

SEC Number 14812

FILE Number

CHEMICAL INDUSTRIES OF THE PHILPPINES, INC.
(Company's Full Name)

851 Antonio Arnaiz Avenue, Makati City
(Company's Address)

(632) 8687-88-77
(Telephone Number)

DECEMBER 31
(Fiscal Year Ending)
(month & day)

SEC FORM 17-Q
Form Type

Amendment Designation (If applicable)

September 30, 2020
Period Ended Date

(Secondary License Type and File Number)

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 September 30, 2020
2. Commission identification number 14812 3. BIR Tax Identification No. 047-000-110-888

4. Exact name of issuer as specified in its charter

CHEMICAL INDUSTRIES OF THE PHILIPPINES, INC.

5. Province, country or other jurisdiction of incorporation or organization
Metro Manila, Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal
Code
Chemphil Bldg., 851 A. Arnaiz Ave., Legaspi Village, Makati City 1229

8. Issuer's telephone number, including area code
(063) (02) 86878877

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	
<u>Common Stock, P10 par value</u>	<u>10,296,601 common shares</u>

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:

Philippine Stock Exchange Common shares

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes No

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

Yes No

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

The unaudited Consolidated Financial Statements of Chemical Industries of the Philippines, Inc. (CIP) for the quarter ended September 30, 2020 are incorporated herein by reference.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operation for the quarter ended September 30, 2020.

1. Plan of operation

For the next twelve months CIP, the parent company, will continue with its leasing of office space to related and outside parties.

CIP's subsidiaries:

CAWC Inc. (CAWC)

The Company has ceased its manufacturing and trading operations.

Kemwater Philippines Corp. (KPC)

The Company has ceased its manufacturing and trading operations.

Chemphil Manufacturing Corp. (CMC)

The Company has ceased its manufacturing and trading operations.

The Group has no plans to raise additional funds during the next twelve months.

The Group has no intention to perform product research and development.

There is also no plan to purchase or sell any significant equipment.

There will be no changes in the number of employees during the year.

2. Management's Discussion and Analysis

A. Results of Operation

Consolidated revenue for the 3rd quarter of 2020 amounted to P2.003 million, .01% higher than the third quarter 2019 consolidated revenue of P2.001 million.

Consolidated operating expenses for the interim period amounted to P2.57 million, 45% lower than the third quarter of 2019 of P4.7 million.

The Company realized a consolidated net income(loss) of (P.6) million in the third quarter of 2020 versus the P7.0 million consolidated net loss in the same period of last year.

The following are accounts for the quarter ended September 30, 2020 which have material changes versus the same period in 2019:

Operating expenses	(1,286)	72%	(4,659)
Interest income - net	4	25%	3
Other Income(expenses) - net	(6)	-102%	293

- a. Operating expenses - the 2020 expenses were lower due to the reversal of provision for expected credit losses
- b. Other income – sale of scrap materials was higher in 2020 versus 2019

Below are the key performance indicators used by the Company to determine its profitability:

	Jan-Sept 2020	Jul-Sept 2019
Gross profit (loss) margin	0	0
Rate of return on revenues	(1.42)	(0.22)
Net income (loss) to stockholders' equity	(0.93)	(0.016)

Formulae:

Gross profit margin = Gross profit/ Revenues

Rate of return on revenues = Net income after tax/ Revenues

Net income to stockholders' equity = Net income after tax/Stockholders' equity

There were no gross profit margins in the third quarters of 2020 and 2019 since there were no sales revenues.

Rate of return in the third quarter this year was negative 1.42 from negative .22 in the same period last year mainly due to the decrease in operating expenses.

The ratio of net income (loss) to equity in the third quarter of 2020 went down to .93 from negative 0.16 in the same period of 2019.

B. Financial Condition

Consolidated assets amounted to P1.391 billion and P1.383 billion as of September 30, 2020 and December 31, 2019, respectively. Consolidated current assets amounted to P20.0 million as of September 30, 2020 versus P19.6 million as of December 31, 2019.

Consolidated liabilities amounted to P401.9 million as of September 30, 2020, higher than the December 31, 2019 balance of P385.0 million. Stockholders' equity stood at P989.4 million and P998.3 million as of September 30, 2020 and December 31, 2019, respectively.