

COVER SHEET

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SEC Registration Number

[illegible]

(Company's Full Name)

[illegible]

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

ATTY. DAISY L. PARKER

(Contact Person)

884-1106

(Company Telephone Number)

SEC FORM (Definitive)

1 2 3 1

Month *Day*
(Calendar Year)

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(Form Type)

Month *Day*
(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Page 10 of 10

Foreign

To be accomplished by SEC Personnel concerned

[illegible]

File Number

LCU

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Cashier

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ZEUS HOLDINGS, INC.

20/F LKG Tower, 6801 Ayala Avenue, Makati City
Tel. No. 884-1106 / Fax No. 884-1409

NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO ALL STOCKHOLDERS:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Stockholders of **ZEUS HOLDINGS, INC.** will be held on **20 November 2012 (Tuesday)** at **2:00 p.m.** at the **Penthouse, Lepanto Building, 8747 Paseo de Roxas, Makati City**. The agenda of the meeting will be as follows:

1. Call to Order
2. Proof of Notice/Determination of Quorum
3. Approval of Previous Minutes dated 16 November 2011
4. Chairman's Report
5. Approval of 2011 Audited Financial Statements
6. Ratification of Acts of the Board of Directors and Officers from 16 November 2011 up to the Date of the Stockholders' Meeting
7. Nomination and Election of Directors
8. Appointment of External Auditors
9. Other Matters
10. Adjournment

For purposes of the meeting, stockholders of record at the close of business on 26 September 2012 shall be entitled to vote thereat.

Stockholders who cannot attend the meeting in person are requested to submit their proxies to the office of the Corporation. If the stockholder is a corporation, a Secretary's Certificate quoting the board resolution authorizing the corporate officer to execute the proxy should also be submitted.

Makati City, 10 October 2012.

By Resolution of the Board of Directors:



DAISY L. PARKER
Corporate Secretary

Att: SEC Form 20-IS (Information Statement)
Management Report
Audited Financial Statements for the Period ended 31 December 2011
SEC Form 17-Q (Quarterly Report for the period ended 30 June 2012)

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS
INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:
- [] Preliminary Information Statement
[x] Definitive Information Statement
2. Name of Registrant as specified in its charter:
ZEUS HOLDINGS, INC.
3. Province, Country or other jurisdiction of incorporation or organization
Metro Manila, Philippines
4. SEC Identification Number: **102415**
5. BIR Tax Identification Code: **000-056-514**
6. Address of Principal Office Postal Code
20/F, LKG Tower, 6801 Ayala Avenue, Makati City 1226
7. Registrant's telephone number, including area code: **(632) 884-1106**
8. Date, time and place of the meeting of security holders
- Date : **Wednesday, 20 November 2012**
Time : **2:00 p.m.**
Place : **Penthouse, Lepanto Bldg., 8747 Paseo De Roxas, Makati City**
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **on or before 24 October 2012**
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 | 2,733,463,907 |
| Loans | Nil |
11. Are any or all of registrant's securities listed on a stock exchange?
- Yes X No

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Philippine Stock Exchange ("PSE")

Common

INFORMATION STATEMENT

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

PART I. GENERAL INFORMATION

Date, Time and Place of Meeting of Security Holders

The Annual Stockholders' Meeting of Zeus Holdings, Inc. ("Zeus" or the "Company") will be held on Tuesday, 20 November 2012 at 2:00 p.m. at the Penthouse, Lepanto Bldg., 8747 Paseo de Roxas, Makati City. The complete mailing address of its principal office is 20th Floor, LKG Tower, 6801 Ayala Avenue, Makati City 1226.

Definitive copies of this Information Statement will be sent to all stockholders entitled to notice and vote approximately on or before 24 October 2012.

Dissenters' Right of Appraisal

Generally, a stockholder shall have the right to dissent and demand payment of the value of his shares in the instances stated in Section 81 of the Corporation Code, as follows: (a) amendment of the articles of incorporation which has the effect of changing or restricting the rights of any stockholders or class of shares; or authorizing preferences in any respect superior to those outstanding; or of extending or shortening the term of corporate existence; (b) in case of sale, lease, exchange, transfer, mortgage, pledge or disposition of all or substantially all of the corporate property and assets; and (c) in case of merger and consolidation.

The appraisal right abovementioned may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the corporation within 30 days after the date on which the vote was taken for payment of the fair value of his shares: Provided, That failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of 60 days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three disinterested persons, one of whom shall be named by the stockholder, another by the corporation, and the third by the two thus chosen. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within 30 days after such award is made: Provided, That no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment; and Provided, further, That upon payment by the corporation of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the corporation.

The present meeting, however, is being called to approve the following matters:

- a. the minutes of the previous stockholders' meeting;
- b. 2011 Audited Financial Statements;
- c. ratification of corporate acts;
- d. election of directors; and
- e. appointment of external auditors.

Hence, there is no basis for the exercise of the appraisal right.

Interest of Certain Persons In or Opposition To Matters to Be Acted Upon

No person who has been an officer or director of Zeus at any time since the beginning of the last fiscal year, or nominee as director of Zeus, nor any of their associates, has or has had any substantial interest in the Company (direct or indirect) in the matters to be acted upon during the annual stockholders' meeting.

Neither has any of the directors informed the Company in writing that he or she intends to oppose any action to be taken by the Company at the said meeting.

Pursuant to the requirements of the Securities Regulation Code, Zeus has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PART II. CONTROL AND COMPENSATION INFORMATION

Voting Securities and Principal Holders Thereof

Number of Shares Outstanding/Record Date

<u>Class</u>	<u>No. of Shares Outstanding</u>	<u>No. of Votes to Which Entitled</u>
Common	2,733,463,907	2,733,463,907

(As of 30 September 2012)

The record date for those who shall be entitled to vote has been fixed at 26 September 2012.

Voting Rights

In the Annual Stockholders' Meeting, stockholders shall be entitled to elect nine (9) members to the Board of Directors. Each stockholder may vote the number of shares standing in his name in the books of Zeus for each of nine persons whom he may choose from the list of nominees; or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by nine shall equal; or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by nine.

Security Ownership of Certain Record and Beneficial Owners (more than 5%) as of 30 September 2012

<i>Title of Class</i>	<i>Name and Address of Record Owner and Relationship with Issuer</i>	<i>Name of Beneficial Owner and Relationship with Record Owner</i>	<i>Citizenship</i>	<i>No. of Shares Held</i>	<i>Percent</i>
Common	PCD Nominee Corporation (Filipino)* / G/F Makati Stock Exchange, Ayala Ave., Makati City / Stockholder	PCD Participants (Brokers) / Various Individuals and Corporations / Clients	Filipino	1,144,790,030	41.88%
Common	Zamcore Realty and Development Corporation**/ 5/F Lepanto Bldg.,	Zamcore Realty and Development Corporation	Filipino	729,377,728	26.68%

	8747 Paseo De Roxas, Makati City / Stockholder				
Common	F. Yap Securities, Inc.*** / 17/F Lepanto Building, 8747 Paseo de Roxas, Makati City / Broker	Horizon Resources Corporation / Client	Filipino	410,019,586	15%
Common	F. Yap Securities, Inc.**** / 17/F Lepanto Building, 8747 Paseo de Roxas, Makati City / Broker	Lindsay Resources Corporation / Client	Filipino	410,019,586	15%

* PCD Nominee Corporation, a private company and wholly-owned subsidiary of the Philippine Central Depository, Inc. (PCDI), is the registered owner of the Zeus shares. However, beneficial ownership of such shares pertains to the PCD participants (brokers) and/or their clients (corporations or individuals), in whose names these shares are recorded in their respective books. Per PCD List of Beneficial Owners dated 30 September 2012, there is no specific nominee to vote these shares, as the shares are held by different brokers. Brokers issue the proxy in accordance with the instructions of their principals-clients/beneficial owners of the shares. The Company has no knowledge as to whether a single individual or entity holds beneficial ownership of at least 5% or more of Zeus shares registered in the name of PCD Nominee Corporation.

**Zamcore Realty and Development Corporation ("ZRDC") acquired all of its shares in Zeus through its broker F. Yap Securities, Inc. (FYSI). These shares were part of the 2,555,788,753 shares of stock in the Company sold by ZHI Holdings, Inc. to FYSI In Trust For Various Clients on 20 June 2007. The Board of ZRDC shall designate its authorized representatives to vote these shares in accordance with the Board's resolutions/instructions.

***FYSI holds the 410,019,586 Zeus shares in trust for Horizon Resources Corporation (HRC) and shall vote these shares in accordance with the instructions of HRC.

****FYSI holds the 410,019,586 Zeus shares in trust for Lindsay Resources Corporation (LRC) and shall vote these shares in accordance with the instructions of LRC.

Security Ownership of Management (as of 30 September 2012)

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Citizenship	Percent of class
Common	Felipe U. Yap	1*(d)	Filipino	0%
	Yuen Po Seng	1*(d)	Malaysian	0%
	Jose G. Cervantes	1*(d)	Filipino	0%
	Augusto C. Villaluna	1*(d)	Filipino	0%
	Stephen Y. Yap	1*(d)	Filipino	0%
	Ronald P. Sugapong	1*(d)	Filipino	0%
	Daisy L. Parker	1*(d)	Filipino	0%
	Jesus Clint O. Aranas	1 (d)	Filipino	0%
	Oliver S. Faustino	1 (d)	Filipino	0%
		Total	9	

*Registered in their names but held in trust for FYSI.

Voting Trust Holders of 5% or More of Outstanding Voting Securities

There is no voting trust or similar arrangement for 5% or more of the Company's shares.

Change in Control of the Registrant Since Beginning of Last Fiscal Year

There has been no change in the control of Zeus since the beginning of the last fiscal year.

Directors and Executive Officers

Legal Proceedings

There are no material pending legal proceedings to which the directors or executive officers of the registrant are parties.

Directors and Executive Officers – Positions/Other Directorships

All of the present directors of Zeus have been nominated/are up for re-election in its forthcoming election.

The Articles of Incorporation and By-Laws of Zeus provide for a nine-member Board of Directors. The directors are elected for a term of one year and serve until the election and acceptance of their qualified successors.

As a corporation publicly listed in the Philippine Stock Exchange, Zeus conforms with the procedures for nomination of directors as provided under SRC Rule 38, as amended, and the Corporation's Manual on Corporate Governance. Nominations for independent directors are conducted by the Nomination Committee prior to the stockholders' meeting. All recommendations are required to be signed by the nominating stockholder together with the acceptance and conformity by the would-be nominees.

The Nomination Committee prepares a Final List of Candidates which contains all the information about all the nominees for independent directors, and the same is made available to all stockholders through the Information Statement or Proxy Statement, as the case may be.

Only nominees whose names appear on the Final List of Candidates are eligible for election as independent directors. No other nomination is entertained after the Final List has been prepared or allowed on the floor during the Annual Stockholders' Meeting.

In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

In case of resignation, disqualification or cessation of independent directorship, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nomination Committee; otherwise, said vacancy shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected shall serve only for the unexpired term of his predecessor.

The following are the incumbent directors/officers of Zeus, who were elected as such for a period of one (1) year at the previous annual stockholders' meeting held on 16 November 2011, and who are also nominated for the same positions in the forthcoming Annual Stockholders' Meeting. The list below includes the directorships/officerships held by the Company's present directors in other corporations within the last five (5) years. For companies listed in the PSE, the years during which the Company's directors served as officer/director therein are likewise indicated.

- a. FELIPE U. YAP (75), Filipino – Director/Chairman (4 November 1998 to present)

- *Chairman and Chief Executive Officer of Lepanto Consolidated Mining Company** (1988 to present), Lepanto Investment & Development Corporation, Diamant Boart Philippines, Inc., Diamond Drilling Corporation of the Philippines, Far Southeast Gold Resources, Inc., Manila Mining Corporation* (1998 to present), and Shipline, Inc.
 - *Director/Chairman of Prime Orion Philippines, Inc.** (2000 to present), FLT Prime Insurance Corporation, Orion Land Inc., Lepanto Ceramics, Inc., Tutuban Properties, Inc., Orion I Holdings Philippines, Inc., Yapster e-Conglomerate, and Kalayaan Copper-Gold Resources, Inc.
 - *Director of Manila Peninsula Hotel, Inc., Philippine Associated Smelting & Refining Corporation, Philippine Fire & Marine Insurance Corporation, Orion Property Development, Inc., and Lepanto Condominium Corporation*
- b. YUEN PO SENG (54), Malaysian – Director/President (4 November 1998 to present)
- *President/Director of Prime Orion Philippines, Inc.** (2002 to present), Lepanto Ceramics, Inc., Orion I Holdings Philippines, Inc., FLT Prime Insurance Corporation, Guoco Assets (Philippines), Inc., and Hong Way Holdings, Inc.
 - *Director/Chairman/President of ZHI Holdings, Inc., Orion Solutions, Inc., and OYL Holdings, Inc.*
 - *Director of Cyber Bay Corporation** (2002 to present), Central Bay Reclamation and Development Corporation, Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., TPI Holdings Corporation, BIB Aurora Insurance Brokers, Inc., OE Holdings, Inc., Orion Maxis Inc., Orion Beverage, Inc., Hume Furniture (Philippines), Inc., Genez Investments Corporation, and Treasure-House Holdings Corporation,
- c. JOSE G. CERVANTES (78), Filipino – Director (28 November 2007 to present)
- *Director of Manila Mining Corporation** (2006 to present) and Lepanto Consolidated Mining Company* (2006 to present)
- d. AUGUSTO C. VILLALUNA (63, Filipino – Director/Vice-President (28 November 2007 to present)
- *Senior Vice-President/Director of Manila Mining Corporation** (2004 to present)
 - *Director of Philippine Mine Safety and Environment Association, Philippine Association of Professional Regulatory Board Members, Inc., and Lindsay Resources Corporation*
 - *Executive Vice-President of Lepanto Consolidated Mining Company** (April 2011 to present)
- e. STEPHEN Y. YAP (44), Filipino – Director (28 November 2007 to present)
- *President of Starman Sales, Inc.*
 - *Vice-President for Special Projects of Tutuban Properties, Inc.*
- f. RONALD P. SUGAPONG (45), Filipino– Director/Treasurer (14 March 2001 to present)
- *Director (2007 to present)/Senior Vice-President (2009 to present)/Treasurer (2007 to present) of Prime Orion Philippines, Inc.**
 - *Director/Treasurer of Orion I Holdings Philippines, Inc., Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., TPI Holdings Corporation, Lepanto Ceramics, Inc., ZHI Holdings, Inc., OE Holdings, Inc., Orion Maxis Inc., Orion Solutions, Inc., Orion Beverage, Inc., OYL Holdings, Inc., 22Ban Marketing, Inc., Guoco Assets (Philippines), Inc., and Hong Way Holdings, Inc.*
 - *Treasurer of FLT Prime Insurance Corporation*

- g. DAISY L. PARKER (48), Filipino – Director/Corporate Secretary (14 March 2001 to present)
- *Director* (2000 to present)/*Senior Vice-President for Legal* (2009 to present)/*Corporate Secretary* (2000 to present) of Prime Orion Philippines, Inc.*
 - *Director/Corporate Secretary* of Orion Land Inc., Tutuban Properties, Inc., Orion Property Development, Inc., TPI Holdings Corporation, Orion I Holdings Philippines, Inc., Lepanto Ceramics, Inc., Orion Beverage, Inc., FLT Prime Insurance Corporation, BIB Aurora Insurance Brokers, Inc., Orion Solutions, Inc., ZHI Holdings, Inc., 22Ban Marketing, Inc., OE Holdings, Inc., OYL Holdings, Inc., Maxcellon Inc., Orange Grove Investments Corporation, and Philtravel Corporation
 - *Director* of Guoco Assets (Philippines), Inc. and Hong Way Holdings, Inc.
 - *Corporate Secretary* of Orion Maxis Inc., Genez Investments Corporation, Treasure-House Holdings Corporation and Max Limousine Service Inc.
- h. JESUS CLINT O. ARANAS (45), Filipino – Independent Director (12 December 2002 to present)
- *Managing Partner* of Aranas Law Offices
 - *Director/President* of Liyam Property, Inc.
 - *Director/Corporate Secretary* of Philippines Epson Property Holdings, Inc., Easy Phamax Philippines, Inc., INS Health-Tech Philippines, Inc., GEI Investment Philippines, Inc., Buyanihan Philippines, Inc., iCube, Inc., iCommunity, Inc., World FC MNL, Inc., and Makati (Sports) Club, Inc.
 - *Director* of Rural Bank of Magallon
 - *Corporate Secretary* of Epson Precision (Philippines), Inc., Philippines Epson Optical, Inc., and Platform2u.com Philippines Inc.
- i. OLIVER S. FAUSTINO (33), Filipino – Independent Director (30 June 2009 to present)
- *Associate* of Aranas Law Offices
 - *Director and Corporate Secretary* of Liyam Property, Inc. and NCREH, Inc.
 - *Director* of LPO Manila, Inc.

*Listed in the PSE.

The Company's Nomination Committee was constituted on 27 November 2003. It is presently composed of two regular directors (Messrs. Yap and Yuen) and is chaired by an independent director in the person of Atty. Jesus Clint O. Aranas. Atty. Aranas and/or Aranas Law Offices do not render any legal or other service to the Company. Atty. Aranas has fully discharged his functions as such independent director for the current year and has again been nominated by a stockholder of Zeus, OE Holdings, Inc. (OEHI), represented by its authorized representative, Ms. Diana T. Quilala, to serve in the same capacity for the coming year. Atty. Oliver Faustino was elected as independent director on 30 June 2009 by the Board of Directors, replacing Atty. Rhea A. Jaro, who had resigned as director effective 30 June 2009. Like Atty. Aranas, Atty. Faustino has been nominated by OEHI, through Ms. Quilala, to serve in the same capacity for the coming year. Both Atty. Aranas and Atty. Faustino have no relationship with the nominating party. They have already given their consent to the said nomination. No other persons were nominated to the position.

The nominations of Attys. Aranas and Faustino are in accordance with Article IV, Section 4 of the Company's *Amended By-Laws*. The amendment to the Company's *By-Laws*, pertaining to nomination and election of Independent Directors, was made on 20 September 2005 and approved by the Securities and Exchange Commission on 25 November 2005, in compliance with Rule 38 of the Securities and Regulation Code (as amended).

Significant Employees

Zeus has no employee who is expected to make any significant contribution to its business.

Family Relationships

Except for Messrs. Felipe U. Yap and Stephen Y. Yap, who are related to each other to the third civil degree (Mr. Felipe U. Yap is the uncle of Mr. Stephen Y. Yap), the directors, executive officers, or persons nominated or chosen by Zeus to become directors or executive officers are not related up to the fourth civil degree either by consanguinity or affinity.

Involvement in Certain Legal Proceedings

There has been no occurrence of any of the following events during the past five years up to the date of filing of this Information Statement that are material to any evaluation of the ability of any director or executive officer of Zeus:

- a. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b. Any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- c. Being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- d. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, to have violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

Certain Relationships and Related Transactions

- a. Except for additional paid-in capital and deposits for future subscription made in 2011 and 2010 by F. Yap Securities, Inc.-In Trust for Various Clients as indicated in Note 5.1 (captioned Related Party Transactions) in the Notes to Zeus' Audited Financial Statements for the Years Ended 31 December 2011, 2010 and 2009, there has been no transaction during the last two (2) years, or proposed transactions, to which Zeus was or is to be a party, in which any of the following persons had or is to have a direct or indirect material interest:
 - i) Any director or executive officer of the registrant;
 - ii) Any nominee for election as a director;
 - iii) Any security holder named in response to Part II herein; or
 - iv) Any member of the immediate family (including spouse, parents, children siblings, and in-laws) of any of the persons in the immediately preceding subparagraphs.
- b. Zeus does not have a parent company, as no one stockholder owns more than 50% of its shares. Based on the corporate records in Zeus' possession, the largest record and beneficial owner of its shares is Zamcore Realty and Development Corporation, owning 729,377,728 shares, representing 26.68% of the outstanding capital stock of Zeus.

Resignation of Directors

No director of Zeus has resigned or declined to stand for re-election due to any disagreement involving the Company.

Compensation of Directors and Executive Officers

The members of the Board of Directors and Officers of Zeus have not received any compensation of whatever nature for the current year to date as well as for the last two fiscal years. There are no contracts or arrangements for the Company to pay any of its directors or officers monetary or non-monetary compensation (i.e. stock warrants or options).

Independent Public Accountants

It is proposed that the firm of Punongbayan & Araullo, the external auditor of Zeus for the immediately preceding fiscal year, be re-appointed as the external auditor of the Company. Since 2010, the Partner-in-Charge assigned to handle the Zeus account has been Mr. Nelson J. Dinio. Pursuant to Rule 68, paragraph 3(b)(iv), of the Implementing Rules and Regulations of the Securities Regulation Code on the rotation of external auditors or signing partner in case of a firm, Mr. Dinio's term as Partner-in-Charge of the Zeus account is for five (5) years or until 2014. He replaced the previous Partner-in-Charge, Ms. Mylene Sigue-Bisnar. A two-year cooling off period shall be observed in case of the re-engagement of the same Partner-in-Charge after the lapse of the previous engagement. Representatives of the said firm have been invited and are expected to be present at the Annual Stockholders' Meeting. If they attend, they shall have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions that may arise in the course of the Annual Stockholders' Meeting.

Punongbayan & Araullo was selected by the Company's Audit Committee which is composed of the following:

Chairman	-	Atty. Jesus Clint O. Aranas
Member	-	Ronald P. Sugapong
Member	-	Stephen Y. Yap

There have been no disagreements between Zeus and its accountants/external auditor on any accounting matter since the last annual stockholders' meeting to date.

PART III. OTHER MATTERS

Action with Respect to Reports

Minutes of Annual Stockholders' Meeting dated 16 November 2011 will be submitted for approval of stockholders. Among the matters included in the Minutes of Annual Stockholders' Meeting are the following: (1) Approval of the Minutes of the previous Stockholders' meeting dated 11 November 2010; (2) Chairman's Report; (3) Approval of Audited Financial Statements; (4) Ratification of Corporate Acts; (5) Nomination and Election of Directors; and (6) Appointment of External Auditors.

Among the corporate acts included under item (4) above are the following:

- Approval of F. Yap Securities, Inc.-In Trust for Various Clients' Infusion of Deposit for Future Subscription to the Company's Shares of Stock in the amount of 280,000.
- Approval of Revised Manual on Corporate Governance

- Approval of Corporate Governance Disclosure Survey
- Report on Operations for the Calendar Year (CY) 2010
- Approval of the audited financial statements for the year ended 31 December 2010
- Postponement of the ASM scheduled in June 2011
- Approval of F. Yap Securities, Inc.-In Trust for Various Clients' Infusion of Deposit for Future Subscription to the Company's Shares of Stock in the amount of P420,000.
- Report on Operations for the First Quarter of CY 2011
- Report on Operations for the Second Quarter of CY 2011
- Setting of the Annual Stockholders' Meeting on 16 November 2011
- Creation of Special Committee of Inspectors for Validation of Proxies
- Confirmation of nomination of Attys. Aranas and Faustino as Independent Directors
- Appointment of the Corporate Secretary and Assistant Corporate Secretary as authorized signatories to the Information Statement (SEC Form 20-IS) for CY 2011
- Report on Operations for the Third Quarter of CY 2011
- Appointment of External Auditors for the CY 2011
- Certification of Election of Directors for CY 2011
- Election of Officers for CY 2011
- Appointment of the Company's Compliance Officer and Members of the Nomination Committee, Compensation and Remuneration Committee, and Audit Committee as required under the Manual on Corporate Governance
- Appointment of the Company's Compliance Officer as required under the Anti-Money Laundering Manual
- Designation of the Company's Bank Signatories

Voting Procedures

Vote Required for Approval or Election

Article III, Section 7 of the By-Laws of Zeus states that a plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, shall decide all elections and all questions (such as, but not limited to, approval of audited financial statements and minutes of previous meetings, appointment of external auditors, payment of directors' fees, etc.) except in cases where other provision is made by statute or by the Articles of Incorporation (such as the amendment of the By-laws as stated below).

Article IV, Section 4 of the By-Laws of Zeus states that at each meeting of stockholders for the election of directors, at which a quorum is present, the persons receiving the highest number of votes of the stockholders present in person or by proxy and entitled to vote, shall be the directors.

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

- (iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

- (iv) *Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.*

The Company has not entered into any material commitment for capital expenditure.

- (v) *Any known trends, events or uncertainties (material impact on sales/revenues/income)*

There are no known trends, events or uncertainties that have material impact on net sales.

- (vi) *Any significant elements of income or loss (from continuing operations)*

The Company did not recognize income or loss during the period that did not arise from continuing operations.

- (vii) *Causes of any material changes from period to period of the Financial Statements which shall include vertical and horizontal analyses of any material item (5%)*

Any material change from period to period of the Financial Statements is included in the Management Discussion and Analysis.

- (viii) *Seasonal aspects that have material effect on the Financial Statements*

There are no known seasonal aspects that had a material effect on the Company's financial condition or results of operations.

Audit and Audit-Related Fees

The total fees for audit of annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements are as follows:

	2011	2010	2009
Professional Fees	120,000.00	120,000.00	90,000.00
Value Added Tax	14,400.00	14,400.00	10,800.00
Total Audit Fees	134,400.00	134,400.00	100,800.00

For the year 2012, the audit fee is estimated to be P147,840.00.

ZEUS HOLDINGS, INC. MANAGEMENT REPORT

Business and General Information

Zeus Holdings, Inc. ("Zeus" or the "Company") was incorporated on 31 December 1981 as JR Garments, Inc. under Securities and Exchange Commission ("SEC") registration number 0102415, as a corporation engaged in garments manufacturing, distribution and export.

On 9 September 1996, the SEC approved the change of name of the Company from JR Garments, Inc. to ZEUS HOLDINGS, INC. and the change in its primary purpose to that of an investments holding company.

The Company discontinued its garments operation on 31 August 1996 and consequently, all of its employees were terminated. On 27 December 1996, the Company disposed all its assets and liabilities relating to the garments operation.

The Company also increased its authorized capital stock from P100 million to P3 billion. The increase was approved by the SEC on 6 January 1997. Of the capital increase, 1,538,463,907 shares were subscribed and paid by way of assignment of rights in real property worth P31.423 million and common shares of stock of Mindanao Portland Cement Corporation ("MPCC") at a transfer value of P1.457 billion by the new investors and the conversion of advances to equity of P50 million by existing shareholders. This major transaction marked the entry of the Company in the cement business. The Company became the majority owner (99.63%) of MPCC, a company engaged in the manufacturing and distribution of cement.

On 1 July 1998, the Company's major stockholders, Far East Cement Corporation and Eagle Cement Corporation sold in favor of Blue Circle Philippines, Inc. ("BCPI") and Round Royal, Inc. ("RRI") shares of stock comprising 57% of its outstanding capital stock. As of 31 December 1999, the shareholdings of Round Royal, Inc. comprised 50% while BCPI was at 24%.

Also on 1 July 1998, MPCC issued a One Billion Peso Convertible Note with a maturity date of 1 July 2003 in favor of BCPI. The Convertible Note can be settled either by: (1) payment of the principal amount plus interest, or (2) conversion into such number of common shares of MPCC issued at par value sufficient to cover the Note plus interest.

The Company, for its part, entered into an Option Agreement with BCPI on 1 July 1998. Under the Option Agreement, the holder of the Convertible Note issued by MPCC was given the right to require the Company to purchase from it the whole (and not just a part) of the Convertible Note. The Put Option may be exercised at any time within five (5) years from the execution of the Option Agreement. The holder of the Convertible Note may be paid either: (1) the principal amount plus accrued interest, or (2) such number of new shares of the Company issued at par value as may be sufficient to cover the value of the Convertible Note.

BCPI subsequently assigned its rights under the Option Agreement in favor of RRI. In a letter dated 7 December 1999, RRI served notice upon the Company that it was exercising its option under the Option Agreement to require the Company to issue, in its favor, new shares in the amount of P1,095,000,000.00 (principal amount of the loan plus interest) in exchange for the Convertible Note. As a result thereof, the outstanding capital stock of the Company was increased to P2,733,463,907.00 from P1,638,463,907.00.

On 8 December 1999, the Board of Directors of the Company approved the integration of its operations and activities with the operations and activities of Fortune Cement Corporation

("Fortune") and its subsidiary, Republic Cement Corporation ("Republic") and Iligan Cement Corporation ("Iligan") under the following swap ratios:

1,000 common shares of Republic	=	1,575 Fortune shares
	=	14,411 Company shares
	=	206 Iligan shares

The integration of the four (4) companies was effected on 20 October 2000. As a result thereof, Republic obtained majority control of the Company.

On 15 December 2000, the Company divested its equity interest in MPCC in favor of Republic.

In accordance with the SEC Tender Offer Rules, PICOP Holdings, Inc. (now known as ZHI Holdings, Inc. or "ZHIHI") offered to purchase the 98.18% equity interest of Republic in the Company at a price of P0.04826 per share. ZHIHI likewise offered to buy the remaining 1.82% equity stake of minority shareholders under the same terms. The offer period began on 22 November 2000 and ended on 20 December 2000. Republic accepted the offer of ZHIHI and divested all its equity holdings in the Company in favor of the latter. Minority shareholders owning 290,000 common shares of the Company also accepted the tender offer of ZHIHI. As a result, ZHIHI acquired a 98.533% equity stake in the Company.

In August 2001, ZHIHI sold off 14,864,576 of its shares in the Company or approximately 0.53% of its equity therein. Thus, ZHIHI retained a 98% equity stake in the Company.

In June 2007, ZHIHI further sold off 2,555,788,753 of its shares in the Company, or approximately 93.5% of the outstanding capital stock of Zeus, to F. Yap Securities, Inc. in Trust For Various Clients, namely Zamcore Realty Corporation, Horizon Resources Corporation, Lindsay Resources Corporation, Sharone King, Charles Paw, Grace Cerdenia, and George Ivan Ang, thus further reducing its equity stake in the Company to 4.5%. At present, the largest stockholder of the Company is Zamcore Realty Corporation, holding a 34% equity stake in the Company.

On 13 July 2009, pursuant to its business plan of going into the mining industry, the Company entered into an Operating Agreement with Olympic International Sales Corporation ("OISC"), whereby the Company was appointed as operator of OISC's mining claims situated in the municipalities of Carrascal, Cantillan and Madrid, Province of Surigao del Sur, with an approximate area of 4,656.9165 hectares (the "Mining Claims"). The Mining Claims are currently the subject of Application for Production Sharing Agreement No. 000115-XI ("APSA"), pending with the Mines and Geosciences Bureau ("MGB"), CARAGA Regional Office No. XIII, Surigao City. Under the Operating Agreement, the Company will be responsible for the prosecution of the APSA until the same is approved and a Mineral Production Sharing Agreement issued. The Company will explore, and if warranted, develop and operate the Mining Claims.

Also on 13 July 2009, in consideration for the Company's appointment as operator of the Mining Claims, the Company entered into an Agreement to Subscribe to Shares and to Issue Shares with OISC, whereby the Company would issue to OISC 10,000,000 shares out of the Company's un-issued capital and granted OISC the option to subscribe to 110,000,000 shares of the Company as follows:

- a) Ten Million (10,000,000) shares from the Company's unissued capital within one (1) year from the issuance of the Mineral Production Sharing Agreement ("MPSA"); and

- b) One Hundred Million (100,000,000) shares from the Company's unissued capital within five (5) years from the issuance of the MPSA.

Notwithstanding the foregoing, the Company currently has minimal operations and, thus, has no full-time employees.

Legal Proceedings

There was a pending case entitled "*Nicasio Alcantara and Alsons Development and Investment Corporation vs. Angelina Floro, Elizabeth Floro, David Floro, Teresa E. Balaguer, Zeus Holdings, Inc. and Eagle Cement Corporation*", Civil Case No. 98-076, Branch 132, Regional Trial Court ("RTC"), Makati City, which was settled in the last quarter of 2011.

By way of background, defendants Angelina Floro, et al. entered into an agreement with Alsons Development & Investment Corporation ("ALDEVINCO") in July 1990 whereby the latter was granted a right of first refusal over the sale of the shares and/or operating assets of MPCC. Under the said agreement, ALDEVINCO had a period of 30 days to match any offer for the MPCC shares.

In March 1995, ALDEVINCO received notice from defendants that they were selling their shares in MPCC to ZHI. ALDEVINCO alleges that it did not exercise its right of first refusal over the offered shares because the offer price quoted was substantially in excess of their fair market price. However, plaintiffs claim that they subsequently learned that the actual purchase price paid by ZHI for the MPCC shares was much less than the price quoted to them. Thus, they are asking that the sale of the MPCC shares to ZHI be rescinded and that the shares be re-offered to them at the same price as that given to ZHI. Additionally, plaintiffs are asking for an award of P1 million for exemplary damages and attorney's fees.

Eagle Cement Corporation ("ECC") was belatedly impleaded as the buyer of the MPCC shares from the Floros, which it in turn transferred to ZHI. In an Order dated 14 October 2003, the RTC declared ECC in default for its failure to file an Answer to the *Complaint*. ECC filed a *Motion for Reconsideration* ("MR") of the said Order on the ground that it was not properly served with summons. However, the motion was denied by the RTC in an Order dated 4 May 2004. Thus, ECC filed a *Petition for Certiorari* with the Court of Appeals ("CA") seeking to have the aforementioned Orders declared null and void.

In a *Decision* dated 31 May 2005, the CA granted the petition and enjoined the RTC from proceeding with the trial of the case until summons has been properly served on ECC.

On 1 September 2006, the RTC directed the issuance of alias summons on ECC. On 18 May 2007, the alias summons was served on one of ECC's directors, Mary Ann M. Ongsitco. However, on 25 October 2007, the trial court issued an *Order*, holding that service of the alias summons on Ms. Ongsitco was not valid, and directing plaintiffs to effect proper service of the alias summons within sixty (60) days from their receipt of the *Order*.

On 13 February 2008, the RTC dismissed the Civil Case for failure of the plaintiffs to serve summons on ECC and for lack of interest. On 16 May 2008, however, the RTC reconsidered the 13 February 2008 dismissal Order and, on 11 July 2008, denied defendants' subsequent motion for reconsideration, constraining the latter to file a *Petition for Certiorari [With Application for Writ of Preliminary Injunction]* (PC) with the Court of Appeals (CA) on 9 September 2008. The PC has been docketed as CA-G.R. SP No. 105197, entitled "*Angelina Floro, et al. vs. Hon. Rommel O. Baybay, in his capacity as Presiding Judge of Regional Trial Court of Makati, Branch 132, et al.*" On 10 July 2009, the CA issued a *Resolution* dismissing the PC with respect to petitioners Elizabeth Floro and Teresa Balaguer, as they were not among those who signed the Verification and Certification of Non-Forum Shopping.

In the meantime, on 29 October 2008, ECC filed an *Ex Abundanti Ad Cautelam Motion to Dismiss* (MD) on the grounds that the claim against ECC has been extinguished and that the Complaint failed to state a cause of action against it. On 7 January 2009, the RTC issued an *Order* granting the MTD and dismissed the complaint as against ECC. Plaintiffs filed an MR of the said *Order* which was denied on 16 March 2009. Thus, on 19 June 2009, plaintiffs filed a PC with the CA. After due proceedings, on 14 May 2010, the CA issued a *Decision* denying the PC. On 10 June 2010, petitioners filed an MR. On 16 September 2010, the CA issued a *Resolution* denying the MR. On 8 October 2010, plaintiffs filed a *Motion for Time to File Petition for Review on Certiorari* with the Supreme Court (SC), which case was docketed as SC G.R. No. 193784. On 17 January 2011, plaintiffs filed a *Notice of Dismissal* of SC G.R. No. 193784 on the ground that they were no longer interested in pursuing the same.

In the meantime, on 2 June 2009, defendants Floros and ZHI filed an Omnibus Motion a. To Dismiss for Lack of Cause of Action, and b. To Cancel the Hearing on the Affirmative Defenses (previously set by the court on ECC's affirmative defenses). On 18 June 2009, the RTC issued an *Order* which dismissed the case as against ZHI and canceled the hearing on ECC's affirmative defenses. However, the *Order* denied the prayer for dismissal of the case as against the rest of Defendants. On 1 July 2009, the plaintiffs filed a *Motion for Partial Reconsideration* ("MPR") of the 18 June 2009 *Order* insofar as it dismissed the case as against ZHI. On 20 July 2009, ZHI filed a *Comment/Opposition* to the MPR. On 28 July 2009, the plaintiffs filed a *Reply*. On 11 January 2011, the RTC issued an *Order* denying the MPR, which *Order* has become final and executory. As mentioned, sometime in the last quarter of 2011, the remaining parties reached and fully implemented a settlement, which resulted in the termination and closure of the case.

(Significantly, ZHI has already divested its MPCC shares in favor of Republic on 15 December 2000.)

Plan of Operation

Since acquiring majority ownership of the Company in 2007, the current major stockholders have considered engaging in the mining business in order to revitalize its operations and attain profitability.

Consistent with this plan, on 13 July 2009, the Company entered into an Operating Agreement with OISC, which would allow the Company to operate certain mining claims of OISC in Surigao del Sur and to prosecute APSA No. 000115-XI, pending with the MGB. The Company has already made timely and proper disclosures with the SEC and the Philippine Stock Exchange ("PSE") regarding this transaction with OISC. To date, the MGB has yet to process and resolve OISC's APSA and issue the corresponding Mineral Production Sharing Agreement. As a result, the Company is still legally unable to commence exploration activities on the OISC mining claims.

In addition to the said OISC mining claims, the Company is presently looking at and evaluating certain areas located in the northern and southern regions believed to be rich in mineral deposits. Once agreements are in place for the lease or acquisition of these areas, the Company will make the timely and proper disclosures to the SEC and PSE.

The Company is currently in a deficit position, with a net loss of P669,286 for the year 2011. However, considering that the Company's loss is minimal, the major stockholders commit to support the operations of the Company. In the immediate term, the major stockholders will provide the cash requirements of the Company.

The Company is not considering any product research and development for the next twelve (12) months, nor is there any expected purchase or sale of plant and significant equipment, or significant changes in the number of employees.

Management's Discussion and Analysis of Plan of Operation

Year 2011

As of 31 December 2011, total assets increased by 133% from the previous year's P413,691 to P965,426. The increase in cash is mainly due to cash infusions by the Company's major shareholder made during the year. The increase in other current assets is attributable to input value added tax on listing and audit fee. The decrease in liability is due to settlement of accrued expenses. Cash infusions by the major shareholder were recorded as "Additional Paid-In Capital" or APIC, resulting in the increase of APIC by 4%.

During the year, the Company posted a net loss of P669,286, slightly higher from last year's P663,023. The increase is attributable to higher annual general meeting expenses.

The Company is aware of the magnitude of the country's untapped metal and mineral deposits, especially in the northern and southern Philippines, and views the same as an excellent opportunity for the Company to attain a high level of productivity and profitability in the next several years.

With this in mind, on 13 July 2009, the Company entered into an Operating Agreement with OISC covering OISC's Mining Claims in the province of Surigao del Sur. The Mining Claims have an approximate total area of 4,656.9 hectares and are the subject of an APSA pending with the MGB, CARAGA Regional Office, Surigao City. The Operating Agreement gives the Company the authority to prosecute the APSA until the same is approved and, after such approval, to explore the Mining Claims. In consideration therefor, the Company shall pay OISC royalties in an amount equivalent to three percent (3%) of the Net Smelter Returns on metal sales and, pursuant to the Agreement to Subscribe to Shares and to Issue Shares with OISC dated 13 July 2009, issue to OISC 10,000,000 shares out of the Company's un-issued capital, and grant OISC the option to subscribe to 110,000,000 shares of the Company as follows:

- a) Ten Million (10,000,000) shares from the Company's unissued capital within one (1) year from the issuance of the MPSA; and
- b) One Hundred Million (100,000,000) shares from the Company's unissued capital within five (5) years from the issuance of the MPSA.

The above-agreements were unanimously passed and approved by the Company's Board of Directors during a special meeting held on 13 July 2009 and ratified by the Company's stockholders representing 83.27% of the outstanding capital stock during the annual meeting of the stockholders held on 5 November 2009.

The Mining Claims have a very promising potential for the occurrence of both gold-copper and nickel laterite deposits. Surface exploration works so far completed disclosed copper-gold mineralization in the northwestern portion as indicated by pyritic quartz veins in dioritic host rocks that contain chalcopyrite, bornite and copper oxide minerals. The southeastern part of the Mining Claims is underlain by the same ultra basic rocks that form the host rocks of nickel laterite mines. The Company is still awaiting issuance by the MGB of a MPSA over the Mining Claims.

The Company has been engaged in preliminary talks with potential partners, both foreign and local, who have expressed interest in partnering with the Company in the utilization and exploitation not only of the Mining Claims, but also of additional mining sites currently being studied by the Company for acquisition, located in the northern and southern Philippines.

In the past three (3) years, FYSI-In Trust for Various Clients has infused almost P3 million in the form of Deposit for Future Subscription and/or additional paid-in capital to enable the

Company to meet its cash requirements, amounting to P350,000 (in 2009), P300,000 (in 2010), and P1,250,000 (in 2011).

In the next twelve months, the major stockholders are expected to continue to provide the cash requirements of the Company.

There are no expected major changes in its operations, including any significant changes in its manpower compliment or the purchase and sale of plant or other major equipment. Except as may be required for the exploration and preliminary studies on the aforesaid mining claims/sites, the Company has no on-going or planned research and development activities for the same period.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	30-Jun-12	31-Dec-11	31-Dec-10
Current Ratio	Current Assets/Current Liabilities	0.89:1 502,377 / 564,030	1.39 :1 965,426 / 692,852	0.57 :1 413,691 / 721,831
Debt to Equity Ratio	Total Liabilities/Stockholders' Equity	-9.15:1 564,030 / (61,653)	2.54 :1 692,852 / 272,574	-2.34 :1 721,831 / -308,140
Capital Adequacy Ratio	Stockholders' Equity/Total Assets	-0.12:1 (61,653) / 502,377	0.28 :1 272,574 / 965,426	-0.74 :1 -308,140 / 413,691
Book Value Per Share	Stockholders' Equity/Total # of shares	-0.00002 (61,653) / 2,733,463,907	0.00010 272,574 / 2,733,463,907	-0.00011 -308,140 / 2,733,463,907
Loss Per Share	Net Loss/Total # of Shares	-0.00012 (334,227) / 2,733,463,907	-0.00024 (669,286) / 2,733,463,907	-0.00024 (663,023) / 2,733,463,907

Current Ratio shows the Company's ability to meet its short term financial obligation. As of 30 June 2012, the Company has P0.89 worth of current assets for every one peso liability as compared to last year's current ratio of P1.39 for every peso of liability. The increase is attributable to settlement of various operating expenses.

Debt to Equity Ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of 30 June 2012, the Company's equity is not sufficient to cover its liabilities. However, its major shareholder is willing to support the Company as the need arises.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 30 June 2012, the Company's Capital Adequacy Ratio decreased to negative P0.12 compared to positive P0.28 as of 31 December 2011.

Book Value Per Share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has a book value per share of negative 0.00002 as of 30 June 2012.

Loss Per Share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of 30 June 2012, the Company's loss per share remained at negative 0.00012.

Full Fiscal Years

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- (i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

- (ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.*

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

- (iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

- (iv) *Material Commitment for Capital Expenditure*

The Company has not entered into any material commitment for capital expenditure.

- (v) *Others*

There are no known trends, events or uncertainties that have material impact on net sales/revenues/income from continuing operations.

The Company did not recognize income or loss during the quarter that did not arise from continuing operations.

There are no known causes for material change (of material item) from period to period.

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.

Year 2010

As of 31 December 2010, total assets stood at P413,691, which is 45% lower compared to the previous year. Cash decreased by 85% due to settlement of operating expenses of the Company during the year. Other current assets increased due to input value added tax on listing and audit fees. Due to related party represents inter-company charges. Deposit for future stock subscription increased by 9%, as advances from a major shareholder during the year was recorded as such.

During the year, the Company posted a net loss of P663,023, which is 7% higher than last year's P621,550. The increase is attributable to higher professional fees and expenses for the annual stockholders meeting.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	31-Dec-10	31-Dec-09	31-Dec-08
Current Ratio	Current assets / Current liabilities	0.57 :1 413,691 / 721,831	1.08 :1 751,012 / 696,129	1.48:1 1,008,949 / 682,516
Debt to Equity Ratio	Total liabilities / Stockholders' equity	(2.34) :1 721,831 / -308,140	12.68 :1 696,129 / 54,883	2.09:1 682,516 / 326,433
Capital Adequacy Ratio	Stockholders' equity / Total assets	(0.74) :1 (308,140) / 413,691	0.07 :1 54,883 / 751,012	0.32 :1 326,433 / 1,008,949
Book value per share	Stockholders' equity / Total # of shares	(0.00011) (308,140) / 2,733,463,907	0.00002 54,883 / 2,733,463,907	0.00012 326,433 / 2,733,463,907
Loss per Share	Net loss / Total # of shares	(0.00024) (663,023) / 2,733,463,907	(0.00023) (621,550) / 2,733,463,907	(0.00024) (664,322) / 2,733,463,907

Current Ratio shows the Company's ability to meet its short term financial obligation. As of 31 December 2010, the Company has P0.57 centavos worth of current assets for every peso of liability compared to the current ratio of P1.08 as of 31 December 2009. The decrease is attributable to payment of various operating expenses.

Debt to Equity Ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of 31 December 2010, the Company has negative equity. However, the major shareholder is committed to support the Company as the need arises.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 31 December 2010, the Company's Adequacy Ratio is negative P0.74 compared to the previous year's positive P0.07.

Book Value Per Share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has a book value per share of P0.00011 as of 31 December 2010.

Loss Per Share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of 31 December 2010, the Company's loss per share was 4.3% higher compared to the same period in the previous year.

Full Fiscal Years

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- (i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

- (ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation*

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

- (iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

- (iv) *Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.*

The Company has not entered into any material commitment for capital expenditure.

- (v) *Any known trends, events or uncertainties (material impact on sales/revenues/income)*

There are no known trends, events or uncertainties that have material impact on net sales.

- (vi) *Any significant elements of income or loss (from continuing operations)*

The Company did not recognize income or loss during the period that did not arise from continuing operations.

- (vii) *Causes of any material changes from period to period of the Financial Statements which shall include vertical and horizontal analyses of any material item (5%)*

Any material change from period to period of the Financial Statements is included in the Management Discussion and Analysis.

- (viii) *Seasonal aspects that have material effect on the Financial Statements*

There are no known seasonal aspects that had a material effect on the Company's financial condition or results of operations.

Year 2009

As of 31 December 2009, total assets stood at P751,012, which is 26% lower compared to the previous year. Cash decreased by about 40% due to settlement of operating expenses of the Company during the year. Other current assets increased due to input value added tax on listing and audit fees. Due to related party represents inter-company charges. Deposit for future stock subscription increased by 12%, as advances from a major shareholder during the year was recorded as such.

During the year, the Company posted a net loss of P621,550, which is 6% lower than the previous year's P664,322. Although other operating expenses was higher during the year as a

result of an increase in the annual general meeting expenses, such increase was cushioned by lower professional and training fees incurred for the year.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	31-Dec-09	31-Dec-08	31-Dec-07
Current Ratio	Current assets / Current liabilities	1.08 :1 751,012 / 696,129	1.48:1 1,008,949 / 682,516	0.13:1 301,643/2,241,788
Debt to Equity Ratio	Total liabilities / Stockholders' equity	12.68:1 696,129 / 54,883	2.09:1 682,516 / 326,433	(1.16): 1 2,241,788/(1,940,145)
Capital Adequacy Ratio	Stockholders' equity / Total assets	0.07 :1 54,883 / 751,012	0.32 :1 326,433 / 1,008,949	(7.43): 1 (1,940,145)/ 301,643
Book value per share	Stockholders' equity / Total # of shares	0.00002 54,883 / 2,733,463,907	0.00012 326,433 / 2,733,463,907	(0.00071) (1,940,145)/2,733,463,907
Loss per Share	Net loss / Total # of shares	(0.00023) (621,550) / 2,733,463,907	(0.00024) (664,322) / 2,733,463,907	(0.00024) (657,168)/2,733,463,907

Current Ratio shows the Company's ability to meet its short term financial obligation. As of 31 December 2009, the Company has P1.08 centavos worth of current assets for every peso of liabilities as compared to the previous year's P1.48. The decrease is attributable to payment of various operating expenses.

Debt to Equity Ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of 31 December 2009, the ratio is extremely high.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 31 December 2009, the Company's Adequacy Ratio is P0.07 compared to the previous year's P0.32.

Book Value Per Share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has book value per share of P0.00002 as of December 31, 2009.

Loss Per Share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of 31 December 2009, the Company recorded a loss per share of P0.00023 which is 4.2% lower than the previous year.

Full Fiscal Years

Discussion and analysis of material event/s and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- (i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

- (ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation*

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

- (iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

- (iv) *Description of any material commitments for capital expenditures, general purpose of such commitments, expected sources of funds for such expenditures.*

The Company has not entered into any material commitment for capital expenditure.

- (v) *Any known trends, events or uncertainties (material impact on sales/revenues/income)*

There are no known trends, events or uncertainties that have material impact on net sales.

- (vi) *Any significant elements of income or loss (from continuing operations)*

The Company did not recognize income or loss during the period that did not arise from continuing operations.

- (vii) *Causes of any material changes from period to period of the Financial Statements which shall include vertical and horizontal analyses of any material item (5%)*

Any material change from period to period of the Financial Statements is included in the Management Discussion and Analysis.

- (viii) *Seasonal aspects that have material effect on the Financial Statements*

There are no known seasonal aspects that had a material effect on the Company's financial condition or results of operations.

Audit and Audit-Related Fees

The total fees for audit of annual financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements are as follows:

	2011	2010	2009
Professional Fees	120,000.00	120,000.00	90,000.00
Value Added Tax	14,400.00	14,400.00	10,800.00
Total Audit Fees	134,400.00	134,400.00	100,800.00

For the year 2012, the audit fee is estimated to be P147,840.00.

Tax Fees

Zeus did not engage the services of the external auditor in the past two (2) years for tax accounting, compliance advice, planning or any other form of tax services, and no fees were paid in connection therewith.

All Other Fees

Other than the audit and audit-related fees described above, the Company was not billed for any other fees by the external auditor for any other products or services.

The Company's Audit Committee considers and recommends to the Board the engagement of the external auditor's services in accordance with the policies laid down in its Manual on Corporate Governance and the Audit Committee Charter, which includes reviewing and pre-approving all audit plans, scope and frequency at least one month before the conduct of external audit. The Audit Committee also performs direct interface functions with the external auditor as circumstances may warrant.

Market Information

The Company's common equity is traded at the PSE. For the preceding two (2) years as well as the first three quarters of the current year, the highs and lows of Zeus' stock market prices are as follows:

<u>Year</u>	<u>Quarter</u>	<u>High</u>	<u>Low</u>
2012	January-March	P0.85	P0.66
	April-June	0.68	0.47
	July-September	0.59	0.38
2011	January-March	P0.215	P0.171
	April-June	0.210	0.178
	July-September	1.37	0.18
	October-December	0.98	0.54
2010	January-March	P0.23	P0.185
	April-June	0.215	0.16
	July-September	0.23	0.161
	October-December	0.208	0.17

Zeus' stock was last traded at the PSE on 22 October 2012 at the price of 39.5 centavos (P0.395) per share.

Holders

As of 30 September 2012, Zeus has a total of eight hundred twenty-one (821) stockholders, the top twenty (20) of which are as follows:

* Based on information provided by Zeus' stock transfer agent, Banco De Oro UniBank, Inc. - Stock Transfer & Settlement Department

<u>Name of Stockholder</u>	<u>No. of Shares</u>	<u>Percentage (%) of Shareholding</u>
1. PCD Nominee Corporation (Filipino)	1,144,790,030	41.88%
2. Zamcore Realty and Development Corporation	729,377,728	26.68%
3. a. F. Yap Securities, Inc. in Trust For Horizon Resources Corporation	410,019,586	15.00%
b. F. Yap Securities, Inc. in Trust For Lindsay Resources Corporation	410,019,586	15.00%
4. PCD Nominee Corporation (Non-Filipino)	14,933,100	0.55%
5. R. Coyiuto Securities, Inc.	10,310,000	0.38%
6. Far East Cement Corporation	6,283,906	0.23%
7. Linda H. Bugarin	2,325,006	0.09%
8. Antonio T. Vilar	1,486,000	0.05%
9. Peregrine Securities Phils., Inc.	592,000	0.02%
a. Jolly R. Bugarin	500,000	0.018%
b. Sy Tiong Shou &/or Juanita Tan	500,000	0.018%
10. Martin P. Lorenzo	300,000	0.011%
11. Wanda Michelle Buencamino	232,000	0.008%
12. Victoria C. Egan	160,000	0.006%
13. Imelda Tan Uy	88,000	0.003%
14. David Osmeña	70,000	0.003%
15. Luz Siy	65,000	0.002%
16. Vicente Cheng and/or Evangeline Cheng	60,000	0.002%
17. a. Ching Jung Chan and/or Tsai Li Mei	50,000	0.002%
b. Clemente Y. Ong	50,000	0.002%
c. Lucy Chua Sy	50,000	0.002%
18. PNB Securities, Inc.	35,000	0.001%
19. a. Miriam Balingit	30,000	0.001%
b. Ricardo S. Canlas	30,000	0.001%
c. Halian Go	30,000	0.001%
20. Maria Annette H. Bugarin	26,400	0.001%
Total	<u>2,732,413,342</u>	<u>99.96%</u>

Dividends

The Company has not declared any cash dividend for the last three (3) calendar years.

Aside from the general legal restrictions that dividends may be paid only from surplus profits and in such a manner as will not impair the capital of the corporation, there are no other restrictions on the Company from paying dividends on common equity. It is not likely that any additional restrictions will arise in the foreseeable future.

Recent Sales of Unregistered Securities

The Company has not sold any unregistered securities during the past four (4) years.

Audited and Interim Financial Statements

The Audited Financial Statements of Zeus for the period ended 31 December 2011 and Interim Financial Statements for the period ended 30 June 2012 are attached hereto.

Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There are no known disagreements with Accountants on Accounting and Financial Disclosure.

Compliance with Corporate Governance

Pursuant to the requirements of the SEC, the Company's Corporate Secretary/Compliance Officer has submitted the required yearly certification to the SEC and the PSE on the extent of compliance by the Company with its Manual of Corporate Governance (the "Manual"). For purposes of evaluating compliance with the Manual, the Corporation has adopted the Corporate Governance Scorecard for Publicly-Listed Companies prescribed by the SEC.

In February 2011, in compliance with the SEC Memorandum Circular No. 6, Series of 2009, the Company submitted to the SEC its Revised Manual on Corporate Governance (the "Revised Manual"), which incorporated the mandatory provisions of the Revised Code of Corporate Governance which were not included in the earlier version of the Manual.

On 30 March 2011, pursuant to PSE Memorandum Circular No. 2011-028, the Company submitted its Report on its Compliance with Corporate Governance Guidelines following the Disclosure Survey Form prescribed by the PSE.

On 4 October 2012, in compliance with SEC Memorandum Circular No. 4, Series of 2012, the Company approved and adopted the Charter of its Audit Committee and submitted the same to the SEC and the PSE on 5 October 2012.

The Company has substantially complied with the Manual with the election of an independent director to the Company's Board for the past nine (9) years (in each of the last five (5) annual stockholders' meetings, two independent directors were elected to the Board); the creation of the Audit, Compensation and Remuneration, and Nomination and Election Committees and the election of the members of each committee; the regular conduct of meetings of the Board; attendance in meetings of the directors and committee members; and adherence to applicable accounting standards and disclosure requirements. In addition, all of the Company's directors have attended and completed a seminar on Corporate Governance conducted by a duly recognized and accredited institutional training provider. The Company has also designated a Compliance Officer who oversees compliance with the Revised Manual.

The Revised Manual contains a Plan of Compliance which not only provides for the duties of the Company's Board of Directors as a whole but also spells out the duties, responsibilities and functions of each individual director. The performance of the directors is measured against the criteria established in the Revised Manual. The directors are also expected to maintain certain continuing qualification standards, the absence of which shall be ground for the removal of a director from the Board. The Revised Manual likewise provides the criteria for the evaluation of the performance of the Company's top management.

The Company, however, is working on its systems and procedures to improve compliance with the Company's Revised Manual.

The Board is composed of a mix of executive and non-executive directors. The Board establishes the Company's vision and mission, strategies, objectives, and plans to guide the Company and direct its business endeavors.

The Company adheres to a business plan. The Management periodically prepares and submits to the Board financial reports which enable the Board and Management to assess the financial status of the Company.

In April 2008, in line with its policy of transparency of information and timely and complete disclosure of all material facts relating to its business, the Company launched its official website (<http://www.zeusholdingsinc.com>), which contains the Company's corporate disclosures, including corporate governance reports submitted to the SEC and PSE, and other material information regarding the Company's management, operations, equity, share prices, and other aspects of the Company's business. The website is regularly updated.

Policies and procedures for the identification of potential conflicts of interests involving the Company's directors and officers are currently being developed. A Full Business Interest Disclosure Form has been adopted and has been complied with by the directors and key officers of the Company.

Except as specified hereunder, the Company has not committed any major deviations from the provisions of its Revised Manual. To date, the Company has not yet fully complied with the provisions of its Revised Manual with respect to the following:

1. Due to limited operations, the Company has no compensation scheme for its directors and officers; and
2. The handbook has not been finalized mainly due to the Company's limited operations and manpower, and the change in the shareholders of the Company.

ZEUS HOLDINGS, INC.

20/F LKG Tower, 5801 Ayala Avenue, Makati City
Tel. No. 884-1106 / Fax No. 884-1409

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Zeus Holdings, Inc. (the Company), is responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2011 and 2010, in accordance with Philippine Financial Reporting Standards (PFRS), including the following additional supplemental information filed separately from the basic financial statements:

- Supplementary Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68
- Schedule of PFRS Effective as of December 31, 2011

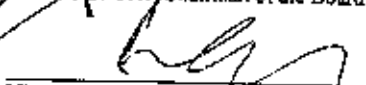
Management responsibility on the financial statements includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the Board of Directors and Stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signed under oath by the following:


FELIPE U. YAP/Chairman of the Board


YUEN PO SENG/President


RONALD P. SUGAPONG/Treasurer

Signed this 10th day of April 2012.

Republic of the Philippines)
Makati City) S.S.

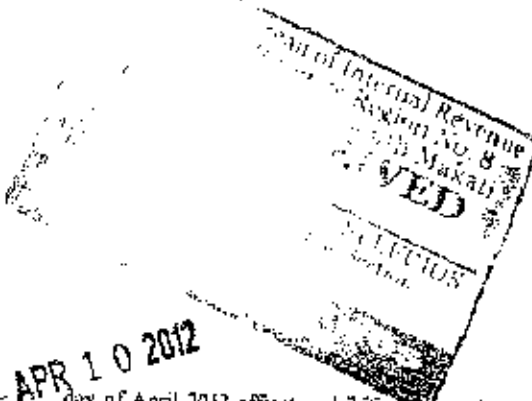
SUBSCRIBED AND SWORN to before me this 10 day of April 2012 affiants exhibiting to me their passports as competent of their identities, as follows:

Name
Felipe U. Yap
Yuen Po Seng
Ronald P. Sugapong

Competent Evidence of Identity
Ppt No. EB3713140
Ppt No. A25169994
Ppt No. XX1614462

Date/Place Issued
9-22-2011/Manila
10-25-2011/George Town, Malaysia
07-15-2008/Manila

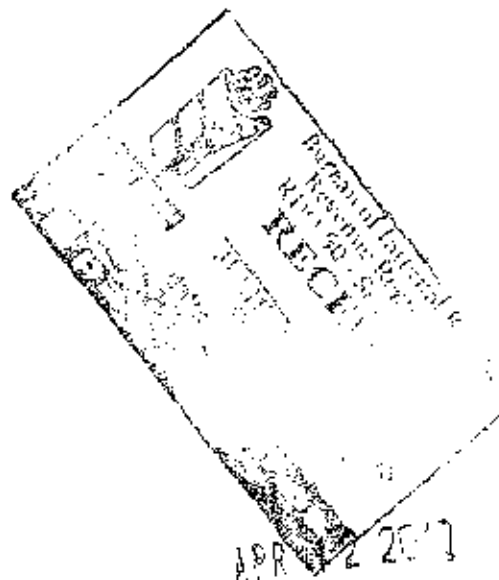
Doc. No. 128
Page No. 2
Book No. XX
Series of 2012.


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ATTY. GERVACIO B. ORTIZ JR.
NOTARY PUBLIC FOR MAKATI CITY
L. NO. 128-EBR 31, 2012
ROLL OF NOT. NO. 4091
ACQU. NO. 1110014382
REP. NO. 1110014382
FIR. NO. 31731-101-2012 MAKATI CITY

**Financial Statements and
Independent Auditors' Report**

Zeus Holdings, Inc.

December 31, 2011, 2010 and 2009



Report of Independent Auditors

20th Floor, Tower 1
The Enterprise Center
6756 Ayala Avenue
1200 Makati City
Philippines

T +63 2 886 5511
F +63 2 886 5506; +63 2 886 5507
www.punongbayan-araullo.com

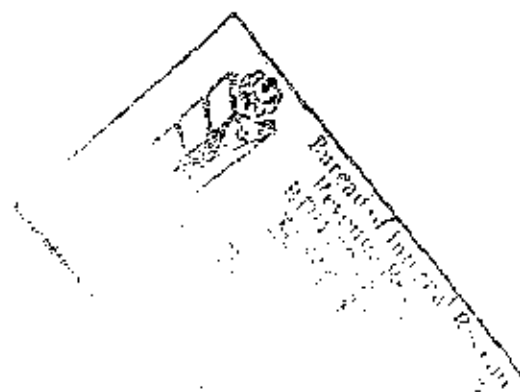
The Board of Directors and Stockholders
Zeus Holdings, Inc.
20th Floor, LKG Tower
6801 Ayala Avenue
Makati City

Report on the Financial Statements

We have audited the accompanying financial statements of Zeus Holdings, Inc., which comprise the statements of financial position as at December 31, 2011 and 2010, and the statements of comprehensive income, statements of changes in equity (capital deficiency) and statements of cash flows for each of the three years in the period ended December 31, 2011, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zeus Holdings, Inc. as at December 31, 2011 and 2010, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2011, in accordance with Philippine Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements which indicates that the Company incurred net losses of P669,286, P663,023 and P621,550 for the years ended December 31, 2011, 2010 and 2009, respectively. For the current year and the last few years, the Company has not undertaken any investing and operating activity. This condition and the Company's continuous incurrence of net losses which resulted in a deficit in the current and previous years raised substantial doubt about the Company's ability to continue as a going concern. The Company continuously evaluates possible business opportunities to revitalize its operations. Accordingly, the accompanying financial statements do not include any adjustment relating to the recoverability and classification of assets or the amounts and classification of liabilities that may be necessary should the Company no longer continue as a going concern.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2011 required by the Bureau of Internal Revenue as disclosed in Note 13 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO


By: Nelson J. Dinio
Partner

CPA Reg. No. 0097048

TIN 201-771-632

PTR No. 3174906, January 2, 2012, Makati City

SEC Group A Accreditation

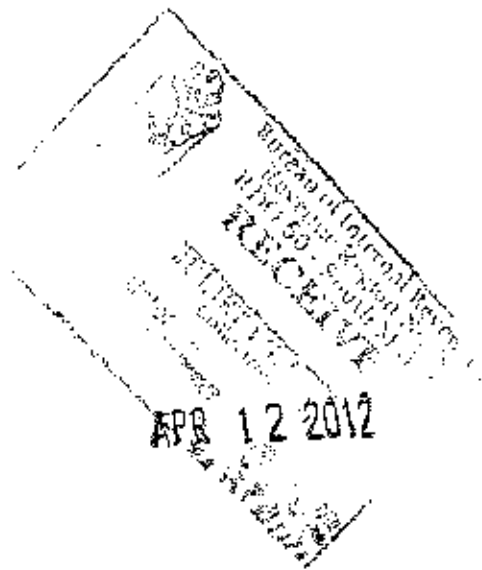
Partner - No. 1036-A (until Sept. 29, 2013)

Firm - No. 0002-FR-3 (until Jan. 18, 2015)

BIR AN 08-002511-32-2011 (until Feb. 3, 2014)

Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

March 15, 2012

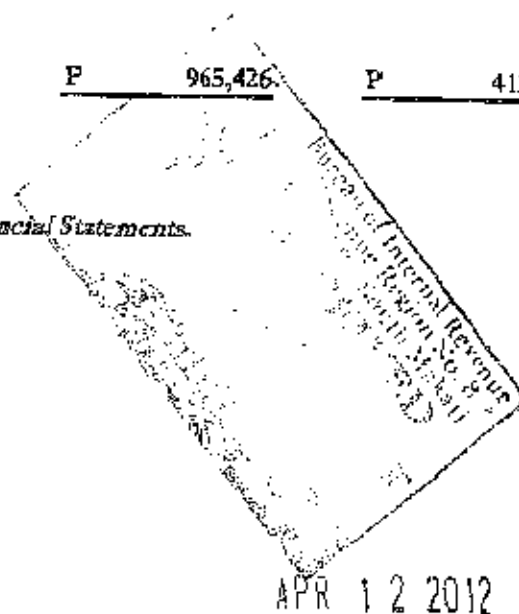


ZEUS HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010
(Amounts in Philippine Pesos)



	Notes	2011	2010
<u>ASSETS</u>			
CURRENT ASSETS			
Cash		P 555,765	P 67,364
Input value-added tax	13	<u>409,661</u>	<u>346,327</u>
TOTAL ASSETS		<u>P 965,426</u>	<u>P 413,691</u>
 <u>LIABILITY AND EQUITY</u> <u>(CAPITAL DEFICIENCY)</u>			
CURRENT LIABILITY			
Accounts payable and accrued expenses	4	<u>P 692,852</u>	<u>P 721,831</u>
 EQUITY (CAPITAL DEFICIENCY)			
Capital stock	7	2,733,463,907	2,733,463,907
Additional paid-in capital	7	34,643,941	33,393,941
Deposits for future stock subscriptions	5, 7	3,580,900	3,580,900
Deficit		(<u>2,771,416,174</u>)	(<u>2,770,746,888</u>)
 Total Equity (Capital Deficiency)		 <u>272,574</u>	 <u>(308,140)</u>
 TOTAL LIABILITY AND EQUITY (CAPITAL DEFICIENCY)		 <u>P 965,426</u>	 <u>P 413,691</u>

See Notes to Financial Statements.



ZEUS HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009*
(Amounts in Philippine Pesos)

	Notes	2011	2010	2009
OPERATING EXPENSES				
Taxes and licenses	13	P 264,840	P 263,600	P 263,700
Professional fees		204,000	204,000	174,000
Photocopying and reproduction		86,089	84,978	82,329
Contracted services		31,533	21,428	25,000
Communication, light and water		25,856	24,984	15,789
Advertising and promotions		12,294	12,294	12,294
Rental		5,900	8,300	8,000
Trainings and seminars		300	900	9,000
Other operating expenses		38,474	42,539	31,438
NET LOSS FOR THE YEAR		669,286	663,023	621,550
OTHER COMPREHENSIVE LOSS (INCOME)		-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		P 669,286	P 663,023	P 621,550
Loss Per Share	8	P 0.00024	P 0.00024	P 0.00023

See Notes to Financial Statements.

* The Company was incorporated on December 17, 1981 and has not yet started commercial operations as of December 31, 2011.

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ZEUS HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009*
(Amounts in Philippine Pesos)

	Notes	2011	2010	2009
CAPITAL STOCK - P1 par value:				
Authorized - 3,000,000,000 shares				
Issued and outstanding - 2,733,463,907 shares		P 2,733,463,907	P 2,733,463,907	P 2,733,463,907
ADDITIONAL PAID-IN CAPITAL				
Balance at beginning of year		33,393,941	33,393,941	33,393,941
Conversion of deposits for future stock subscriptions	7	1,250,000	-	-
Balance at end of year		34,643,941	33,393,941	33,393,941
DEPOSITS FOR FUTURE STOCK SUBSCRIPTIONS				
Balance at beginning of year	5, 7	3,580,900	3,280,900	2,930,900
Cash infusion during the year for future stock subscriptions		1,250,000	300,000	350,000
Conversion to additional paid-in capital		(1,250,000)	-	-
Balance at end of year		3,580,900	3,580,900	3,280,900
DEFICIT				
Balance at beginning of year		(2,770,746,888)	(2,770,083,865)	(2,769,462,315)
Net loss for the year		(609,284)	(663,023)	(621,550)
Balance at end of year		(2,771,416,174)	(2,770,746,888)	(2,770,083,865)
TOTAL EQUITY (CAPITAL DEFICIENCY)		P 272,574	(P 308,140)	P 54,883

See Notes to Financial Statements

* The Company was incorporated on December 17, 1981 and has not yet started commercial operations as of December 31, 2011.

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ZEUS HOLDINGS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011, 2010 AND 2009*
(Amounts in Philippine Pesos)

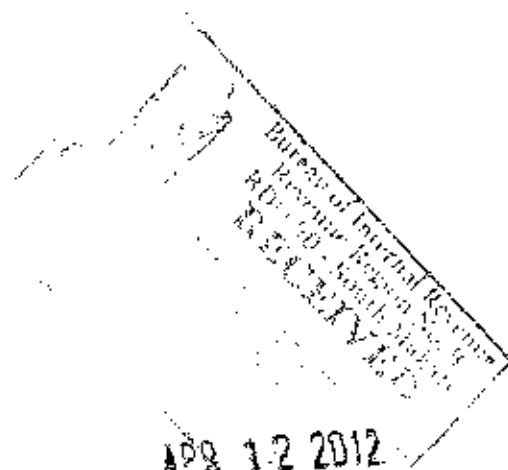
	Note	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss representing operating loss				
before working capital changes		(P 669,385)	(P 663,123)	(P 621,550)
Increase in input value-added tax		(63,334)	(39,273)	(54,858)
Increase (decrease) in accounts payable				
and accrued expenses		(18,979)	25,702	13,613
Net Cash Used in Operating Activities		(761,599)	(696,594)	(662,795)
CASH FLOWS FROM FINANCING ACTIVITY				
Deposits for future stock subscriptions received	5	1,250,000	180,000	350,000
NET INCREASE (DECREASE) IN CASH		488,401	(596,594)	(312,795)
CASH AT BEGINNING OF YEAR		67,364	463,958	776,753
CASH AT END OF YEAR		P 555,765	P 67,364	P 463,958

Supplemental Information for Noncash Financing Activities

In December 2011, the Company's Board of Directors approved the conversion of the Company's deposits for stock subscriptions amounting to P1,250,000 into additional paid-in capital, without the issuance of shares of stock from the unissued portion of its authorized stock.

See Notes to Financial Statements.

* The Company was incorporated on December 17, 1981 and has not yet started commercial operations as of December 31, 2011.



ZEUS HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011, 2010 AND 2009
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION AND STATUS OF OPERATIONS

1.1 Corporate Information

Zeus Holdings, Inc. (the Company) was incorporated in the Philippines on December 17, 1981 to engage in the purchase and sale of investments. The Company has not yet started its commercial operations as of December 31, 2011.

As of December 31, 2011, the largest stockholder of the Company is Zamcore Realty & Development Corporation which holds a 27% ownership interest in the Company.

The shares of the Company are traded at the Philippine Stock Exchange (PSE).

The registered office of the Company, which is also its principal place of business, is located at the 20th Floor, LKG Tower, 6801 Ayala Avenue, Makati City.

The finance and administrative functions of the Company are being handled by a third party.

The financial statements of the Company for the year ended December 31, 2011 (including the comparatives for the years ended December 31, 2010 and 2009) were authorized for issue by the Company's Board of Directors (BOD) on March 15, 2012.

1.2 Status of Operations

The Company incurred net losses of P669,286 in 2011, P663,023 in 2010 and P621,550 in 2009. For the current year and the last few years, the Company has not undertaken in any investing or operating activity.

The Company's continuous incurrence of net losses which resulted in a deficit in the current and previous years raised substantial doubt about its ability to continue as a going concern. The Company continuously evaluates possible business opportunities to revitalize its operations. On September 28, 2007 and November 28, 2007, the BOD and the stockholders, respectively, approved a proposed business plan involving the contemplated shift in the Company's primary purpose from an investment holding company to a mining entity.

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INTERNAL REPORTS
AND FINANCIAL STATEMENTS
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On July 13, 2009, the Company entered into an operating agreement with Olympic International Sales Corporation (Olympic) which allows the Company to explore and, if warranted, develop Olympic's mining claims in the province of Surigao del Sur. As of December 31, 2009, the mining claims are the subject of an Application for Production Sharing Agreement (APSA) filed by Olympic with the Mines and Geosciences Bureau (MGB). The Company can only operate the mining claims upon the approval of the APSA and issuance of the Mineral Production Sharing Agreement (MPSA) by the Department of Environment and Natural Resources (DENR). The operating agreement shall take effect for a period of 25 years from the date of issuance of MPSA (see also Note 10). As of December 31, 2011, the MPSA has not yet been issued by DENR while the approval of the APSA is still pending with the MGB.

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the recoverability of its assets and settlement of its liabilities in the normal course of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards (PFRS)

The financial statements of the Company have been prepared in accordance with PFRS. PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income. Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or reclassifies items in the 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 (see Note 3).

Items included in the financial statements of the Company are measures 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 Amended PFRS*

(a) *Effective in 2011 that are Relevant to the Company*

In 2011, the Company adopted the following amendment and annual improvements to PFRS that are relevant to the Company and effective for financial statements for the annual period beginning on or after July 1, 2010 and January 1, 2011:

PAS 24 (Amendment)	:	Related Party Disclosures
Various standards	:	2010 Annual Improvements to PFRS

Discussed below are relevant information about these new and amended standards.

- (i) PAS 24 (Amendment), *Related Party Disclosures* (effective from January 1, 2011). The amendment simplifies and clarifies the definition of a related party by eliminating inconsistencies in determining related party relationships. The amendment also provides partial exemption from the disclosure requirements for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of this amendment did not result in any significant changes on the Company's disclosures of related parties in its financial statements.
- (ii) 2010 Annual Improvements to PFRS. The FRSC has adopted the *2010 Improvements to PFRS*. Most of these amendments became effective for annual periods beginning on or after July 1, 2010 or January 1, 2011. Among those improvements, only the following amendments were identified to be relevant to the Company's financial statements but which did not have any material impact on its financial statements.
 - PAS 1 (Amendment), *Presentation of Financial Statements: Clarification of Statement of Changes in Equity* (effective from July 1, 2010) was identified to be relevant to the Company's financial statements. The amendment clarifies that, for each component of equity, an entity may present an analysis of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Company did not have other comprehensive income items during the year.

- PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective from July 1, 2011). The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Company does not usually enter into this type of arrangement with regard to transfer of financial assets.

(b) *Effective in 2011 that are not Relevant to the Company*

The following amendments and improvements to PFRS are mandatory for accounting periods beginning on or after July 1, 2010 or January 1, 2011 but are not relevant to the Company's financial statements:

PAS 32 (Amendment)	:	Financial Instruments: Presentation – Classification of Rights Issues
PFRS 1 (Amendment)	:	First-Time Adoption of PFRS – Limited Exemption from PFRS 7 Comparative Disclosures
Philippine Interpretations International Financial Reporting Interpretations Committee (IFRIC) 14 (Amendment)	:	Prepayments of a Minimum Funding Requirement
2010 Annual Improvements		
PAS 21 (Amendment)	:	The Effects of Changes in Foreign Exchange Rates
PAS 28 (Amendment)	:	Investments in Associates
PAS 31 (Amendment)	:	Interests in Joint Ventures
PAS 34 (Amendment)	:	Interim Financial Reporting – Significant Events and Transactions
PFRS 1 (Amendment)	:	First-time Adoption of PFRS
PFRS 3 (Amendment)	:	Business Combinations
IFRIC 13 (Amendment)	:	Customer Loyalty Programmes – Fair Value Awards Credits

(c) *Effective Subsequent to 2011 but not Adopted Early*

There are new and amended PFRS that are effective for periods subsequent to 2011. Management has initially determined PFRS 9 *Financial Instruments: Classification and Measurement* (effective from January 1, 2015) to be relevant to the Company and which the Company will apply in accordance with its transitional provisions. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 *Financial Instruments: Recognition and Measurement* in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. 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 main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

To date, other chapters of PFRS 9 dealing with impairment methodology and hedge accounting are still being completed.

The Company does not expect to implement and adopt PFRS 9 until its effective date or until all chapters of this new standard have been published. In addition, management is currently assessing the impact of PFRS 9 on the financial statements of the Company and is committed to conduct a comprehensive study of the potential impact of this standard early in 2012 to assess the impact of all changes.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The financial asset category that is currently relevant to the Company is Loans and Receivables (presented as Cash in the statement of financial position).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment losses, except when they are due within one year in which case, they are measured at their nominal values. Impairment loss is provided when there is an objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables.

The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated cash flows.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

2.4 Impairment of Non-financial Assets

The Company's input value-added tax (VAT) is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts, which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

2.5 Financial Liabilities

Financial liabilities include Accounts Payable and Accrued Expenses.

Financial liabilities are recognized when the Company becomes a party to the contractual terms of the instrument. All interest and related charges, if any, is recognized as an expense in the statement of comprehensive income.

Accounts Payable and Accrued Expenses are recognized initially at their fair value and subsequently measured at amortized cost, using the effective interest method for maturities beyond one year less settlement payments.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period, or the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation, or expiration.

2.6 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, where time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.7 Expense Recognition

Expenses are recognized in profit or loss upon receipt of goods and utilization of services or at the date they are incurred.

2.8 Income Taxes

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is provided, using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that are charged in other comprehensive income or directly to equity are recognized in other comprehensive income or directly to equity.

2.9 Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.10 Equity (Capital Deficiency)

Capital stock represents the nominal value of shares that have been issued.

Additional Paid-in Capital (APIC) includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from APIC, net of any related income tax benefits.

Deposits for future stock subscriptions are recorded based on the advances from stockholders and additional cash infusion from stockholders to be converted to equity.

Deficit includes all current and prior period results as reported in profit or loss in the statements of comprehensive income.

2.11 Loss Per Share

Loss per share is determined by dividing net loss by the weighted average number of issued and outstanding shares during the year.

The Company has no potentially dilutive shares, hence, no information on dilutive earnings per share is presented.

2.12 Events After 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.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect 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.

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) Functional and Presentation Currency

The Company has determined that its functional currency is the Philippine pesos, which is the currency of the primary economic environment in which the entity operates.

(b) *Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and contingencies are discussed in Note 2.6, and the relevant disclosure is presented in Note 9.

(c) *Impairment of Non-financial Assets*

PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets, specifically its input VAT, is discussed in detail in Note 2.4. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements 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.

Based on management's assessment, input VAT is fully recoverable; hence, no impairment loss was recognized in 2011, 2010 and 2009.

4. **ACCOUNTS PAYABLE AND ACCRUED EXPENSES**

The composition of this account as of December 31 is shown below:

	<u>2011</u>	<u>2010</u>
Accounts payable	P 572,852	P 601,831
Accrued professional fees	<u>120,000</u>	<u>120,000</u>
	<u>P 692,852</u>	<u>P 721,831</u>

Due to their short durations management considers the carrying amounts of Accounts Payable and Accrued Expenses recognized in the statements of financial position to be a reasonable approximation of their fair values.

5. **RELATED PARTY TRANSACTIONS**

5.1 Advances from Shareholders

On September 30, 2008, the Company's BOD approved the conversion of all of its outstanding advances from F. Yap Securities Inc. – In Trust for Various Clients (FYSI), a stockholder, and ZHI Holdings, Inc. (ZHIHI) as of that date totaling P2,240,600 (previously presented under Due to Related Parties account) to Deposits for Future Stock Subscriptions.

In addition, on the following dates, the BOD authorized the acceptance of additional cash infusions as follows:

<u>Date Authorized</u>	<u>Amount</u>	<u>Month Received</u>
December 29, 2011	P 550,000	December 2011
March 16, 2011	420,000	March 2011
January 10, 2011	280,000	January 2011
May 18, 2010	300,000	May 2010
December 18, 2009	350,000	December 2009
November 26, 2008	690,300	December 2008

The converted amount of advances from FYSI and ZHIHI and the additional cash infusions made by FYSI totaling P1,250,000 in 2011, P300,000 in 2010 and P350,000 in 2009, are shown as part of Deposits for Future Stock Subscriptions in the statements of financial position. The total cash infusion of P1,250,00 for 2011 was subsequently converted to Additional Paid-in Capital (see Note 7.2).

5.2 Key Management Personnel Compensation

In 2011, 2010 and 2009, there were no expenses recognized for employee benefits since the Company's finance and administrative activities are being handled by a third party (see Note 1.1).

6. INCOME TAXES

The Company is in tax loss position in 2011 and previous years. Accordingly, the Company has accumulated net operating loss carryover (NOLCO) which can be claimed as deduction from future taxable income within three years from the year the NOLCO was incurred.

The details of the Company's NOLCO as of December 31, 2011 and their respective availment periods are presented below:

<u>Year</u>	<u>Original Balance</u>	<u>Expired Balance</u>	<u>Remaining Balance</u>	<u>Valid Until</u>
2011	P 669,286	P -	P 669,286	2014
2010	663,023	-	663,023	2013
2009	621,550	-	621,550	2012
2008	<u>664,197</u>	<u>664,197</u>	<u>-</u>	2011
	<u>P 2,618,056</u>	<u>P 664,197</u>	<u>P 1,953,859</u>	

Management has assessed that the Company may not have enough future taxable income to enable it to utilize the benefits of the NOLCO within the prescribed periods. Hence, the related deferred tax assets amounting to P586,158 and P584,631 as of December 31, 2011 and 2010, respectively, have not been recognized in the financial statements.

For the years ended December 31, 2011, 2010, and 2009, the Company did not have minimum corporate income tax (equivalent to 2% of gross income, net of allowable deductions, as defined in the tax regulations) since the Company has no income in those years.

7. EQUITY

7.1 Capital Stock

On May 29, 1991, the Securities and Exchange Commission (SEC) issued an Order approving the Registration Statement covering the securities which comprised the Company's entire authorized capital stock. On July 15, 1991, the PSE approved the listing of the Company's shares. The Company offered to the public 25 million shares at an offer price of P2.20 per share.

On January 6, 1997, the SEC approved the increase of the Company's authorized capital stock from P1,000,000 to P3,000,000,000.

As of December 31, 2011, the Company had an outstanding capital stock of P2,733,463,907 covering 2,733,463,907 shares, all of which are listed in the PSE. There are 823 holders of the listed shares which closed at P0.75 per share on December 31, 2011.

The statements of changes in equity (capital deficiency) reflect the balance of Deposits for Future Stock Subscriptions account, comprising of advances received and additional cash infusion from stockholders, which are intended to be converted to capital stock. As of December 31, 2011, the Company has not yet filed the application for the conversion of the deposits for future stock subscriptions to capital stock with the SEC.

7.2 Additional Paid-in Capital

In its meeting on December 15, 2011, the Company's BOD approved the conversion of the Company's Deposits for Future Stock Subscriptions amounting to P1,250,000 into APIC of the Company, without the issuance of shares of stock from the unissued portion of its authorized capital stock.

8. LOSS PER SHARE

The basic loss per share is computed as follows:

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Net loss for the year	P 669,286	P 663,023	P 621,550
Divided by the weighted average number of issued and outstanding shares	<u>2,733,463.907</u>	<u>2,733,463.907</u>	<u>2,733,463.907</u>
Loss per share	<u>P 0.00024</u>	<u>P 0.00024</u>	<u>P 0.00023</u>

Diluted earnings per share were not determined since the Company does not have potential dilutive common shares in 2011, 2010 and 2009.

9. **COMMITMENTS AND CONTINGENCIES**

There are commitments and contingencies which are not reflected in the financial statements. As of December 31, 2011, management is of the opinion that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the Company's financial statements.

10. **OPERATING AGREEMENT WITH OLYMPIC**

Pursuant to the operating agreement with Olympic as mentioned in Note 1, which shall take effect for a period of 25 years from the date of issuance of MPSA, the Company, in consideration of the agreement, shall pay Olympic in the form of royalties in an amount equivalent to 3% of the Net Smelter Return on metal sales. Moreover, as additional consideration for Olympic's appointment of the Company as operator of the mining claims, the Company has entered into an additional agreement with Olympic for the issuance of the Company's shares of stock from its unissued capital in favor of Olympic in accordance with the following provisions:

- (a) Ten million (10,000,000) common shares shall be issued to Olympic within one month from the issuance of the MPSA;
- (b) Olympic shall have the option to subscribe at par, subject to applicable laws, to additional ten million (10,000,000) common shares within one year from the issuance of the MPSA; and
- (c) Olympic shall have the option to subscribe at par, subject to applicable laws, to one hundred million (100,000,000) common shares within five years from the issuance of the MPSA.

The above-mentioned agreements were unanimously passed and approved by the Company's BOD during a special meeting held on July 13, 2009 and ratified by the Company's stockholders representing 83.27% of the outstanding capital stock of the Company during the annual meeting of the stockholders held on November 5, 2009.

The Company can only operate the mining claims upon the approval of the APSA and issuance of the MPSA by the DENR. As of December 31, 2011, the MPSA has not yet been issued by the DENR.

11. **RISK MANAGEMENT OBJECTIVES AND POLICIES**

As of December 31, 2011, the Company is not exposed to any financial risks as it has no significant financial instruments.

11.1 Credit Risk

The Company's exposure to credit risk is limited to the amount of Cash as shown on the face of the statements of financial position. However, the credit risk for cash is considered negligible since the counterparty is a reputable bank with high quality external credit ratings.

11.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.

The Company's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and, (c) to be able to access funding when needed at the least possible cost. Funding for expenditures are advanced by the stockholders of the Company.

As of December 31, 2011 and 2010, the Company's maximum liquidity risk is the carrying amount of Accounts payable and Accrued Expenses.

12. CAPITAL MANAGEMENT OBJECTIVE, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern. As indicated in Note 1, the Company's management continues to assess possible investment opportunities and various options regarding operations that it may take in the future. The Company monitors capital on the basis of the carrying amount of equity (capital deficiency) as presented on the face of the statements of financial position.

To support its business plan, the Company has converted advances from related parties to deposits for future stock subscription and has received additional cash infusions which the Company intends to convert subsequently into capital stock.

13. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

Presented below is the supplementary information which is required by the Bureau of Internal Revenue (BIR) under its existing revenue regulations to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

13.1 Requirements Under Revenue Regulations (RR) 15-2010

The information on taxes, duties and license fees paid or accrued during the taxable year required under RR 15-2010 issued on November 25, 2010 are as follows:

(a) Output VAT

The Company has no Output VAT in 2011 as the Company has not yet started its commercial operations as of December 31, 2011.

(b) Input VAT

The movements in Input VAT are summarized below.

Balance at beginning of year	P	346,327
Services lodged under other accounts		63,173
Goods other than for resale or manufacture		<u>161</u>
Balance at end of year	P	<u>409,661</u>

(c) Taxes on Importation

The Company does not have any customs duties and tariff fees paid in 2011 since it did not engage in any importation activities during the year.

(d) Excise Taxes

The Company does not have any transactions in 2011 which are subject to excise tax.

(e) Documentary Stamp Tax

The Company did not incur any documentary stamp tax in 2011 as it did not execute any documents, instruments, loan agreements and papers evidencing the acceptance, assignment, sale or transfer of an obligation, and any right or property during the year.

(f) Taxes and Licenses

The details of Taxes and Licenses account are shown below.

PSE listing fee	P	250,000
Business tax		12,740
Annual registration		500
Miscellaneous		<u>1,600</u>
	P	<u>264,840</u>

(g) Withholding Taxes

The tax withheld and remitted for the year ended December 31, 2011 amounted to P13,068, which only pertains to expanded withholding tax.

(h) Deficiency Tax Assessment and Tax Cases

As of December 31, 2011, the Company does not have any final deficiency tax assessments with the BIR or tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open years.

13.2 Requirements Under RR 19-2011

On December 9, 2011, the BIR issued RR 19-2011 which prescribes the new form that will be used for income tax filing covering and starting with periods ending December 31, 2011 and onwards. This recent RR requires schedules of taxable revenues and other non-operating income, costs of sales and services, and itemized deductions, to be disclosed in the notes to financial statements.

The amounts of taxable revenues and income, and deductible costs and expenses presented below are based on relevant tax regulations issued by the BIR, hence, may not be the same as the amounts reflected in the 2011 statement of comprehensive income.

(a) Taxable Revenues

The Company does not have taxable revenues in 2011.

(b) Deductible Cost of Sales and Services

The Company does not have deductible cost of sales and services in 2011.

(c) Taxable Non-Operating and Other Income

The Company has does not have taxable non-operating and other income in 2011.

(d) Itemized Deductions

The amounts of itemized deductions for the year ended December 31, 2011 are as follows:

Taxes and licenses	P	264,840
Professional fees		204,000
Photocopying and reproduction		86,089
Other outside services		31,533
Communication, light and water		25,856
Advertising		12,294
Rental		5,900
Office supplies		2,045
Transportation and travel		1,059
Insurance		1,014
Miscellaneous		<u>34,656</u>
	P	<u>669,286</u>

**Report of Independent Auditors
to Accompany Supplementary Information
Required by the Securities and Exchange
Commission Filed Separately from the
Basic Financial Statements**

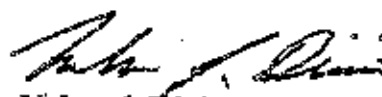
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**The Board of Directors and Stockholders
Zeus Holdings, Inc.
20th Floor, LKG Tower
6801 Ayala Avenue
Makati City**

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Zeus Holdings, Inc. for the year ended December 31, 2011, on which we have rendered our report dated March 15, 2012. Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) are presented for purposes of additional analysis in compliance with the requirements of Securities Regulation Code Rule 68, and are not a required part of the basic financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO


By: **Nelson J. Dinio**
Partner

CPA Reg. No. 0097048
TIN 201-771-632
PTR No. 3174906, January 2, 2012, Makati City
SEC Group A Accreditation
Partner - No. 1036-A (until Sept. 29, 2013)
Firm - No. 0002-FR-3 (until Jan. 18, 2015)
BIR AN 08-002511-32-2011 (until Feb. 3, 2014)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2012)

March 15, 2012

Zeus Holdings, Inc.
List of Supplementary Information
December 31, 2011

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	Held-to-maturity Investments	*
	Available-for-sale Financial Assets	*
B	Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)	*
C	Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements	*
D	Intangible Assets - Other Assets	*
E	Long-term Debt	*
F	Indebtedness to Related Parties	*
G	Guarantor of Securities of Other Issuers	*
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Other Required Information		
	Summary of Philippine Financial Reporting Standards Effective as of December 31, 2011	2

* These schedules and supplementary information are not included as these are not applicable to the Company.

Zeus Holdings, Inc.
 SEC Released - Unaudited SEC Report
 Form 10-K
 Schedule VI
 Capital Stock

Date of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under caption Balance Sheet caption	Number of shares reserved for options, warrants, convertible and other rights	Number of shares held by related parties	Director, officers and employees	Others
Issued Shares - \$1 per share	1,000,000,000	2,231,101,007	-	239,372,228	-	2,001,036,879

Standards and Interpretations	Adoption	Remarks
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Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)

IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	Not Applicable	
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments	Not Applicable	
IFRIC 4	Determining Whether an Arrangement Contains a Lease	Adopted	
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Not Applicable	
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Not Applicable	
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies	Not Applicable	
IFRIC 9	Reassessment of Embedded Derivatives	Not Applicable	
IFRIC 10	Interim Financial Reporting and Impairment	Adopted	
IFRIC 12	Service Concession Arrangements	Not Applicable	
IFRIC 13	Customer Loyalty Programmes	Not Applicable	
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Not Applicable	
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	Not Applicable	
IFRIC 17	Distributions of Non-cash Assets to Owners	Not Applicable	
IFRIC 18	Transfers of Assets from Customers	Not Applicable	
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	Adopted	

Philippine Interpretations - Standing Interpretations Committee (SIC)

SIC 7	Introduction of the Euro	Not Applicable	
SIC 10	Government Assistance - No Specific Relation to Operating Activities	Not Applicable	
SIC 12	Consolidation - Special Purpose Entities	Not Applicable	
SIC 13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers	Not Applicable	
SIC 15	Operating Leases - Incentives	Adopted	
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets	Not Applicable	
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	Not Applicable	
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Adopted	
SIC 29	Service Concession Arrangements: Disclosures	Not Applicable	
SIC 31	Revenue - Barter Transactions Involving Advertising Services	Not Applicable	
SIC 32	Intangible Assets - Web Site Costs	Not Applicable	

Schedule of Philippine Financial Reporting Standards
Effective as of December 31, 2011

Standards and Interpretations	Adoption	Remarks
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Philippine Financial Reporting Standards (PFRS)

PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	Adopted	
PFRS 2	Share-based Payment	Not Applicable	
PFRS 3	Business Combinations	Not Applicable	
PFRS 4	Insurance Contracts	Not Applicable	
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable	
PFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable	
PFRS 7	Financial Instruments: Disclosures	Adopted	
PFRS 8	Operating Segments	Adopted	The Company has no operating segments.

Philippine Accounting Standards (PAS)

PAS 1	Presentation of Financial Statements	Adopted	
PAS 2	Inventories	Not Applicable	
PAS 7	Statement of Cash Flows	Adopted	
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted	
PAS 10	Events after the Reporting Period	Adopted	
PAS 11	Construction Contracts	Not Applicable	
PAS 12	Income Taxes	Adopted	
PAS 16	Property, Plant and Equipment	Not Applicable	The Company has no property and equipment.
PAS 17	Leases	Adopted	
PAS 18	Revenue	Adopted	
PAS 19	Employee Benefits	Not Applicable	The Company does not have any employees.
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not Applicable	
PAS 21	The Effects of Changes in Foreign Exchange Rates	Adopted	
PAS 23	Borrowing Costs	Not Applicable	
PAS 24	Related Party Disclosures	Adopted	
PAS 26	Accounting and Reporting by Retirement Benefit Plans	Not Applicable	
PAS 27	Consolidated and Separate Financial Statements	Not Applicable	
PAS 28	Investments in Associates	Not Applicable	
PAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable	
PAS 31	Interests in Joint Ventures	Not Applicable	
PAS 32	Financial Instruments: Presentation	Adopted	
PAS 33	Earnings per Share	Adopted	
PAS 34	Interim Financial Reporting	Adopted	
PAS 36	Impairment of Assets	Adopted	
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	Adopted	
PAS 38	Intangible Assets	Not Applicable	
PAS 39	Financial Instruments: Recognition and Measurement	Adopted	
PAS 40	Investment Property	Not Applicable	
PAS 41	Agriculture	Not Applicable	

Zeus Holdings, Inc.
Schedule of Financial Indicators
December 31, 2011 and 2010

	<u>*2011</u>	<u>2010</u>
Liquidity Ratio ¹	139.3%	57.3%
Debt to Equity Ratio ²	254.2%	-234.3%
Asset to Equity Ratio ³	354.2%	-134.3%
Return on Assets ⁴	-97.1%	-113.9%
Return on Equity ⁵	3763.6%	523.6%
Cost to Income Ratio ⁶	na	na

¹ *Current Assets over Current Liability*

² *Total Liability over Equity*

³ *Total Assets over Equity*

⁴ *Net Income over Average Assets*

⁵ *Net Income over Average Equity*

⁶ *Cost and expenses over Revenues*

ZEUS HOLDINGS, INC.
20th Floor LKG Tower, 680 Ayala Avenue, Makati City



CERTIFICATION

I, Ronald P. Sugapong, of legal age, Filipino and with office address at 20th Floor LKG Tower, 6801 Ayala Avenue, Makati City, after being sworn in accordance with law, hereby certify that:


1. I am the Treasurer of Zeus Holdings, Inc., a corporation duly and existing under and by virtue of the laws of the Republic of the Philippines under SEC Certificate of Registration No. 102415 with principal office address at 20th Floor LKG Tower, 6801 Ayala Avenue, Makati City.
2. The Special Form for Financial Statements of Publicly Held and Investment Companies diskette submitted herein has the basic and material data in the audited financial statements.
3. I am executing this certification to attest to the truth of the foregoing and in compliance with the reportorial requirements of the Securities and Exchange Commission.

Done this 10th day of April, 2012 in Makati City.


RONALD P. SUGAPONG
Treasurer

Subscribed and sworn to before me this APR 10 2012 day of April, 2012, affiant exhibiting to me his Passport No. XX1614462 issued on 15 July 2008 at Manila.

Doc. No. 47
Page No. 29
Book No. XIV
Series of 2012.


ATTY. GERARDO B. ORTIZ JR.
NOTARY PUBLIC FOR MAKATI CITY
UNTIL DECEMBER 31, 2012
POLL. OF ATTORNEY NO. 49091
MC. NO. 0000000000 NO. 016014232
EXP. NO. 0000000000 LIFETIME MEMBER
PER NO. 0000000000 3, 2012 MAKATI CITY

NAME OF CORPORATION: ZEUS HOLDINGS, INC.
 CURRENT ADDRESS: 20th Floor LKG Tower, 8801 Ayala Avenue, Makati City
 TEL NO.: 884-1108
 COMPANY TYPE: Holding Company

FAX NO.: 884-1109

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2011 (in P'000)	2010 (in P'000)
A. ASSETS (A.1 + A.2 + A.3 + A.4 + A.5 + A.6 + A.7 + A.8 + A.9 + A.10)			
A.1 Current Assets (A.1.1 + A.1.2 + A.1.3 + A.1.4 + A.1.5)		955	441
A.1.1 Cash and cash equivalents (A.1.1.1 + A.1.1.2 + A.1.1.3)		558	67
A.1.1.1 On hand		558	67
A.1.1.2 In domestic banks/entities			
A.1.1.3 In foreign banks/entities		558	67
A.1.2 Trade and Other Receivables (A.1.2.1 + A.1.2.2)			
A.1.2.1 Due from domestic entities (A.1.2.1.1 + A.1.2.1.2 + A.1.2.1.3 + A.1.2.1.4)			
A.1.2.1.1 Due from customers (trade)			
A.1.2.1.2 Due from related parties			
A.1.2.1.3 Others, specify (A.1.2.1.3.1 + A.1.2.1.3.2)			
A.1.2.1.3.1			
A.1.2.1.3.2			
A.1.2.1.4 Allowance for doubtful accounts (negative entry)			
A.1.2.2 Due from foreign entities, specify			
(A.1.2.2.1 + A.1.2.2.2 + A.1.2.2.3 + A.1.2.2.4)			
A.1.2.2.1			
A.1.2.2.2			
A.1.2.2.3			
A.1.2.2.4 Allowance for doubtful accounts (negative entry)			
A.1.3 Inventories (A.1.3.1 + A.1.3.2 + A.1.3.3 + A.1.3.4 + A.1.3.5 + A.1.3.6)			
A.1.3.1 Raw materials and supplies			
A.1.3.2 Goods in process (including unfinished goods, growing crops, unfinished seeds)			
A.1.3.3 Finished goods			
A.1.3.4 Merchandise/Goods in transit			
A.1.3.5 Unbilled Services (in case of service providers)			
A.1.3.6 Others, specify (A.1.3.6.1 + A.1.3.6.2)			
A.1.3.6.1			
A.1.3.6.2			
A.1.4 Financial Assets other than Cash/Receivables/Equity Investments (A.1.4.1 + A.1.4.2 + A.1.4.3 + A.1.4.4 + A.1.4.5 + A.1.4.6)			
A.1.4.1 Financial Assets at Fair Value through Profit or Loss - issued by domestic entities:			
(A.1.4.1.1 + A.1.4.1.2 + A.1.4.1.3 + A.1.4.1.4 + A.1.4.1.5)			
A.1.4.1.1 National Government			
A.1.4.1.2 Public Financial Institutions			
A.1.4.1.3 Public Non-Financial Institutions			
A.1.4.1.4 Private Financial Institutions			
A.1.4.1.5 Private Non-Financial Institutions			
A.1.4.2 Held to Maturity Investments - issued by domestic entities:			
(A.1.4.2.1 + A.1.4.2.2 + A.1.4.2.3 + A.1.4.2.4 + A.1.4.2.5)			
A.1.4.2.1 National Government			
A.1.4.2.2 Public Financial Institutions			
A.1.4.2.3 Public Non-Financial Institutions			
A.1.4.2.4 Private Financial Institutions			
A.1.4.2.5 Private Non-Financial Institutions			

NOTE:

This special form is applicable to Investment Companies and Publicly-held Companies (enumerated in Section 17.2 of the Securities Regulation Code (SRC), except banks and insurance companies). As a supplemental form to PHFS, it shall be used for reporting Consolidated Financial Statements of Parent corporations and their subsidiaries.

Domestic corporations are those which are incorporated under Philippine laws or branches/subsidiaries of foreign corporations that are licensed to do business in the Philippines where the center of economic interest or activity is within the Philippines. On the other hand, foreign corporations are those that are incorporated abroad, including branches of Philippine corporations operating abroad.

Financial Institutions are corporations principally engaged in financial intermediation, facilitating financial intermediation, or auxiliary financial services. Non-Financial Institutions refer to corporations that are primarily engaged in the production of market goods and non-financial services.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION:

ZEE'S HOLDINGS, INC.

CURRENT ADDRESS:

20th Floor LKS Tower, 6801 Ayala Avenue, Makati City

TEL NO.: 884-1106

FAX NO.: 884-1403

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2011 (in P'000)	2010 (in P'000)
A.1.4.3 Loans and Receivables - issued by domestic entities: (A.1.4.3.1 + A.1.4.3.2 + A.1.4.3.3 + A.1.4.3.4 + A.1.4.3.5)			
A.1.4.3.1 National Government			
A.1.4.3.2 Public Financial Institutions			
A.1.4.3.3 Public Non-Financial Institutions			
A.1.4.3.4 Private Financial Institutions			
A.1.4.3.5 Private Non-Financial Institutions			
A.1.4.4 Available-for-sale financial assets - issued by domestic entities: (A.1.4.4.1 + A.1.4.4.2 + A.1.4.4.3 + A.1.4.4.4 + A.1.4.4.5)			
A.1.4.4.1 National Government			
A.1.4.4.2 Public Financial Institutions			
A.1.4.4.3 Public Non-Financial Institutions			
A.1.4.4.4 Private Financial Institutions			
A.1.4.4.5 Private Non-Financial Institutions			
A.1.4.5 Financial Assets issued by foreign entities: (A.1.4.5.1 + A.1.4.5.2 + A.1.4.5.3 + A.1.4.5.4)			
A.1.4.5.1 Financial Assets at fair value through profit or loss			
A.1.4.5.2 Held-to-maturity investments			
A.1.4.5.3 Loans and Receivables			
A.1.4.5.4 Available-for-sale financial assets			
A.1.4.6 Allowance for decline in market value (negative entry)			
A.1.5 Other Current Assets (state separately material items) (A.1.5.1 + A.1.5.2 + A.1.5.3)			
A.1.5.1 Prepaid Insurance		410	346
A.1.5.2 Input tax			
A.1.5.3		410	346
A.2 Property, plant, and equipment (A.2.1 + A.2.2 + A.2.3 + A.2.4 + A.2.5 + A.2.6 + A.2.7 + A.2.8)			
A.2.1 Land			
A.2.2 Building and improvements (including leasehold improvement)			
A.2.3 Machinery and equipment (on hand and in transit)			
A.2.4 Transportation/motor vehicles, automotive equipment, autos and trucks, and delivery equipment			
A.2.5 Others, specify: (A.2.5.1 + A.2.5.2 + A.2.5.3 + A.2.5.4 + A.2.5.5)			
A.2.5.1			
A.2.5.2			
A.2.5.3			
A.2.5.4			
A.2.5.5			
A.2.6 Appraisal increase, specify (A.2.6.1 + A.2.6.2 + A.2.6.3 + A.2.6.4 + A.2.6.5)			
A.2.6.1			
A.2.6.2			
A.2.6.3			
A.2.6.4			
A.2.6.5			
A.2.7 Accumulated Depreciation (negative entry)			
A.2.8 Impairment Loss or Reversal (if loss, negative entry)			
A.3 Investments accounted for using the equity method (A.3.1 + A.3.2 + A.3.3 + A.3.4)			
A.3.1 Equity in domestic subsidiaries/affiliates			
A.3.2 Equity in foreign branches/subsidiaries/affiliates			
A.3.3 Others, specify (A.3.3.1 + A.3.3.2 + A.3.3.3 + A.3.3.4 + A.3.3.5)			
A.3.3.1			
A.3.3.2			
A.3.3.3			
A.3.3.4			
A.3.3.5			
A.4 Investment Property			
A.5 Biological Assets			
A.6 Intangible Assets			
A.6.1 Major items, specify (A.6.1.1 + A.6.1.2)			
A.6.1.1			
A.6.1.2			
A.6.2 Others, specify (A.6.2.1 + A.6.2.2)			
A.6.2.1			
A.6.2.2			
A.7 Assets Classified as Held for Sale			
A.8 Assets included in Disposal Groups Classified as Held for Sale			

SPECIAL FORM FOR CONSOLIDATED FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: ZSUS HOLDINGS, INC.

CURRENT ADDRESS: 20th Floor LKG Tower, 801 Ayala Avenue, Makati City

TEL NO.: 884-1105

FAX NO.: 884-1409

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA	2011 (in P100)	2010 (in P100)
A.9 Long-term receivables (net of current portion) (A.9.1 + A.9.2 + A.9.3)		
A.9.1 From domestic entities, specify (A.9.1.1 + A.9.1.2 + A.9.1.3)		
A.9.1.1		
A.9.1.2		
A.9.1.3		
A.9.2 From foreign entities, specify (A.9.2.1 + A.9.2.2 + A.9.2.3)		
A.9.2.1		
A.9.2.2		
A.9.2.3		
A.9.3 Allowance for doubtful accounts, net of current portion (negative entry)		
A.10 Other Assets (A.10.1 + A.10.2 + A.10.3 + A.10.4 + A.10.5)		
A.10.1 Deferred charges - net of amortization		
A.10.2 Deferred Income Tax		
A.10.3 Advances/Miscellaneous deposits		
A.10.4 Others, specify (A.10.4.1 + A.10.4.2 + A.10.4.3 + A.10.4.4 + A.10.4.5)		
A.10.4.1		
A.10.4.2		
A.10.4.3		
A.10.4.4		
A.10.4.5		
A.10.5 Allowance for write-down of deferred charges (net of current portion) (negative entry)		
B. LIABILITIES (B.1 + B.2 + B.3 + B.4 + B.5)		
B.1 Current Liabilities (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5 + B.1.6 + B.1.7)	693	722
B.1.1 Trade and Other Payables to Domestic Entities	693	722
(B.1.1.1 + B.1.1.2 + B.1.1.3 + B.1.1.4 + B.1.1.5 + B.1.1.6)	693	722
B.1.1.1 Loans/Notes Payable		
B.1.1.2 Trade Payables		
B.1.1.3 Payables to Related Parties	573	801
B.1.1.4 Advances from Directors, Officers, Employees and Principal Stockholders		
B.1.1.5 Accruals, specify material items (B.1.1.5.1 + B.1.1.5.2 + B.1.1.5.3)		
B.1.1.5.1 Audit fee	120	120
B.1.1.5.2	120	120
B.1.1.5.3		
B.1.1.6 Others, specify (B.1.1.6.1 + B.1.1.6.2 + B.1.1.6.3)		
B.1.1.6.1 Other accounts payable		
B.1.1.6.2		
B.1.1.6.3		
B.1.2 Trade and Other Payables to Foreign Entities (specify) (B.1.2.1 + B.1.2.2 + B.1.2.3)		
B.1.2.1		
B.1.2.2		
B.1.2.3		
B.1.3 Provisions		
B.1.4 Financial Liabilities (excluding Trade and Other Payables and Provisions)		
(B.1.4.1 + B.1.4.2 + B.1.4.3 + B.1.4.4 + B.1.4.5)		
B.1.4.1		
B.1.4.2		
B.1.4.3		
B.1.4.4		
B.1.4.5		
B.1.5 Liabilities for Current Tax		
B.1.6 Deferred Tax Liabilities		
B.1.7 Others, specify (if material, state separately; indicate if the item is payable to public/private or financial/non-financial institutions) (B.1.7.1 + B.1.7.2 + B.1.7.3 + B.1.7.4 + B.1.7.5 + B.1.7.6)		
B.1.7.1 Dividends declared and not paid at balance sheet date		
B.1.7.2 Accruals Payable		
B.1.7.3 Liabilities under Trust Agreements		
B.1.7.4 Provision of Long-term Debt Due within one year		
B.1.7.5 Deferred Income		
B.1.7.6 Any other current liability in excess of 5% of Total Current Liabilities, specify:		
B.1.7.6.1		
B.1.7.6.2		
B.1.7.6.3		

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: ZEUS HOLDINGS, INC.

CURRENT ADDRESS: 20th Floor LRG Tower, 8801 Ayala Avenue, Manila City

TEL. NO.: 884-1105

FAX. NO.: 884-1405

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 1. Balance Sheet

FINANCIAL DATA		2011 (in P'000)	2010 (in P'000)
B.2 Long-term Debt - Non-current Interest-bearing Liabilities (B.2.1 + B.2.2 + B.2.3 + B.2.4 + B.2.5)			
B.2.1 Domestic Public Financial Institutions			
B.2.2 Domestic Public Non-Financial Institutions			
B.2.3 Domestic Private Financial Institutions			
B.2.4 Domestic Private Non-Financial Institutions			
B.2.5 Foreign Financial Institutions			
B.3 Indebtedness to Affiliates and Related Parties (Non-Current)			
B.4 Liabilities Included in the Disposal Groups Classified as Held for Sale			
B.5 Other Liabilities (B.5.1 + B.5.2)			
B.5.1 Deferred Tax			
B.5.2 Others, specify (B.5.2.1 + B.5.2.2 + B.5.2.3 + B.5.2.4 + B.5.2.5)			
B.5.2.1			
B.5.2.2			
B.5.2.3			
B.5.2.4			
B.5.2.5			
C. EQUITY (C.1 + C.2 + C.3 + C.4 + C.5 + C.6 + C.7 + C.8 + C.9 + C.10)		273	(308)
C.1 Authorized Capital Stock (no. of shares, par value and total value; show details) (C.1.1 + C.1.2 + C.1.3)			
C.1.1 Common shares			
C.1.2 Preferred Shares		3,000,000	3,000,000
C.1.3 Others			
C.2 Subscribed Capital Stock (no. of shares, par value and total value) (C.2.1 + C.2.2 + C.2.3)			
C.2.1 Common shares			
C.2.2 Preferred Shares			
C.2.3 Others			
C.3 Paid-up Capital Stock (C.3.1 + C.3.2)			
C.3.1 Common shares		2,733,464	2,733,464
C.3.2 Preferred Shares		2,733,464	2,733,464
C.4 Additional Paid-in Capital / Capital in excess of par value / Paid-in Surplus		34,644	33,384
C.5 Minority Interest			
C.6 Others, specify (C.6.1 + C.6.2 + C.6.3)			
C.6.1 Deposit for future subscription		3,581	3,581
C.6.2		3,581	3,581
C.6.3			
C.7 Appraisal Surplus/Revaluation Increment in Property/Revaluation Surplus			
C.8 Retained Earnings (C.8.1 + C.8.2)			
C.8.1 Appropriated		(2,771,818)	(2,770,747)
C.8.2 Unappropriated		(2,771,438)	(2,770,747)
C.9 Head / Home Office Amount (for Foreign Branches only)			
C.10 Cost of Stocks Held in Treasury (negative entry)			
TOTAL LIABILITIES AND EQUITY (B + C)		985	414

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: ZEUS HOLDINGS, INC.

CURRENT ADDRESS: 20th Floor LKG Tower, 5801 Ayala Avenue, Makati City

TEL. NO.: 884-1106

FAX NO.: 884-1409

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)	2009 (in P'000)
A. REVENUE / INCOME (A.1 + A.2 + A.3 + A.4)			
A.1 Net Sales or Revenue / Receipts from Operations (manufacturing, mining, utilities, trade, services, etc.) (from Primary Activity)	-	-	-
A.2 Share in the Profit or Loss of Associates and Joint Ventures accounted for	-	-	-
A.3 Other Revenue (A.3.1 + A.3.2 + A.3.3 + A.3.4 + A.3.5)	-	-	-
A.3.1 Rental Income from Land and Buildings	-	-	-
A.3.2 Receipts from Sale of Merchandise (trading) (from Secondary Activity)	-	-	-
A.3.3 Sale of Real Estate or other Property and Equipment	-	-	-
A.3.4 Royalties, Franchise Fees, Copyrights (books, films, records, etc.)	-	-	-
A.3.5 Others, specify (A.3.5.1 + A.3.5.2 + A.3.5.3 + A.3.5.4 + A.3.5.5 + A.3.5.6 + A.3.5.7 + A.3.5.8)	-	-	-
A.3.5.1	-	-	-
A.3.5.2	-	-	-
A.3.5.3	-	-	-
A.3.5.4	-	-	-
A.3.5.5	-	-	-
A.3.5.6	-	-	-
A.3.5.7	-	-	-
A.3.5.8	-	-	-
A.4 Other Income (non-operating) (A.4.1 + A.4.2 + A.4.3 + A.4.4)	-	-	-
A.4.1 Interest Income	-	-	-
A.4.2 Dividend Income	-	-	-
A.4.3 Gain / (Loss) from selling of Assets, specify (A.4.3.1 + A.4.3.2 + A.4.3.3 + A.4.3.4)	-	-	-
A.4.3.1	-	-	-
A.4.3.2	-	-	-
A.4.3.3	-	-	-
A.4.3.4	-	-	-
A.4.4 Others, specify (A.4.4.1 + A.4.4.2 + A.4.4.3 + A.4.4.4)	-	-	-
A.4.4.1	-	-	-
A.4.4.2	-	-	-
A.4.4.3	-	-	-
A.4.4.4	-	-	-
B. COST OF GOODS SOLD (B.1 + B.2 + B.3)			
B.1 Cost of Goods Manufactured (B.1.1 + B.1.2 + B.1.3 + B.1.4 + B.1.5)	-	-	-
B.1.1 Direct Material Used	-	-	-
B.1.2 Direct Labor	-	-	-
B.1.3 Other Manufacturing Cost / Overhead	-	-	-
B.1.4 Goods in Process, Beginning	-	-	-
B.1.5 Goods in Process, End (negative entry)	-	-	-
B.2 Finished Goods, Beginning	-	-	-
B.3 Finished Goods, End (negative entry)	-	-	-
C. COST OF SALES (C.1 + C.2 + C.3)			
C.1 Purchases	-	-	-
C.2 Merchandise Inventory, Beginning	-	-	-
C.3 Merchandise Inventory, End (negative entry)	-	-	-
D. GROSS PROFIT (A - B - C)	-	-	-

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2005), for fiscal years ending December 31, 2005 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparative shall resume for year end reports beginning December 31, 2006 and onwards.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: ZEUS HOLDINGS, INC.

CURRENT ADDRESS: 20th Floor LKG Tower, 6801 Ayala Avenue, Naha City

TEL NO.: 884-1106

FAX NO.: 884-1409

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 2. Income Statement

FINANCIAL DATA		2011 (in P000)	2010 (in P000)	2009 (in P000)
E. OPERATING EXPENSES (E.1 + E.2 + E.3 + E.4)		669	663	622
E.1	Selling or Marketing Expenses			-
E.2	Administrative Expenses			-
E.3	General Expenses	669	663	622
E.4	Other Expenses, specify (E.4.1 + E.4.2 + E.4.3 + E.4.4 + E.4.5 + E.4.6 + E.4.7 + E.4.8 + E.4.9 + E.4.10)			-
E.4.1	Education-related expenditures			
E.4.2				
E.4.3				
E.4.4				
E.4.5				
E.4.6				
E.4.7				
E.4.8				
E.4.9				
E.4.10				
F. FINANCE COSTS (F.1 + F.2 + F.3 + F.4 + F.5)				
F.1	Interest on Short-Term Promissory Notes			-
F.2	Interest on Long-Term Promissory Notes			-
F.3	Interest on bonds, mortgages and other long-term loans			-
F.4	Amortization			-
F.5	Other interests, specify (F.5.1 + F.5.2 + F.5.3 + F.5.4 + F.5.5)			-
F.5.1				-
F.5.2				-
F.5.3				-
F.5.4				-
F.5.5				-
G. NET INCOME (LOSS) BEFORE TAX (D - E - F)		(669)	(663)	(622)
H. INCOME TAX EXPENSE (negative entry)				
I. INCOME (LOSS) AFTER TAX		(669)	(663)	(622)
J. Amount of (i) Post-Tax Profit or Loss of Discontinued Operations; and (ii) Post-Tax Gain or Loss Recognized on the Measurement of Fair Value Less Cost to Sell or on the Disposal of the Assets or Disposal Group(s) constituting the Discontinued Operation (if any)				
J.1				
J.2				
K. PROFIT OR LOSS ATTRIBUTABLE TO MINORITY INTEREST				
L. PROFIT OR LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT				
M. EARNINGS (LOSS) PER SHARE				
M.1	Basic	(0.00024)	(0.00024)	(0.00023)
M.2	Diluted			

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: ZEUS HOLDINGS, INC.

CURRENT ADDRESS: 20th Floor LKG Tower, 6801 Ayala Avenue, Makati City

TEL. NO.: 884-1105

FAX NO.: 884-1439

COMPANY TYPE: Holding Company

PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table J. Cash Flow Statements

FINANCIAL DATA	2011 (in P'000)	2010 (in P'000)	2009 (in P'000)
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) Before Tax and Extraordinary Items			
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities	(655)	(583)	(622)
Depreciation			
Amortization, specific			
Others, specify:			
Write-down of Property, Plant, and Equipment			
Changes in Assets and Liabilities:			
Decreases (Increase) in:			
Receivables			
Inventories			
Other Current Assets			
Others, specify:	(83)	(59)	(53)
Increase (Decrease) in:			
Trade and Other Payables	(25)	26	14
Income and Other Taxes Payable			
Others, specify:			
A. Net Cash Provided by (Used in) Operating Activities (sum of above rows)	(733)	(617)	(661)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) Decrease in Amounts owed by related parties			
(Increase) Decrease in Other noncurrent assets			
Reductions (Additions) to Property, Plant, and Equipment			
Others, specify:			
B. Net Cash Provided by (Used in) Investing Activities (sum of above rows)			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loans			
Long-term Debt			
Issuance of Securities			
Others, specify:			
Deposit for future subscriptions received	1,280	300	250
Payments of:			
(Loans)			
(Long-term Debt)			
(Stock Subscriptions)			
Others, specify (negative entry):			
C. Net Cash Provided by (Used in) Financing Activities (sum of above rows)	1,280	300	250
NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	488	(317)	(413)
Cash and Cash Equivalents			
Beginning of year	57	463	776
End of year	565	146	363

NOTE: Pursuant to SRC Rule 68.1 (as amended in Nov. 2003), for fiscal years ending December 31, 2009 up to November 30, 2006, a comparative format of only two (2) years may be filed to give temporary relief for covered companies as the more complex PFRSs will be applied for the first time in these year end periods. After these first time applications, the requirement of three (3) year comparatives shall resume for year end reports beginning December 31, 2006 and onwards.

SPECIAL FORM FOR FINANCIAL STATEMENTS OF PUBLICLY-HELD AND INVESTMENT COMPANIES

NAME OF CORPORATION: ZEUS HOLDINGS, INC.
CURRENT ADDRESS: 10th Floor LKG Tower, 6501 Ayala Avenue, Makati City
TEL NO.: 834-1108 FAX NO.: 834-1109
COMPANY TYPE: Holding Company PSIC:

If these are based on consolidated financial statements, please so indicate in the caption.

Table 4. Statement of Changes in Equity

FINANCIAL DATA	(Amount in P'000)					
	Capital Stock	Additional Paid-in Capital	Deposit for future stock subscription	Translation Differences	Retained Earnings	TOTAL
A. Balance, 2009	2,733,164	33,394	3,281	-	(2,733,084)	55
A.1 Correction of Error (s)						-
A.2 Changes in Accounting Policy						-
B. Restated Balance	2,733,164	33,394	3,281	-	(2,733,084)	55
C. Surplus						-
C.1 Surplus (Deficit) on Revaluation of						-
C.2 Surplus (Deficit) on Revaluation of						-
C.3 Currency Translation Differences						-
C.4 Other Surplus (specify)						-
C.4.1 Deposit for future subscription			300			300
C.4.2						-
C.4.3						-
C.4.4						-
C.4.5						-
D. Net Income (Loss) for the Period						-
E. Dividends (negative entry)					(561)	(561)
F. Appropriation for (specify)						-
F.1						-
F.2						-
F.3						-
F.4						-
F.5						-
G. Issuance of Capital Stock						-
G.1 Common Stock						-
G.2 Preferred Stock						-
G.3 Others						-
H. Balance, 2010	2,733,464	33,394	3,581	-	(2,770,747)	(305)
H.1 Correction of Error (s)						-
H.2 Changes in Accounting Policy						-
I. Restated Balance	2,733,464	33,394	3,581	-	(2,770,747)	(305)
J. Surplus						-
J.1 Surplus (Deficit) on Revaluation of						-
J.2 Surplus (Deficit) on Revaluation of						-
J.3 Currency Translation Differences						-
J.4 Other Surplus (specify)						-
J.4.1 Additional paid-in capital		1,250				1,250
J.4.2						-
J.4.3						-
J.4.4						-
J.4.5						-
K. Net Income (Loss) for the Period						-
L. Dividends (negative entry)					(669)	(669)
M. Appropriation for (specify)						-
M.1						-
M.2						-
M.3						-
M.4						-
M.5						-
N. Issuance of Capital Stock						-
N.1 Common Stock						-
N.2 Preferred Stock						-
N.3 Others						-
O. Balance, 2011	2,733,464	34,344	3,581	-	(2,771,418)	271



108142012001244

**SECURITIES AND EXCHANGE COMMISSION**

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Company Information

SEC Registration No. 0000102415
Company Name ZEUS HOLDINGS INC.
Industry Classification
Company Type Stock Corporation

Document Information

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Document Code 17-Q
Period Covered June 30, 2012
No. of Days Late 0
Department CFD
Remarks

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 **30 June 2012**
2. Commission identification number **102415** 3. BIR Tax Identification No **000-056-514**

ZEUS HOLDINGS, INC.

4. Exact name of issuer as specified in its charter

Metro Manila, Philippines

5. Province, country or other jurisdiction of incorporation or organization

6. Industry Classification Code: **[REDACTED]** (SEC Use Only)

20/F, LKG Tower, 8801 Ayala Avenue, Makati City

7. Address of issuer's principal office

1226

Postal Code

(632) 884-1106

8. Issuer's telephone number, including area code

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 (as of 30 June 2012)

Title of each Class

**Number of shares of common
stock outstanding and amount
of debt outstanding**

Common

2,733,463,967

Outstanding Loans

nil

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

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.

(Please see attached unaudited financial statements)

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

As of 30 June 2012, total assets stood at P502,377, which is 47.86% lower from 31 December 2011. The decrease is attributable to a 91.71% reduction in cash, primarily due to payment of audit fee and operating expenses, cushioned by an 11.39% increase in input value-added tax on audit and listing fees.

During the quarter, the Company recorded a net loss of P44,380 compared to last year's P42,286. The minimal increase is due to the difference in the timing of the recording of taxes and expenses for licenses during the quarter. On the year to date, the Company posted a net loss of P334,227 compared to P337,240 last year.

The top 5 performance indicators of the Company are as follows:

Ratios	Formula	31-March-12	30-June-11	31-Dec-11
Current Ratio	Current assets/ Current liabilities	0.89:1 502,377 / 564,030	1.09:1 816,624 / 562,004	1.39:1 965,426 / 692,852
Debt to Equity Ratio	Total liabilities/ Stockholders' equity	-9.15:1 564,030 / (61,653)	10.29:1 562,004 / 54,620	2.54:1 692,852 / 272,574
Capital Adequacy Ratio	Stockholders' equity/ Total assets	-0.12:1 (61,653) / 502,377	0.088:1 54,620 / 616,624	0.28:1 272,574 / 965,426
Book value per share	Stockholders' equity/ Total # of shares	-0.00002 (61,653) / 2,733,463,907	0.000019 54,620 / 2,733,463,907	0.00010 272,574 / 2,733,463,907
Loss per Share	Net loss/ Total # of shares	-0.00012 (334,227) / 2,733,463,907	-0.00012 (337,240) / 2,733,463,907	-0.00024 (669,286) / 2,733,463,907

Current Ratio shows the Company's ability to meet its short-term financial obligation. As of 30 June 2012, the Company has P0.89 worth of current assets for every one peso liability as compared to last year's current ratio of P1.39 for every peso of liability. The increase is attributable to settlement of various operating expenses.

Debt to Equity Ratio indicates the extent of the Company's debt which is covered by shareholder's fund. It reflects the relative position of the equity holders. As of 30 June 2012, the Company's equity is not sufficient to cover its liabilities. However, its major shareholder is willing to support the Company as the need arises.

Capital Adequacy Ratio is computed by dividing the Total Stockholders' Equity over Total Assets. It measures the financial strength of the Company. As of 30 June 2012, the Company's Capital Adequacy Ratio decreased to negative P0.12 compared to positive P0.28 as of 31 December 2011.

Book Value Per Share measures the recoverable amount in the event of liquidation if assets are realized at book value. The Company has a book value per share of negative 0.00002 as of 30 June 2012.

Loss Per Share is calculated by dividing net loss by the weighted average number of shares issued and outstanding. As of 30 June 2012, the Company's loss per share remained at negative 0.00012.

(B) Interim Periods

Discussion and analysis of material events and uncertainties known to management that would address the past and would have an impact on future operations of the following:

- (i) *Any known trends, demands, commitments, events or uncertainties that will have a material impact on issuer's liability.*

There are no known trends or any known demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way.

- (ii) *Events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation*

There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

- (iii) *Material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons created during the reporting period.*

There are no known off-balance sheet transactions, arrangements, obligations (including contingent obligations), during the period.

- (iv) *Material Commitment for Capital Expenditure*

The Company has not entered into any material commitment for capital expenditure.

- (v) *Others*

There are no known trends, events or uncertainties that have material impact on net sales/revenues/income from continuing operations.

The Company did not recognize income or loss during the quarter that did not arise from continuing operations.

The causes for any material change from period to period, including vertical and horizontal analysis of material items, are included in Item 2 (Management's Discussion and Analysis of Financial Condition and Results of Operations).

There are no known seasonal aspects that had a material effect on the financial condition or results of operations.


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:

ZEUS HOLDINGS, INC.

By:


DAISY L. PARKER
Corporate Secretary

Date: 14 August 2012


RONALD P. SUGAPONS
Treasurer
Date: 14 August 2012

ZEUS HOLDINGS, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2012 AND DECEMBER 31, 2011

	UNAUDITED <u>JUNE 2012</u>	AUDITED <u>DECEMBER 2011</u>
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash (Note 4)	P46,048	P555,765
Input Value Added tax (Note 5)	<u>456,329</u>	<u>409,661</u>
TOTAL ASSETS	<u><u>P502,377</u></u>	<u><u>P965,426</u></u>
 <u>LIABILITY AND EQUITY (CAPITAL DEFICIENCY)</u>		
CURRENT LIABILITY		
Accounts payable and accrued expenses (Note 6)	<u>P564,030</u>	<u>P692,852</u>
EQUITY (CAPITAL DEFICIENCY)		
Capital stock	2,733,463,907	2,733,463,907
Additional paid-in capital	34,643,941	34,643,941
Deposit for future stock subscriptions	3,580,900	3,580,900
Deficit	<u>(2,771,750,401)</u>	<u>(2,771,416,174)</u>
Total Equity (Capital Deficiency)	<u>(61,653)</u>	<u>272,574</u>
TOTAL LIABILITY AND EQUITY (CAPITAL DEFICIENCY)	<u><u>P502,377</u></u>	<u><u>P965,426</u></u>

ZEUS HOLDINGS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED JUNE 30, 2012 AND 2011

	Three Months Period Ended		Six Months Period Ended	
	June 2012	June 2011	June 2012	June 2011
OPERATING EXPENSES				
Taxes and licenses	P1,600	-	P265,140	P264,840
Professional fees	21,000	21,000	42,000	42,000
Photocopying & Reproduction	728	2,600	1,228	9,153
Other operating expenses	21,052	18,686	25,859	21,247
NET LOSS FOR THE PERIOD	44,380	42,286	334,227	337,240
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	P44,380	P42,286	P334,227	P337,240
Loss Per Share	0.00002	0.00002	0.00012	0.00012

Loss per share is determined by dividing net loss by 2,733,463,907 shares issued and outstanding.

ZEUS HOLDINGS, INC.
STATEMENTS OF CHANGES IN EQUITY (CAPITAL DEFICIENCY)
FOR THE PERIOD ENDED JUNE 30, 2012 AND 2011

	<u>June 2012</u>	<u>June 2011</u>
CAPITAL STOCK		
Balance, beginning of year	P2,733,463,907	P2,733,463,907
Issuance of shares	<u>-</u>	<u>-</u>
Balance, end of the period	<u>2,733,463,907</u>	<u>2,733,463,907</u>
ADDITIONAL PAID-IN CAPITAL		
Balance, beginning of year	34,643,941	33,393,941
Balance, end of the period	<u>34,643,941</u>	<u>33,393,941</u>
DEPOSIT FOR FUTURE STOCK SUBSCRIPTION		
Balance, beginning of year	3,580,900	4,280,900
Additions	<u>-</u>	<u>-</u>
Balance, end of the period	<u>3,580,900</u>	<u>4,280,900</u>
DEFICIT		
Balance, beginning of year	(2,771,416,174)	(2,770,746,888)
Net loss for the period	<u>(334,227)</u>	<u>(337,240)</u>
Balance, end of the period	<u>(2,771,750,401)</u>	<u>(2,771,084,128)</u>
TOTAL EQUITY (CAPITAL DEFICIENCY)	<u>(P61,653)</u>	<u>P54,620</u>

ZEUS HOLDINGS, INC.
STATEMENTS OF CASH FLOWS
FOR THE PERIOD ENDED JUNE 30, 2012 AND 2011

	<u>JUNE 2012</u>	<u>JUNE 2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(P334,227)	(P337,240)
Working capital changes		
Increase in other current assets	(46,668)	(46,668)
Decrease in accounts payable and accrued expenses	<u>(128,822)</u>	<u>(159,827)</u>
Net Cash Used in Operating Activities	<u>(509,717)</u>	<u>(543,735)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposits for future stock subscription received	<u>-</u>	<u>700,000</u>
NET INCREASE (DECREASE) IN CASH	(509,717)	156,265
CASH AT BEGINNING OF THE PERIOD	<u>555,765</u>	<u>67,364</u>
CASH AT END OF THE PERIOD	<u><u>P46,048</u></u>	<u><u>P223,629</u></u>

ZEUS HOLDINGS, INC.
NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Zeus Holdings, Inc. (the Company) was incorporated in the Philippines on December 17, 1981 to engage in the purchase and sale of investments. The Company has not yet started its commercial operations as of June 30, 2012.

The shares of the Company are traded at the Philippine Stock Exchange (PSE).

The registered office of the Company, which is also its principal place of business, is located at the 20th Floor, LKG Tower, 6801 Ayala Avenue, Makati City.

The finance and administrative functions of the Company are being handled by a third party.

The unaudited interim financial statements of the Company for the period ended June 30, 2012 were authorized for issue by the Company's Board of Directors and Audit Committee on 13 August 2012.

1.1 Status of Operations

The Company's continuous incurrence of net losses which resulted in a deficit in the current and previous years raised substantial doubt about its ability to continue as a going concern. The Company continuously evaluates possible business opportunities to revitalize its operations. On September 28, 2007 and November 28, 2007, the BOD and the stockholders, respectively, approved a proposed business plan involving the contemplated shift in the Company's primary purpose from an investment holding company to a mining entity.

On July 13, 2009, the Company entered into an operating agreement with Olympic International Sales Corporation (Olympic) which allows the Company to explore and, if warranted, develop Olympic's mining claims in the province of Surigao del Sur.

As of December 31, 2009, the mining claims are the subject of an Application for Production Sharing Agreement (APSA) filed by Olympic with the Mines and Geosciences Bureau (MGB). The Company can only operate the mining claims upon the approval of the APSA and issuance of the Mineral Production Sharing Agreement (MPSA) by the Department of Environment and Natural Resources (DENR). The operating agreement shall take effect for a period of 25 years from the date of issuance of MPSA (see also Note 11).

As of June 30, 2012, the MPSA has not yet been issued by DENR while the approval of the APSA is still pending with the MGB.

The financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of its assets and satisfaction of its liabilities in the normal course of business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards (PFRS).

The financial statements of the Company have been prepared in accordance with PFRS. PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of assets, liabilities, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*. The Company presents all items of income and expenses in a single statement of comprehensive income. Two comparative periods are presented for the statement of financial position when the Company applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the Company's functional currency, and all values represent absolute amounts except when otherwise indicated (see Note 3).

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 Amended PFRS

(a) Effective in 2011 that are Relevant to the Company

In 2011, the Company adopted the following amendments and annual improvements to PFRS that are relevant to the Company and effective for financial statements for the annual period beginning on or after July 1, 2010 and January 1, 2011:

PAS 24 (Amendment)	:	Related Party Disclosures
Various standards	:	2010 Annual Improvements to PFRS

Discussed below are relevant information about these new and amended standards.

- (i) PAS 24 (Amendment), *Related Party Disclosures* (effective from January 1, 2011). The amendment simplifies and clarifies the definition of a related party by eliminating inconsistencies in determining related party relationships.

The amendment also provides partial exemption from the disclosure requirements for government-related entities to disclose details of all transactions with the government and other government-related entities. The adoption of this amendment did not result in any significant changes on the Company's disclosures of related parties in its financial statements.

(ii) 2010 Annual Improvements to PFRS. The FRSC has adopted the 2010 Improvements to PFRS. Most of these amendments became effective for annual periods beginning on or after July 1, 2010 or January 1, 2011. Among those improvements, only the following amendments were identified to be relevant to the Company's financial statements but which did not have any material impact on its financial statements.

- PAS 1 (Amendment), *Presentation of Financial Statements: Clarification of Statement of Changes in Equity* (effective from July 1, 2010) was identified to be relevant to the Company's financial statements.
The amendment clarifies that, for each component of equity, an entity may present an analysis of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. This amendment did not have a significant impact on the financial statements as the Company did not have other comprehensive income items during the year.
- PFRS 7 (Amendment), *Financial Instruments: Disclosures – Transfers of Financial Assets* (effective from July 1, 2011). The amendment requires additional disclosures that will allow users of financial statements to understand the relationship between transferred financial assets that are not derecognized in their entirety and the associated liabilities; and, to evaluate the nature of, and risk associated with any continuing involvement of the reporting entity in financial assets that are derecognized in their entirety. The Company does not usually enter into this type of arrangement with regard to transfer of financial assets.

(b) Effective in 2011 that are not Relevant to the Company

The following amendments and improvements to PFRS are mandatory for accounting periods beginning on or after July 1, 2010 or January 1, 2011 but are not relevant to the Company's financial statements:

PAS 32 (Amendment)	:	Financial Instruments: Presentation - Classification of Rights Issues
PAS 34 (Amendment)	:	Interim Financial Reporting
PFRS 1 (Amendment)	:	First-Time Adoption of PFRS – Limited Exemption from PFRS 7 Comparative Disclosures
Philippine Interpretations International Financial Reporting Interpretations IFRIC 14 (Amendment)	:	Prepayments of a Minimum Funding Requirement
2010 Annual Improvements PAS 21 (Amendment)	:	The Effects of Changes in Foreign Exchange Rates
PAS 28 (Amendment)	:	Investment in Associates
PAS 31 (Amendment)	:	Interests in Joint Ventures
PAS 34 (Amendment)	:	Interim Financial Reporting – Significant

PFRS 1 (Amendment)	:	Events and Transactions
PFRS 3 (Amendments)	:	First-time Adoption of PFRS
IFRIC 13 (Amendment)	:	Business Combinations
	:	Customer Loyalty Programmes -- Fair Value Award Credits

(c) Effective Subsequent to 2011 but not Adopted Early

There are new PFRS, amendments, annual improvements and interpretations to existing standards that are effective for periods subsequent to 2011. Management has initially determined PFRS 9 *Financial Instruments: Classification and Measurement* (effective from January 1, 2015) to be relevant to the Company and which the Company will apply in accordance with its transitional provisions. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace PAS 39 in its entirety. This chapter deals with two measurement categories for financial assets: amortized cost and fair value. All equity instruments will be measured at fair value while debt instruments will be measured at amortized cost only if the entity is holding it to collect contractual cash flows which represent payment of principal and interest. 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 main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

2.3 Financial Assets

Financial assets are recognized when the Company becomes a party to the contractual terms of the financial instrument. Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity investments and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in profit or loss.

The financial asset category that is currently relevant to the Company is Loans and Receivables (presented as Cash in the statement of financial position).

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are subsequently measured at amortized cost using the effective interest

method, less impairment losses, except when they are due within one year in which case, they are measured at their nominal values. Impairment loss is provided when there is an objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated cash flows.

Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred.

2.4 Impairment of Non-financial Assets

The Company's input value-added tax (VAT) is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts, which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss.

2.5 Financial Liabilities

Financial liabilities include Accounts payable and accrued expenses.

Financial liabilities are recognized when the Company becomes a party to the contractual terms of the instrument. All interest and related charges, if any, is recognized as an expense in the statement of comprehensive income.

Accounts payable and accrued expenses are recognized initially at their fair value and subsequently measured at amortized cost, using the effective interest method for maturities beyond one year less settlement payments.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation, or expiration.

2.6 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. In addition, where time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.7 Expense Recognition

Expenses are recognized in profit or loss upon receipt of goods and utilization of services or at the date they are incurred.

2.8 Income Taxes

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is provided, using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deferred tax asset can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to a change in value of assets or liabilities that are charged in other comprehensive income or directly to equity are recognized in other comprehensive income or directly to equity.

2.9 Related Party Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Company; (b) associates; and, (c) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.10 Equity (Capital Deficiency)

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital (APIC) includes any premiums received on the initial issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from APIC, net of any related income tax benefits.

Deposits for future stock subscriptions are recorded based on the advances from stockholders and additional cash infusion from stockholders to be converted to equity.

Deficit includes all current and prior period results as reported in profit or loss in the statements of comprehensive income.

2.11 Loss Per Share

Loss per share is determined by dividing net loss by the weighted average number of issued and outstanding shares during the period.

The Company has no potentially dilutive shares, hence, no information on dilutive earnings per share is presented.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect 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.

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) *Functional and Presentation Currency*

The Company has determined that its functional currency is the Philippine pesos, which is the currency of the primary economic environment in which the entity operates.

(b) *Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and contingencies are discussed in Note 2.6.

(c) *Impairment of Non-financial Assets*

PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial assets, specifically its input VAT, is discussed in detail in Note 2.4. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements 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.

Based on management's assessment, input VAT is fully recoverable; hence, no impairment loss was recognized as of June 30, 2012.

4. CASH

Cash includes peso currency deposit in bank which is unrestricted and readily available for use in the current operations.

5. INPUT VALUE ADDED TAX

Management has assessed that the balance of input VAT is fully recoverable, thus, no impairment losses were recognized as of June 30, 2012.

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	<u>June 2012</u>	<u>December 2011</u>
Accounts payable	₱564,030	₱572,852
Accrued professional fees	-	120,000
	<u>₱564,030</u>	<u>₱692,852</u>

The carrying amounts recognized in the statements of financial position are considered as a reasonable approximation of their fair values.

7. RELATED PARTY TRANSACTIONS

7.1 Advances from Shareholders

On September 30, 2008, the Company's BOD approved the conversion of all of its outstanding advances from F. Yap Securities Inc. – In Trust for Various Clients (FYSI), a

stockholder, and ZHI Holdings Inc. (ZHIHI) as of that date totaling P2,240,600 (previously presented under Due to related parties account) to Deposits for future stock subscriptions.

In addition, on the following dates, the BOD authorized the acceptance of additional cash infusions as follows:

<u>Date Authorized</u>	<u>Amount</u>	<u>Date Received</u>
December 29, 2011	P 550,000	December 2011
March 16, 2011	420,000	March 2011
January 10, 2011	280,000	January 2011
May 18, 2010	300,000	May 2010
December 18, 2009	350,000	December 2009
November 26, 2008	690,300	December 2008

The converted amount of advances from FYSI and ZHIHI and the additional cash infusions made by FYSI, are shown as part of Deposits for future stock subscriptions in the statements of financial position.

8. LOSS PER SHARE

The basic loss per share is computed as follows:

	<u>June 2012</u>	<u>June 2011</u>
Net loss	P 334,227	P 337,240
Divided by the weighted average number of issued and outstanding shares	<u>2,733,463,907</u>	<u>2,733,463,907</u>
Loss per share	P <u>0.00012</u>	P <u>0.00012</u>

Diluted earnings per share were not determined since the Company does not have potential dilutive common shares as of June 30, 2012 and 2011.

9. EQUITY

9.1 Capital Stock

On May 29, 1991, the Securities and Exchange Commission (SEC) issued an Order approving the Registration Statement covering the securities which comprised the Company's entire authorized capital stock. On July 15, 1991, the Philippine Stock Exchange (PSE) approved the listing of the Company's shares. The Company offered to the public 25 million shares at an offer price of P2.20 per share.

On January 6, 1997, the SEC approved the increase of the Company's authorized capital stock from P100 million to P3 billion.

As of December 31, 2011, the Company had an outstanding capital stock of P2,733,463,907 covering 2,733,463,907 shares, all of which are listed in the PSE.

There are 823 holders of the listed shares which closed at P0.51 per share on June 30, 2012

9.2 Additional Paid-in Capital

In its meeting on December 15, 2011, the Company's BOD approved the conversion of the Company's deposit for future stock subscription amounting to P1,250,000 into additional paid-capital of the Company, without the issuance of shares of stock from the unissued portion of its authorized capital stock.

10. COMMITMENTS AND CONTINGENCIES

There are commitments and contingencies which are not reflected in the financial statements. As of June 30, 2012 management is of the opinion that losses, if any, that may arise from these commitments and contingencies will not have a material effect on the Company's financial statements.

11. OPERATING AGREEMENT WITH OLYMPIC

Pursuant to the operating agreement with Olympic mentioned in Note 1, which shall take effect for a period of 25 years from the date of issuance of MPSA, the Company, in consideration of the agreement, shall pay Olympic in the form of royalties in an amount equivalent to 3% of the Net Smelter Return on metal sales. Moreover, as additional consideration for Olympic's appointment of the Company as operator of the mining claims, the Company has entered into an additional agreement with Olympic for the issuance of the Company's shares of stock from its unissued capital in favor of Olympic in accordance with the following provisions:

- (a) Ten million (10,000,000) common shares shall be issued to Olympic within one month from the issuance of the MPSA
- (b) Olympic shall have the option to subscribe at par, subject to applicable laws, to additional ten million (10,000,000) common shares within one year from the issuance of the MPSA; and
- (c) Olympic shall have the option to subscribe at par, subject to applicable laws, to one hundred million (100,000,000) common shares within five years from the issuance of the MPSA.

The above-mentioned agreements were unanimously passed and approved by the Company's BOD during a special meeting held on July 13, 2009 and ratified by the Company's stockholders representing 83.27% of the outstanding capital stock of the Company during the annual meeting of the stockholders held on November 5, 2009.

The Company can only operate the mining claims upon the approval of the APSA and issuance of the Mineral Production Sharing Agreement (MPSA) by the DENR. As of June 30, 2012 the MPSA has not yet been issued by the DENR.

12. RISK MANAGEMENT OBJECTIVES AND POLICIES

As of June 30, 2012, the Company is not exposed to any financial risks as it has no significant financial instruments.

12.1 Credit Risk

The Company's exposure to credit risk is limited to the amount of Cash as shown on the face of the statements of financial position. However, the credit risk for cash is

considered negligible since the counterparty is a reputable bank with high quality external credit ratings.

12.2 Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising funds to meet commitments from financial instruments.

The Company's objectives to manage its liquidity profile are: (a) to ensure that adequate funding is available at all times; (b) to meet commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost. Funding for expenditures are advanced by the stockholders of the Company.

As of June 30, 2012, the Company's maximum liquidity risk is the carrying amount of accounts payable and accrued expenses.

13. CAPITAL MANAGEMENT OBJECTIVE, POLICIES AND PROCEDURES

The Company's capital management objective is to ensure the Company's ability to continue as a going concern. The Company's management continues to assess possible investment opportunities and various options regarding operations that it may take in the future. The Company monitors capital on the basis of the carrying amount of equity (capital deficiency) as presented on the face of the balance sheets.

To support its business plan the Company has converted advances from related parties to deposits for future stock subscription and has received additional cash infusions which the Company intends to convert subsequently converted into capital stock.

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ZEUS HOLDINGS, INC.

KEY FINANCIAL INDICATORS (pursuant to SRC Rule 68(4)(D), as amended)

Ratios	Formula	30-Jun-12	31-Dec-11
Current Ratio	Current Assets/Current Liabilities	0.89:1 502,377 / 564,030	1.39 :1 965,426 / 692,852
Debt to Equity Ratio	Total Liabilities/Stockholders' Equity	-9.15:1 564,030 / (61,653)	2.54 :1 692,852 / 272,574
Cost to Income Ratio	Cost and Expenses/ Revenues	NA	NA
Solvency Ratio	Income After Tax Plus Depreciation/Long-Term Liabilities and Short-Term Liabilities	NA	NA
Interest Rate Coverage Ratio	EBITDA/Interest Expense	NA	NA
Operating Profit Margin	Operating Income/Total Revenues	NA	NA
Net Profit Margin	Net Income After Taxes/Sales Revenue	NA	NA

Current Ratio shows the Company's ability to meet its short term financial obligation. As of 30 June 2012, the Company has P0.89 worth of current assets for every one peso liability as compared to last year's current ratio of P1.39 for every peso of liability. The increase is attributable to settlement of various operating expenses.

Debt to Equity Ratio indicates the extent of the Company to which debt is covered by shareholder's fund. It reflects the relative position of the equity holders and the lenders. As of 30 June 2012, the Company's equity is not sufficient to cover its liabilities. However, its major shareholder is willing to support the Company as the need arises.

Cost to Income Ratio is calculated by dividing cost and expenses over revenues. This ratio is not applicable to the Company as it has no income at this time due to minimal operations.

Solvency Ratio is calculated by dividing after-tax income, excluding non-cash depreciation expenses, over total debt obligations, and provides a measurement of how likely a company will be able to continue meeting its debt obligations. This ratio is not applicable to the Company as it has no income at this time due to minimal operations.

Interest Rate Coverage Ratio is calculated by dividing earnings before interest, taxes, depreciation, and amortization over interest expense, and provides a measurement of a company's ability to pay interest on outstanding debt. This ratio is not applicable to the Company as it has no income at this time due to minimal operations.

Operating Profit Margin is calculated by dividing operating income over total revenues. It measures the proportion of a company's revenue that is left after paying for variable costs of production. This ratio is not applicable to the Company as it has no income at this time due to minimal operations.

Net Profit Margin is calculated by dividing net income after taxes over sales revenues and measures how much profit a company makes for every peso of revenue generated. This ratio is not applicable to the Company as it has no income at this time due to minimal operations.