

COVER SHEET

AGP INDUSTRIAL CORPORATION

Company's Full Name

Unit 1814 Cityland Condominium 10, Tower
6815 Ayala Avenue North, Makati City 1200
(Company's Address: No./Street/City/Town/Province)

892-3170
Company's Telephone Number

December 31
(Fiscal Year Ending)
(Month & Day)

3rd Monday of May
(Annual Meeting)

FORM 17-Q
FORM TYPE

Amendment Designation (if applicable)

Secondary License Type, if any)

Cashier

LDU

DTU

42543
S.E.C. Reg. No.

Central Receiving Unit

File Number

Document I.D.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended March 31, 2006
2. Commission identification number 42543 3. BIR Tax Identification No. 000-196-724
4. Exact name of issuer as specified in its charter AGP INDUSTRIAL CORPORATION
5. Province, country or other jurisdiction of incorporation or organization MAKATI CITY
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office Postal Code
- Unit 1814 Cityland Condominium 10 Tower 1 1200
6815 Ayala Avenue North, Makati City
8. Issuer's telephone number, including area code (632) 892-3170
9. Former name, former address and former fiscal year, if changed since last report
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 Shares</u>	<u>18,321,349 shares subscribed and fully paid</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

Class A and B

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.

Financial Statements and, if applicable, Pro Forma Financial Statements meeting the requirements of SRC Rule 68, Form and Content of Financial Statements, shall be furnished as specified therein.

Please see attached Exhibits A, B, C & D.

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

Furnish the information required by Part III, Paragraph (A)(2)(b) of "Annex C".

PART II--OTHER INFORMATION

The issuer may, at its option, report under this item any information not previously reported in a report on SEC Form 17-C. If disclosure of such information is made under this Part II, it need not be repeated in a report on Form 17-C which would otherwise be required to be filed with respect to such information or in a subsequent report on Form 17-Q.

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.

Issuer **AGP INDUSTRIAL CORPORATION**.....

Signature and Title.....


ROSARIO S. BERNALDO
Chairman

May 15, 2006

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS:

1. The accompanying financial statements have been prepared on the assumption that the company will continue as a going concern. However, the following factors, among others, indicate that the Company may not be able to continue as a going concern:
 - a. The Company has not generated income and incurred significant losses for the first quarter ended March 31, 2006, years ended December 31, 2005, December 31, 2004, and 2003, respectively. As of March 31, 2006, the Company's capital deficiency amounted to about P295 million.
 - b. The Company is dependent on the continuing support of its major stockholder, Trans-Philippines Investment Corporation (TPIC). On February 9, 1995, TPIC filed with the Securities and Exchange Commission (SEC) a Petition for Suspension of Debt Payments. Consequently, the Company has difficulty in meeting its current obligations due to the lack of funding support from TPIC.
 - c. The Company may not be able to generate income from its investment in shares of stock of Atlantic, Gulf and Pacific Company of Manila Incorporated (AG&P).
 - d. The ongoing negotiations between the representatives of DMC Holdings, Inc. (DMC-HI) and AG&P and the Company, who are working toward a commercial solution to the stalled merger of AG&P and the Company, have been temporarily suspended until the legal issue concerning the controlling shareholder of the Company, TPIC, is cleared.
 - e. Last November 13, 2003, the Company conducted its annual stockholders meeting. The Company's documents are in the possession of the new management or directors who have taken over the affairs of the Company to pave the way for the entry of the new investors. The new management is in the process of complying with all the requirements of the said investors.

The financial statements do not include any adjustment that might result from the outcome of the above uncertainties.

AGP INDUSTRIAL CORPORATION
BALANCE SHEET

As of March 31, 2006
(In Philippine Pesos)

Exhibit "A"

	09/30/2005	2004
A S S E T S		
Current Assets		
Cash	7,260	7,260
Prepaid expenses and other current assets	327,917	327,917
	<u>335,177</u>	<u>335,177</u>
Non-Current Assets		
Investment in shares of stocks	7,001	7,001
Creditable income tax	976,601	976,601
Paintings	797,328	797,328
TOTAL ASSETS	<u>2,116,107</u>	<u>2,116,107</u>
 LIABILITIES AND CAPITAL DEFICIENCY		
LI A B I L I T I E S		
Current Liabilities		
Accounts payable and accrued expenses	9,520,626	9,090,626
Payables to affiliates	263,274,841	263,274,841
	<u>272,795,467</u>	<u>272,795,467</u>
Non-Current Liabilities		
Contractual advances	25,000,000	25,000,000
	<u>297,795,467</u>	<u>297,365,467</u>
 C A P I T A L D E F I C I E N C Y		
Capital Stock	109,928,094	109,928,094
<i>Additional Paid-in Capital</i>	167,543,243	167,543,243
Deficit	<u>(573,150,697)</u>	<u>(572,720,697)</u>
	<u>(295,679,360)</u>	<u>(295,249,360)</u>

AGP INDUSTRIAL CORPORATION
INCOME STATEMENTS

For the Quarter Ended March 31, 2006

Exhibit "B"

	1/1/06-3/31/06	1/1/05-3/31/05	9/30/05-12/31/05	9/30/04-12/31/04
REVENUES				
Interest and others	-	-	-	-
EXPENSES				
Financing charges	-	-	-	-
Annual Listing maintenance fee	230,000.00	-	230,000.00	-
Professional fees	200,000.00	-	200,000.00	-
General and administrative	-	-	-	117,500.00
NET LOSS	430,000.00	-	430,000.00	117,500.00
Loss per share	-	-	-	-
Computation of loss per share				
Net loss	430,000.00	-	-	-
Weighted Average Common Shares	-	-	-	-

AGP INDUSTRIAL CORPORATION
CASH FLOW STATEMENTS

March 31, 2006 and 2005

(In Philippine Pesos)

Exhibit "C"

	01/01/06-03/31/06	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss before income tax	-	(430,000)
Adjustments for:		
Equity in net loss of investee	-	-
Operating Loss Before Working Capital Changes	-	-
Increase in accounts payable and accrued expenses	-	430,000
Net Cash From (Used in) Operating Activities	-	430,000
CASH FLOWS FROM INVESTING ACTIVITIES		
Creditable income tax	-	-
Paintings	-	-
Net Cash from (Used in) Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITY		
Payables to affiliates	-	-
Net Cash From (Used in) Financing Activity	-	-
NET INCREASE (DECREASE) IN CASH	-	430,000
CASH AT BEGINNING OF THE PERIOD	-	7,260
CASH, ENDING	-	7,260

AGP INDUSTRIAL CORPORATION
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY

March 31, 2006 and 2005

(In Philippine Pesos)

Exhibit "D"

	01/01/06-3/31/06	2005
Capital Stock	109,928,094	109,928,094
Additional Paid - In Capital	167,543,243	167,543,243
Deficit		
Beginning	(572,720,697.00)	(572,720,697.00)
Net loss for the period	430,000.00	430,000.00
Ending	-	-
	(295,679,360)	(295,679,360)