock.
4. Debt to Equity Ratio (Total Liabilities/Total Equity
   Measures the amount of total assets provided by stockholders
5. Asset to Equity Ratio (Total Assets/Total Equity)
   Shows the relationship of the total assets to the portion owned by the stockholders. Indicates the Company's leverage, the amount of debt used to finance the firm.
6. Earnings per Share (Net Profit/Shares Outstanding)
   Reflects the Company's earning capability.
7. Return on Assets (Net Profit/Average Total Assets)
   Indicates whether assets are being used efficiently and effectively
8. Return on Equity (Net Profit/Total Equity)

9. Gross Profit Ratio (Gross Profit/Revenues)
Measures the percentage of gross income to sales
10. Net Profit Ratio (Net Profit/Revenues)
Measures the percentage of net income to sales

PART II--OTHER INFORMATION

There is no information not previously reported in a report on SEC Form 17-C.

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 thereunto duly authorized

CROWN ASIA CHEMICALS CORPORATION
Issuer

By:

7.19.2016
TITA P. VILLANUEVA
for Vice President - Comptroller

WALTER H. VILLANUEVA
Chairman of the Board and
General Manager-Pipes Group

EUGENE H. VILLANUEVA
President and General Manager-
Compounds Division