



16 January 2009

**DISCLOSURE DEPARTMENT
LISTINGS AND DISCLOSURE GROUP**
The Philippine Stock Exchange
Philippine Stock Exchange Center,
Exchange Road, Ortigas Center, Pasig City

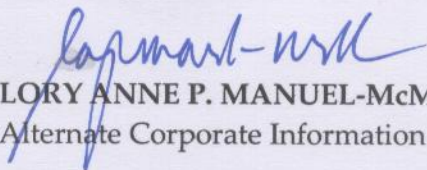
Attention: **ATTY. PETE M. MALABANAN**
Head, Disclosure Department

GENTLEMEN:

Please see attached Amended SEC Form 17-Q for the Quarter ended 30 September 2008 (SEC Form 17-Q) of Mabuhay Vinyl Corporation (MVC) with MVC's letter addressed to Dir. Justina Callangan regarding the amendments on the said SEC Form 17-Q.

Thank you.

Very truly yours,


LORY ANNE P. MANUEL-McMULLIN
Alternate Corporate Information Officer

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MABUHAY VINYL CORPORATION

16 January 2009



Director Justina F. Callangan
Corporation Finance Department
Securities and Exchange Commission
6th Floor, SEC Bldg., EDSA, Mandaluyong City

JAN 16 2009

Dear **Director Callangan**:

Re : **Mabuhay Vinyl Corporation (MVC)**
SEC Form 17-Q "A" (3rd Quarter)

In compliance with your directive per your letter dated 16 December 2008, which was received by our office on 22 December 2008, we submit herewith MVC's Amended SEC Form 17-Q for the quarter ended 30 September 2008 with the following revisions:

1. Item I.1 (Balance Sheet) – page 2

- an explanation was added as footnote to the item "Available for sale financial assets" on the adjustment of P0.85M affecting the Available for sale Financial Assets that will be made at the end of the year.


2. Item I.7 (Balance Sheet) – pages 9-10

- a description as to the financial instruments being held by the Company has been added
- an assessment as to the Company's financial risk exposures has been included.

We hope that the above complies with the SEC's requirements relative to the Company's SEC Form 17-Q.

Thank you for your usual support.

Very truly yours,


FELIX V. TIONGSON, JR.
Asst. Vice-President, Finance

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SEC Number : 216

File Number : ___

MABUHAY VINYL CORPORATION

3rd Floor, Philamlife Salcedo Center, 126 L. P. Leviste St.
Salcedo Village, Makati City

817-8971 to 76
(Telephone Numbers)

816-4785 / 894-5325
(Fax Numbers)

01 July to 30 September
(Calendar Quarter Ending)

2008 Quarterly Report (SEC Form 17-Q) "A"
(Form Type)

For The Quarter Ended September 30, 2008
(Period Ended Date)

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, 2008**
2. Commission Identification Number **216**
3. BIR Tax Identification Number **000-164-009-000 VAT**
4. Exact name of issuer as specified in its charter **MABUHAY VINYL CORPORATION**
5. Province or country of incorporation **Philippines**
6. Industry Classification Code (for SEC use only) _____
7. Address of issuer's principal office **3rd Floor, Philamlife Salcedo Center
126 L.P. Leviste St., Salcedo Village
Makati City**
8. Issuer's telephone Number **(632) 817-8971 to 76**
9. Former name, former address and former fiscal year **N/A**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

| <i>Title of Each Class:</i> | <i>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding:</i> |
|-----------------------------|---|
| Common Shares | 688,309,398 shares as of September 30, 2008 |

11. Are any or all of the securities listed in the Philippine Stock Exchange?

Yes (/) No ()

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 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding twelve (12) months (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 ()

PART I - FINANCIAL INFORMATION

ITEM I - FINANCIAL STATEMENTS

1. Balance Sheet

COMPARATIVE BALANCE SHEET (In P000)

As of September 30, 2008 and 2007

(Note: Dec. 31, 2007 and Dec. 31, 2006 are based on audited figures)

| | CURRENT YEAR | | | PREVIOUS YEAR | | |
|---------------------------------------|------------------|------------------|----------------|------------------|------------------|-----------------|
| | Sep. 30, 2008 | Dec. 31, 2007 | Dif. | Sep. 30, 2007 | Dec. 31, 2006 | Dif. |
| Current Assets | | | | | | |
| Cash | 58,781 | 44,204 | 14,577 | 59,013 | 41,307 | 17,706 |
| Money market securities | 60,877 | 91,543 | (30,666) | 151,222 | 63,795 | 87,427 |
| Accounts receivable - net | 319,190 | 275,218 | 43,972 | 286,855 | 370,543 | (83,688) |
| Receivable from a stockholder | 27,402 | 27,402 | - | 27,402 | 28,211 | (810) |
| Inventory - Finished goods | 238,311 | 143,101 | 95,210 | 91,123 | 135,112 | (43,989) |
| - Work in Process | 9,760 | 17,432 | (7,672) | 7,456 | 5,079 | 2,377 |
| - Raw Materials & Supplies | 54,935 | 81,789 | (26,854) | 74,268 | 97,347 | (23,079) |
| Other current assets | 30,896 | 20,381 | 10,515 | 38,186 | 24,392 | 13,794 |
| Total Current Assets | 800,152 | 701,070 | 99,082 | 735,525 | 765,786 | (30,261) |
| Noncurrent Assets | | | | | | |
| Available for sale financial assets * | 7,065 | 7,194 | (129) | 6,804 | 6,804 | 0 |
| Property, plant and equipment - net | 793,664 | 674,730 | 118,934 | 439,552 | 449,083 | (9,531) |
| Land at appraised value | 150,861 | 150,861 | - | 150,861 | 150,861 | 0 |
| Other non-current assets | 74,554 | 2,936 | 71,618 | 2,934 | 2,851 | 83 |
| Total Non-current Assets | 1,026,144 | 835,721 | 190,423 | 600,152 | 609,599 | (9,447) |
| TOTAL ASSETS | 1,826,296 | 1,536,791 | 289,505 | 1,335,676 | 1,375,385 | (39,709) |

* Total adjustment of P0.85M affecting the Available for sale Financial Assets will be made at the end of the year.

Balance Sheet (continued)

COMPARATIVE BALANCE SHEET (In P000)
As of September 30, 2008 and 2007

(Note: Dec. 31, 2007 and Dec. 31, 2006 are based on audited figures)

| | CURRENT YEAR | | | PREVIOUS YEAR | | |
|--|------------------|------------------|-----------------|------------------|------------------|-----------------|
| | Sep. 30, 2008 | Dec. 31, 2007 | Dif. | Sep. 30, 2007 | Dec. 31, 2006 | Dif. |
| Current Liabilities | | | | | | |
| Notes & Trust receipts payable | 173,678 | 100,216 | 73,462 | 28,000 | 84,554 | (56,554) |
| Accounts payable and accrued exp. | 177,521 | 304,120 | (126,599) | 71,021 | 63,080 | 7,941 |
| Current portion of long-term debt | - | 18,750 | (18,750) | 25,000 | 25,000 | - |
| Income Tax Payable | - | 1,744 | (1,744) | - | - | - |
| Total Current Liabilities | 351,199 | 424,830 | (73,631) | 124,021 | 172,634 | (48,613) |
| Noncurrent Liabilities | | | | | | |
| Long-term loans | 350,000 | - | 350,000 | - | 18,750 | (18,750) |
| Deferred income tax liability | 41,304 | 22,673 | 18,631 | 31,509 | 31,509 | (0) |
| Customers deposit | - | 18,725 | (18,725) | 18,706 | 18,032 | 674 |
| Retirement benefits payable | 4,295 | 4,295 | - | 813 | 2,709 | (1,896) |
| Asset retirement obligation | 685 | 685 | - | 609 | 609 | 0 |
| Total Noncurrent Liabilities | 396,284 | 46,378 | 349,906 | 51,637 | 71,609 | (19,972) |
| Stockholders' Equity | | | | | | |
| Common stock | 688,309 | 688,309 | - | 688,309 | 788,367 | (100,058) |
| Additional paid-in capital | 176,594 | 176,594 | - | 176,594 | 169,775 | 6,819 |
| Treasury stock | - | - | - | - | (93,238) | 93,238 |
| Appraisal Capital | 96,148 | 96,148 | - | 96,148 | 96,148 | 0 |
| Reserve for fluctuation in AFS-FA | 987 | 987 | - | 597 | 597 | (0) |
| Retained earnings | 116,773 | 103,545 | 13,228 | 198,370 | 169,493 | 28,877 |
| Total Stockholders' Equity | 1,078,811 | 1,065,583 | 13,228 | 1,160,018 | 1,131,142 | 28,876 |
| TOTAL LIABILITIES & S. EQUITY | 1,826,294 | 1,536,791 | 289,503 | 1,335,676 | 1,375,385 | (39,709) |

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (In P000)
FOR THE QUARTER ENDED SEPT. 30, 2008 AND 2007

(Note: Dec. 31, 2007 and Dec. 31, 2006 are based on audited figures)

| | Capital Stock | Capital Paid In Excess Par | Stocks Held In Treasury | Revaluation Increment | Reserve | Retained Earnings | Total Stock. Equity |
|---------------------------------|---------------|----------------------------|-------------------------|-----------------------|---------|-------------------|---------------------|
| | | | | | AFS-FA | | |
| JAN. TO SEPT. 2008 | | | | | | | |
| Balances, Dec. 31, 2007 | 688,309 | 176,594 | - | 96,148 | 987 | 103,545 | 1,065,583 |
| Retirement of Treasury shares | | | | | | | - |
| Net Income, Jan. to Sept. 2007 | | | | | | 13,400 | 13,400 |
| Prior's Years Adjustment | | | | | | (172) | (172) |
| Balances, Sept. 30, 2008 | | | | | | 116,773 | 1,078,811 |

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (In P000)
(Continued . . .)
(Note: Dec. 31, 2007 and Dec. 31, 2006 are based on audited figures)

| | Capital Stock | Capital Paid In Excess Par | Stocks Held In Treasury | Revaluation Increment | Reserve AFS-FA | Retained Earnings | Total Stock Equity |
|---------------------------------|------------------|-------------------------------|----------------------------|--------------------------|-------------------|----------------------|-----------------------|
| JAN. TO SEPT. 2007 | | | | | | | |
| Balances, Dec. 31, 2006 | 788,367 | 169,775 | (93,238) | 96,148 | 597 | 169,493 | 1,131,142 |
| Retirement of Treasury shares | - | - | - | - | - | 49,526 | - |
| Net Income, Jan. to Sept. 2007 | - | - | - | - | - | (20,649) | 49,526 |
| Cash Dividend | - | - | - | - | - | - | (20,649) |
| Balances, Sept. 30, 2007 | 788,367 | 169,775 | (93,238) | 96,148 | 597 | 198,370 | 1,160,018 |

3. Profit and Loss Statement

COMPARATIVE PROFIT AND LOSS STATEMENT (In P000)
For The Quarter Ending September 30, 2008 and 2007

| | 3rd Quarter | | | YTD - Jan. To Sep. | | |
|--|----------------|----------------|-----------------|--------------------|----------------|-----------------|
| | 2008 | 2007 | Dif. | 2008 | 2007 | Dif. |
| NET SALES | 343,333 | 341,151 | 2,182 | 956,877 | 1,005,338 | (48,461) |
| Less: Cost Of Sales | 265,840 | 245,178 | 20,662 | 736,988 | 733,765 | 3,223 |
| GROSS PROFIT | 77,493 | 95,973 | (18,480) | 219,889 | 271,573 | (51,684) |
| Less: Administrative Exp. | 13,618 | 12,730 | 888 | 37,342 | 38,469 | (1,127) |
| Selling Exp. | 1,530 | 1,956 | (426) | 4,900 | 5,203 | (303) |
| Distribution Exp. | 59,080 | 52,591 | 6,489 | 155,485 | 151,630 | 3,855 |
| Total Operating Exp. | 74,228 | 67,277 | 6,951 | 197,727 | 195,302 | 2,425 |
| NET OPERATING INCOME | 3,265 | 28,696 | (25,431) | 22,162 | 76,271 | (54,109) |
| Add : Interest & Other Income | 3,929 | 1,718 | 2,211 | 7,186 | 5,852 | 1,334 |
| Less: Interest Expense | 5,088 | 1,741 | 3,347 | 8,732 | 6,772 | 1,960 |
| | | - | - | | | - |
| NET INCOME BEFORE TAX | 2,106 | 28,724 | (26,618) | 20,616 | 75,401 | (54,785) |
| Less: Provision For Income Tax | 2,106 | 28,724 | (26,618) | 7,216 | 25,874 | (18,658) |
| | 738 | 9,794 | (9,056) | | | - |
| Income (Loss) From Continuing Oper. | 1,369 | 18,931 | (17,562) | 13,400 | 49,526 | (36,126) |
| | | - | - | | | - |
| RETAINED EARNINGS | - | - | - | - | - | - |
| Beginning balance | 115,404 | 179,439 | - | 103,545 | 169,493 | - |
| Prior year adjustment | - | - | - | (172) | - | - |
| Less: Cash Dividend | - | - | - | - | (20,649) | - |
| | - | - | - | - | - | - |
| RETAINED EARNINGS - Ending | 116,773 | 198,370 | (81,597) | 116,773 | 198,370 | (81,597) |

| | 3rd Quarter | | | YTD - Jan. To Sept. | | |
|---|-------------|--------|----------|---------------------|--------|----------|
| | 2008 | 2007 | Dif. | 2008 | 2007 | Dif. |
| a. Earnings per share (Net income(loss) / 688,309,398 outstanding shares)-2008 (Net income(loss) / 697,309,398 outstanding shares)-2007 | 0.0195 | 0.0201 | (0.0006) | 0.0195 | 0.0201 | (0.0006) |
| b. Dividends declared per share | - | 0.05 | (0.05) | - | 0.05 | (0.05) |

4. Statement of Cash Flows

MABUHAY VINYL CORPORATION
COMPARATIVE CASHFLOW STATEMENT (In P000)
As of September 30, 2008 and 2007

| | Jan-Sep 2008 | Jan-Sep 2007 | DIF. |
|--|------------------|-----------------|------------------|
| Cash Flows From Operating Activities: | | | |
| Net Income - from continuing operations | 13,401 | 49,526 | (36,125) |
| Prior Year adjustment | (172) | - | (172) |
| Adjustments for: Depreciation & amortization | 66,465 | 55,503 | 10,962 |
| | | - | - |
| (Increase) Decrease In: | | | |
| Accounts receivable | (43,972) | 83,688 | (127,660) |
| Finished goods | (95,209) | 43,989 | (139,199) |
| Work in process | 7,673 | (2,377) | 10,049 |
| Raw materials & supplies | 26,853 | 23,079 | 3,774 |
| Other current assets | (13,917) | (13,794) | (123) |
| | | - | - |
| Increase (Decrease) In: | | | |
| Accounts payable & accrued expenses | (143,666) | 7,941 | (151,606) |
| Notes & trust receipts payable | 54,712 | (56,554) | 111,266 |
| Current portion of long term debt | 6,250 | - | 6,250 |
| Customers' deposit payable | - | 674 | (674) |
| Retirement benefits payable | - | (1,896) | 1,896 |
| Net Cash Provided By/(Used In) Operations | (121,583) | 189,778 | (311,361) |
| | | - | - |
| Cash Flows From Investing Activities: | | | |
| Receivable from an affiliated company | - | 810 | (810) |
| Investment | 129 | - | 129 |
| Acquisition of property, plant & equipment | (236,762) | (45,973) | (190,789) |
| Decrease (Increase) in other assets | (1,624) | (83) | (1,540) |
| Net Cash Used In Investing Activities | (238,256) | (45,246) | (193,010) |
| | | - | - |

Statement of Cash Flows (continued)

| | Jan-Sep 2008 | Jan-Sep 2007 | DIF. |
|---|-------------------------|-------------------------|------------------|
| Cash Flows From Financing Activities: | | | |
| Payment of long-term debt | 343,750 | (18,750) | 362,500 |
| Payment of cash dividend | - | (20,649) | 20,649 |
| Acquisition of Treasury Shares | - | - | - |
| Deferred income tax liability | - | - | - |
| Net Cash Provided By/(Used In) Financing Activities | 343,750 | (39,399) | 383,149 |
| | | | |
| NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENT | (16,089) | 105,133 | (121,222) |
| | | | |
| ADD: CASH & CASH EQUIVALENT - Dec. 31, 2006 & 2005 | 1,350,641 | 105,102 | 1,245,539 |
| | | | |
| CASH & CASH EQUIVALENT - ENDING | 1,334,552 | 210,235 | 1,124,317 |

5. Disclosure Of Events Subsequent To Fiscal Year December 31, 2007

A. On January 23, 2008, the Board approved the following:

1. Availment of the Medim Term Loan Facility with the Bank of the Philippine Islands (BPI)
2. Set date of special Board of Directors' Meetin/Annual Stockholders Meeting on April 24, 2008 and to fix the close of business hours on 28 March 2008 as the record date.
3. Grant of authority to the Audit Committee and/or Executive Committee to approve in March 2008 the release/issuance of the 2007
4. Authority to avail of various short term credit facilities offered by the Bank of the Philippine Islands (BPI).
5. Authorized signatories for bidding transactions with government agencies/customers.
6. Renewal of insurance coverage
7. Authorized bank signatories
8. Sale of company vehicles.
9. Renewal of credit line fcilities with Banco de Oro
10. Redemption of shares by the Manila Electric Company (MERALCO)

B. On March 13, 2008

1. Approval on the release/issuance of audited financial statements as of 31 December 2007
2. Approval to retain Sycip Gorres Velayo & Co (SGV) as the Corporation's external auditor for 2008 fiscal year.
3. Authority for HRD manager to represent the Corporation n the labor case entitled "Mabuhay vinyl Corporation vs. MLRC, Fancisco Manugas and George Acero."

C. On April 23, 2008, the Board approved the following

MVC received a copy of the Termination Letter issued by the Bureau of Internal Revenue (BIR) relative to its application for One-Time Administrative Abatement Program with the Bureau.

D. April 24, 2008

1. Authority to file an application for Miscellaneous Lease Corporation with the Department of Environment and Natural Resources (DENR) covering the Corporation's existing pier facilities.
2. Ratification of the sale of company-owned motor vehicle to Mr. Wilfredo D. Hamoy, Jr.
 - a. Stockholders' approval on the re-appointment of Sycip Gorres Velayo & Co. as External Auditors for the year 2008-2009
 - b. Election of Directors for year 2008-2009
 - c. Stockholders' approval of MVC's 2007 Annual Report and Audited Financial Statements

E. On May 02, 2008:

- a. Shareholdings of Ms. Evelyn L. Villanueva and Mr. Edmundo S. Soriano relative to their election as members of the Board of Directors of MVC
- b. Retention by Weslie Gatchalian and Renato B. Magadia, former MVC directors, of their respective MVC shareholdings

F. On May 29, 2008:

- a. Election of Officers
- b. Appointment of Chairmen and Members of Various Committees

G. On July 15, 2008:

Resignation of Mr. Kenichi Udagawa as a member of the Board of Directors

H. On July 22, 2008:

Mr. Kenichi Udagawa's disposal of 5,000 MVC shares

I. On July 23, 2008:

- a. Acceptance by the MVC Board of the resignation of Mr. Kenichi Udagawa and Election of Mr. Yoshihiko Abe as Mr. Udagawa's replacement.
- b. Acquisition of 5,000 MVC shares by Mr. Yoshihiko Abe
- c. Board approval on the creation of a landholding company
- d. Setting of date of Special Stockholder's Meeting on 19 September 2008 and Record Date for the Stockholders entitled to Notice of and to Vote at said meeting on 22 August 2008
- e. Board approval authorizing the Corporation to take appropriate steps/adopt necessary measures to protect MVC's interest relative to the Petition filed by the Landbank of the Philippines involving Picop Resources, Inc. (PRI) and its affiliate, New Paper Industries Corporation (NPIC).

J. On August 04, 2008:

Board approval on the Amendment of the Seventh Article of MVC's Articles of Incorporation deleting the 60% Filipino and 40% Foreign equity restrictions stated therein.

K. On August 06, 2008:

Details of the 19 September 2008 special stockholder's meeting (date, time and venue of the special stockholders' meeting).

L. On September 19, 2008:

- a. Stockholder's approval on the creation of/ investment in a landholding company with MVC subscribing to the latter's shares of stock to be paid by way of transfer of MVC's real properties via tax-free exchange.
- b. Stockholders' approval of Amendment of the Seventh Article of MVC's Articles of Incorporation deleting the 60% Filipino and 40% Foreign equity restrictions stated therein.

6. Disclosure Of Compliance With Generally Accepted Accounting Principles

The interim financial statement is prepared in accordance with generally accepted accounting principles, particularly the pronouncements of recognized bodies like the Phil. Stock & Exchange Commission, Accounting Standards Council, and International Standards Committee.

7. Notes To The Interim Financial Statements

- a. The same accounting policies and methods of computation are followed as with the annual financial statements as of December 31, 2007.
- b. The interim operation is under normal business condition and is unaffected by any seasonal or cyclical nature.
- c. Unusual items in the financial statements (as of September 30, 2008):

| | |
|---|--|
| Money market securities | - P60,877 are 30 to 60 days short term investment in time deposit and special savings account. |
| Accounts receivable - net | - P319,190 M represents claim from customers for products sold with credit terms of 30 to 90 days. |
| Property, plant & equip. - net | - P793,664 M consists of buildings, machinery and equipment, transportation equipment, leasehold improvements, office furniture and equipment, and construction in progress. |
| Notes & trust receipts payab. | - P173.7 M consists of short-term promisory notes issued to banks to finance the importation of finished goods mostly caustic soda. |
| Long Term Loans | P350 M term loan with BPI to partly finance the IEM2 project |

- d. There are no changes in estimates of amounts reported in the prior interim period or prior financial year that have a material effect in the current interim period.
- e. There is no segment revenue and segment result to be reported. The company is primarily engaged in its continuing core business operations of manufacturing and selling chemicals.
- f. There is no contingency or event that is material and affecting the current interim period.
- g. The financial instruments of the company as of September 30, 2008 are limited to money market placements with maturity of 30-60 days only at fixed rates. Available for sale financial assets consist of quoted and unquoted equity instruments

The quoted equity instruments represent investments in preferred redeemable non-convertible non-voting shares and 10% of the authorized capital stock of Tosoh Polyvin Corporation. It is the intention of the company to hold on to these until they are redeemed.

Available -for-sale Financial Assets:

| | | Sept. 30 | June 30 | |
|------------------------------------|--|--------------|--------------|---------------|
| | | 2008 | 2008 | Diff. |
| Quoted equity instruments: | | | | |
| Capital Stock | | 0.838 | 1.016 | -0.178 |
| Golf Shares | | 0.380 | 0.390 | -0.010 |
| Unquoted equity instruments | | | | |
| | | 5.001 | 5.001 | 0.000 |
| Total | | 6.219 | 6.407 | -0.188 |

Financial Risk:

1. Interest Rate Risk - Not Aplicable

The company does not have any interest rate risk since its medium term loans have fixed interest. Previous 5-year loan with floating interest rate was fully paid up

2. Foreign Currency Risks

Exposure of the company to foreign currency risk arises from importation of finished goods, raw materials and spare parts. Its purchases are subject to an open account with foreign suppliers and are settled immediately or through a peso trust receipts financing from a local bank once documentation requirements are completed.

3. Credit Risk

The company has the policy to require customers who wish to buy on credit terms to comply and undergo a credit verification process concentrating on capacity, character and willingness to pay among others.

Receivables are also closely monitored to ensure that changes in credit quality is recognized and exposure to bad debts is minimized.

The company transacts only with legitimate and duly accredited customers.

4. Liquidity Risk

The company maintains a balance between continuity of funding and flexibility using bank loans and purchase contracts. Short term loans which mature within one year are availed of for operating needs while loans through trust receipts mature within 180 days.

5. The company has no investment in foreign securities.

6. Risk in the Valuation of Assets or Liabilities:

The assets of the company are valued using historical cost convention but real properties notably land and improvements therein are stated at appraised value. Appraisal is done regularly at 2-year intervals and the financial statements of the company are updated using this appraisal.

Trade receivables are also stated at cost. However, based on the age of receivables, allowance for bad debts are provided.

Allowance for obsolescence is also provided for inventories consisting of finished goods, work-in-process, raw materials, supplies and other materials.

Long Term Liabilities such as loans are covered by mortgage participation certificates which in turn is backed by a mortgage trust indenture.

7. The criteria used in determining whether the market for a financial instrument is active or inactive are the prices available from regular market transactions. In the absence of available market transactions, the item is carried at cost.

ITEM II - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

KEY PERFORMANCE INDICATORS

(Note: MVC does not have any subsidiary company)

| | Sept 30, 2008 | Dec. 31, 2007 | Sept 30, 2007 |
|---|------------------|------------------|------------------|
| A. Liquidity | | | |
| 1. Quick ratio - capacity to cover its short-term obligations using only its more liquid assets. [(cash + cash equiv. + A/R) / current liabilities] | 1.3 | 3.0 | |
| - Forecasted ratio | 4.2 | 2.8 | 2.8 |
| Remark: The company is liquid to meet its short-term obligations. | | | |
| 2. Current ratio - capacity to meet current obligations out of its liquid assets. (current assets / current liabilities) | 2.3 | 4.4 | |
| - Forecasted ratio | 5.8 | 4.0 | 3.9 |
| Remark: The company is financially capable in meeting all its current obligations. | | | |
| B. Profitability | | | |
| 3. Net profit margin - ability to generate surplus for stockholders. (net income / sales) | 0.014 | 0.046 | |
| - Forecasted ratio | 0.038 | 0.031 | 0.032 |
| Remark: The company performed well enough but not as expected due to a temporary reduction in capability to produce enough materials for sale. | | | |

KEY PERFORMANCE INDICATORS (continued...)

(Note: MVC does not have any subsidiary company)

| | Sept 30, 2008 | Dec. 31, 2007 | Sept 30, 2007 |
|---|------------------|------------------|------------------|
| <p>4. Return on equity - ability to generate returns on investment of stockholders</p> <p>(net income / stockholders equity)</p> <p>- Forecasted ratio</p> <p>Remark: ROE is not as forecasted but with the infrastructure in place improvements in the last quarter are expected.</p> | 0.012 | 0.027 | 0.029 |
| <p>C. Leverage</p> <p>5. Debt to total asset ratio - the proportion of total assets financed by creditors (total debt / total assets)</p> <p>- Forecasted ratio</p> <p>Remark: The increase in the ratio reflects long term loan taken out to partly finance the IEM2 project.</p> | 0.409 | 0.170 | 0.177 |
| <p>6. Debt to equity ratio - an indicator of which group has the greater representation in the assets of the company (long-term debt / equity)</p> <p>- Forecasted ratio</p> <p>Remark: The slight increase in the ratio demonstrates the increase in obligation for the IEM2 project</p> | 0.367 | 0.027 | 0.021 |

1.A - MATERIAL CHANGES IN FINANCIAL CONDITION

| <i>From December 31, 2007 To Sep 30, 2008</i> | <i>From December 31, 2006 To Sep 30, 2007</i> | <i>From December 31, 2005 To Sep 30, 2006</i> |
|---|--|---|
| <p>a. Money market securities decreased by P30.7 M The amount was used for the purpose the fund was build-up which was to finance the IEM2 retrofitting project.</p> | <p>a. Money market securities increased by P87.4 M The amount is reserved for the ongoing IEM-2 retrofitting project.</p> | <p>a. Money market securities decreased by P11.2 M Amount was used to partially settle a higher interest bearing trust receipts payable.</p> |
| <p>b. Accounts receivable increased by P44.0 M The increase came immediately after the start of the operation of the IEM2 project. As at the time of the FS, most of these are not yet due.</p> | <p>b. Accounts receivable decreased by P83.7 M This is the result of an intensified collection effort directed towards our major customers.</p> | <p>b. Accounts receivable increased by P14.2 M The power blackout caused by typhoon "Milenyo" significantly affected our collection in Sep.</p> |
| <p>c. Receivable from Stockholder There is no movement in the amount</p> | <p>c. Receivable from a stockholder decreased by P0.8 M Decrease is due to partial payment from Metro Alliance Holdings Corp.</p> | <p>c. Receivable from a stockholder decreased by P1.8 M Decrease is due to partial payment from Metro Alliance Holdings Corp.</p> |
| <p>d. Finished goods increased by P95.2 M The main reason for the increase was the upward move in prices of imported caustic soda which almost doubled during the period.</p> | <p>d. Finished goods decreased by P44.0 M Mainly due to a drop in inventory level of imported caustic soda.</p> | <p>d. Finished goods decreased by P20.2 M Due to a reduction in inventory level of locally produced products to balance with market demand.</p> |
| <p>e. Raw materials decreased by P26.84 M Decrease was due to the depletion of salt as a raw material used to produce caustic soda and other co-products. Next salt shipment is in November.</p> | <p>e. Raw materials decreased by P23.1 M Decrease is greatly due to normal consumption of Salt. Next shipment is scheduled in October.</p> | <p>e. Raw materials decreased by P19.0 M Decrease is greatly due to normal consumption of Salt. The next incoming shipment of salt is scheduled in November.</p> |

| <i>From December 31, 2007 To Sep 30, 2008</i> | <i>From December 31, 2006 To Sep 30, 2007</i> | <i>From December 31, 2005 To Sep 30, 2006</i> |
|--|--|---|
| f. Other current assets increased by P10.5 M Due to the application of input VAT against output VAT. | f. Other current assets increased by P13.8 M Mainly due to temporary recording of installment remittances of tax abatement program of BIR as deferred charge while still waiting for its final approval. | f. Other current assets decreased by P4.8 M Settlement of Hull insurance claim caused the decrease. |
| g. Available for sale financial assets decreased by 0.129 M Redemption of - preferred shares | g. Available for sale financial assets No change. | g. Available for sale financial assets No change. |
| h. Property, plant and equipment increased by P118.9 M The increase is mainly because of the IEM2 retrofitting project. | h. Property, plant and equipment decreased by P9.5 M The net decrease is mainly due to depreciation charge for the period. | h. Property, plant and equipment decreased by P51.9 M The net decrease is mainly due to depreciation charge for the period. |
| i. Land at appraised value No change. | i. Land at appraised value No change. | i. Land at appraised value No change. |
| j. Accounts payable & accrual reduced by P126.6 M Reduction is due to payment of previously accrued power & fuel consumption, trucking & shipping costs. | j. Accounts payable & accrual increased by P7.9 M Increase is due to accrual of power and fuel consumption. | j. Accounts payable & accrual decreased by P25.0 M Reduction is due to payment of previously accrued power & fuel consumption, trucking & shipping costs. |
| k. Notes & trust receipts payable increased by P73.5 M Increase was due to increase in the cost of imported caustic soda financed through short term loans | k. Notes & trust receipts payable decreased by P56.6 M Due to partial settlement of trust receipts payable on imported caustic soda. | k. Notes & trust receipts payable decreased by P70.4 M Due to partial settlement of trust receipts payable on imported caustic soda. |
| l. Current portion of long term debt Fully paid already | l. Current portion of long term debt No change. | l. Current portion of long term debt No change. |

| <i>From December 31, 2007 To Sep 30, 2008</i> | <i>From December 31, 2006 To Sep 30, 2007</i> | <i>From December 31, 2005 To Sep 30, 2006</i> |
|---|---|---|
| m. Long term loan increased by P350.0 M Represents fresh funds taken to partly finance the IEM2 retrofitting project. | n. Long term loan decreased by P18.8 M Represents 3 quarters of installment payment. | n. Long term loan decreased by P18.8 M Represents 3 quarters of installment payment. |
| n. Deferred income tax liability No change | n. Deferred income tax liability No change. | o. Deferred income tax liability No change. |
| o. Customers' deposit payable No change | o. Customers' deposit payable increased by P0.7 M Additional deposit received for Chlorine cylinders. | o. Customers' deposit payable increased by P0.4 M Additional deposit received for Chlorine cylinders. |
| p. Retirement benefits payable No change. | p. Retirement benefits payable decreased by P1.9 M Represents partial remittance of obligation to the Fund Trustee. | p. Retirement benefits payable No change. |
| q. Asset retirement obligation No change. | q. Asset retirement obligation No change. | q. Asset retirement obligation No change. |
| r. Treasury stock No change. | r. Treasury stock decreased by P93.2 M Represents retirement of 100,057,468 shares after being duly approved by the stockholders in its April 26, 2007 meeting. | p. Treasury stock No change. |

1.B - CHANGES IN OPERATING RESULTS

| <i>3rd Quarter 2008 vs. 3rd Quarter 2007</i> | <i>3rd Quarter 2007 vs. 3rd Quarter 2006</i> | <i>YTD - Jan. To Sep 2007 vs. YTD - Jan. To Sep 2006</i> |
|--|---|--|
| a. Net sales decreased by 2.18 M. The slight decreased was caused by the reduced availability of HCl with the ongoing retrofitting of the IEM2 project | a. Net sales increased by 9.5 M Higher sales volume of HCl and Sodium hypo are the main factors causing the increase. | a. Net sales increased by 10.3 M Increase is mainly due to improvement in sales volume of Sodium hypo and HCl by 17% and 9%, respectively. |

| 3rd Quarter 2008 vs. 3rd Quarter 2007 | 3rd Quarter 2007 vs. 3rd Quarter 2006 | YTD - Jan. To Sep 2007 vs. YTD - Jan. To Sep 2006 |
|---|--|--|
| <p>b. Cost of sales increased by P20.7 M Increase was due to higher import cost of caustic soda and power.</p> | <p>b. Cost of sales decreased by P8.4 M Greatly due to low sales volume of caustic soda and lower cost of production of Hcl.</p> | <p>b. Cost of sales decreased by P26.6 M Greatly due to drop in sales volume of caustic soda and partly due to lower cost of production of Hcl.</p> |
| <p>c. Operating expense increased by P6.9 M Increase was mostly due to the unprecedented rise in the cost of fuel increasing costs to move and deliver finished products between the plant and depots and ultimately to customers.</p> | <p>c. Operating expense increased by P5.2 M Increase is greatly due to higher delivery costs attributed to more volume sold for Hcl & Sodium hypo, and partly due fuel increases.</p> | <p>c. Operating expense increased by P12.4 M Increase is greatly due to higher delivery costs attributed to more volume sold for Hcl & Sodium hypo, and partly due fuel increases.</p> |
| <p>d. Interest & other income decreased by P2.2 M Increase was caused by income from money market placements.</p> | <p>d. Interest & other income decreased by P2.1 M Due to no scrap sale during the period and termination of tank rental lease contract.</p> | <p>d. Interest & other income decreased by P2.0 M Mainly due to termination of tank rental contract and lower yield from money market placement.</p> |
| <p>e. Interest expense increased by P3.3 M Interest rose due to term loan to partially finance the retrofitting project and interest on TR/PNs</p> | <p>e. Interest expense decreased by P2.1 M Reduction in long-term loan balance caused the decrease.</p> | <p>e. Interest expense decreased by P5.5 M Reduction in long-term loan balance caused the decrease.</p> |
| <p>f. Net income decreased by P17.6 M The decrease was caused by losses from operations resulting from reduced production because of the retrofitting project.</p> | <p>f. Net income increased by P8.3 M Due to higher sales volume of HCl and Sodium hypo, improved price of caustic soda and lower production cost.</p> | <p>f. Net income increased by P18.1 M Hcl and Sodium hypo are the main contributors to the increase due to more sales volume. Caustic soda also added with slight improvement in price.</p> |

2 - DISCUSSION AND ANALYSIS OF MATERIAL EVENTS / UNCERTAINTIES WITH IMPACT ON FUTURE OPERATIONS

a. Impact On Issuer's Liquidity

The Ion-Exchange Membrane plant will continue to sustain liquidity because of its competitive cost advantage. The IEM 2 project consisting of the retrofitting of the DC Plant is expected to complement and sustain this liquidity.

b. There is no event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

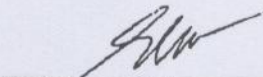
- c. There is no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the company with unconsolidated entities or other persons created during the reporting period.
- d. In 2008, a term loan of P350M was secured from a domestic bank to partly finance the IEM2 project consisting of the retrofit/modernization of the old diaphragm cell plant. The IEM2 plant started commercial operations in the latter part of the 3rd quarter.
- c. Impact On Net Sales/Income
- Net sales in 2008 is projected to remain at P1.3B level and net income after tax of about P37.0M. These will all come from normal business operations.
- f. There is no significant element of income or loss that did not arise from continuing operations.
- g. Causes For Material Changes in Line Items Of Financial Statements
- (Please refer to pages 12 to 15.)
- h. The financial condition or results of operations of the company is not affected by any seasonal change.

PART II - OTHER INFORMATION

1. Disclosure not made under SEC Form 17-C

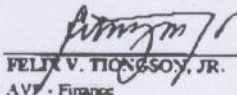
None.

Pursuant to the requirements of the Securities Regulation code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.



EDWIN L. UMALI
President and COO

Jan. 15, 2008



FELIX V. TIONGSOY, JR.
AVP - Finance

Jan. 15, 2008

Mabuhay Vinyl Corporation

Aging of Accounts Receivable
As of September 30, 2008

| 1) Aging of Accounts Receivable (In Million Pesos) | | | | | | Past Due In |
|--|--|---------|--------------|--------------|--------------|--------------|
| Type of Accounts Receivable | Total | 1 Month | 2 - 3 Months | 4 - 5 Months | 7 Mos - 1 Yr | Litigation |
| a) Trade Receivables | | | | | | |
| 1) Luzon | 205.921 | 173.849 | 5.775 | 1.570 | 24.727 | |
| 2) Visayas | 37.164 | 17.253 | 12.402 | 3.064 | 4.445 | |
| 3) Mindanao | 82.284 | 27.401 | 19.497 | 3.790 | 31.596 | |
| Subtotal | 325.369 | 218.503 | 37.674 | 8.424 | 60.768 | |
| Less: Allow. for Doubtful Accounts | 8.955 | | | | | |
| Net Trade Receivable | 316.414 | | | | | |
| b) Non - Trade Receivables | | | | | | |
| 1) Administrative | 0.473 | 0.473 | | | | |
| 2) Others | 2.112 | 2.112 | | | | |
| Subtotal | 2.585 | | | | | |
| Less: Allow. for Doubtful Accounts | 0.000 | | | | | |
| Net Non-trade Receivable | 2.585 | | | | | |
| c) Accrued interest receivable | | | | | | |
| | 0.190 | | | | | |
| Net Receivables (a + b + c) | 319.19 | | | | | |
| 2) Accounts Receivable Description | | | | | | Collection |
| Type of Accounts Receivable | Nature / Description | | | | | Period |
| a) Trade Receivables | | | | | | |
| 1) Luzon | Sale of products | | | | | 30 - 90 days |
| 2) Visayas | Sale of products | | | | | 30 - 90 days |
| 3) Mindanao | Sale of products | | | | | 30 - 90 days |
| b) Non - Trade Receivables | | | | | | |
| | Receivable from employees, receivable from truckers/others | | | | | 30 - 60 days |